

PREPARED BY AND RETURN TO:
CHARLES W. BROWN, JR., ESQUIRE
CRABTREE LAW GROUP, P.A.
8777 San Jose Blvd., A-200
Jacksonville, Florida 32217

**NOTICE TO PRESERVE DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR SOUTHRIDGE AT HATTON CHASE**

NOTICE is hereby given pursuant to Chapter 712, Florida Statutes, that **SOUTHRIDGE AT HATTON CHASE OWNERS' ASSOCIATION, INC.**, whose post office address 12620-3 Beach Blvd. #301, Jacksonville, FL 32246, desires to preserve the covenants and restrictions contained in the Declaration of Covenants, Conditions and Restrictions for South Ridge at Hatton Chase recorded at Official Records Book 9768, Page 1963, *et seq.*, of the current Public Records of Duval County, Florida, together with all amendments thereto, as may be amended from time to time (hereinafter the "Declaration").

The following is a full and complete description of the property affected by this Notice and more particularly described as:

attached hereto as Exhibit "A" and made part hereof as if fully set forth herein.

In accordance with Florida Statutes, Section 712.05, the members of **SOUTHRIDGE AT HATTON CHASE OWNERS' ASSOCIATION, INC.**, were provided with at least seven (7) days notice of the board meeting at which a vote to preserve the covenants and restrictions in the Declaration was approved. At the meeting, by unanimous consent the Board of Directors voted to preserve the Declaration. Attached hereto as Exhibit "B" is an Affidavit signed by an officer of **SOUTHRIDGE AT HATTON CHASE OWNERS' ASSOCIATION, INC.**, which affirms that a Statement of Marketable Title Action was mailed to all members of the Association with notice of the meeting of the Board of Directors.

DATED this 21st day of Oct, 2022.

[SIGNATURE PAGE TO FOLLOW]

Witnesses:

[Signature]
Jivana Zakour
Print Name

SOUTHRIDGE AT HATTON CHASE OWNERS' ASSOCIATION, INC.
A Florida Not-For-Profit Corporation

[Signature]
By: Kendall Shainbrown
Its: President

[Signature]
Paige Borsley
Print Name

Attest By:
[Signature]
By: Diane Schickling
Its: Secretary

**STATE OF FLORIDA
COUNTY OF DUVAL**

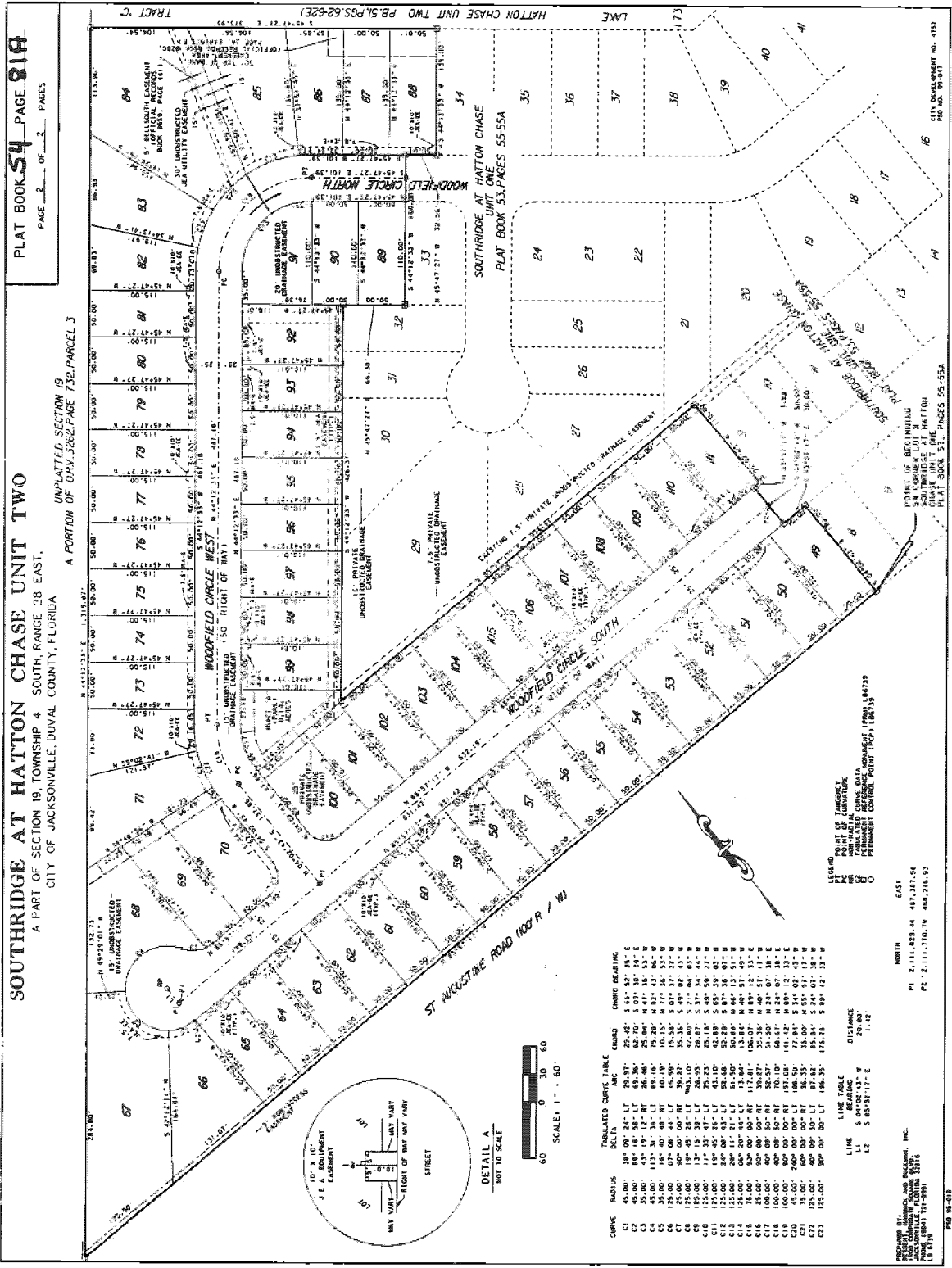
The foregoing instrument was acknowledged before me [x] by physical presence or [] by online notarization, this 9th day of Oct, 2022, by Kendall Shainbrown as President for and on behalf of Southridge at Hatton Chase Association, Inc. () to me well known or () who produced FIDL as identification, known to be the individual described in and who executed the foregoing instrument and acknowledged to and before me that they executed the foregoing instrument as President of Southridge at Hatton Chase Association, Inc., for the purposes therein expressed with due and regular corporate authority, and that said instrument is the free act and deed of such corporation.

[Signature]
Notary Public, State of Florida
My commission expires: 11-13-25

**STATE OF FLORIDA
COUNTY OF DUVAL**

The foregoing instrument was acknowledged before me [x] by physical presence or [] by online notarization, this 9th day of October, 2022, by Diane Schickling as Secretary for and on behalf of Southridge at Hatton Chase Association, Inc. () to me well known or () who produced FIDL as identification, known to be the individual described in and who executed the foregoing instrument and acknowledged to and before me that they executed the foregoing instrument as Secretary of Southridge at Hatton Chase Association, Inc., for the purposes therein expressed with due and regular corporate authority, and that said instrument is the free act and deed of such corporation.

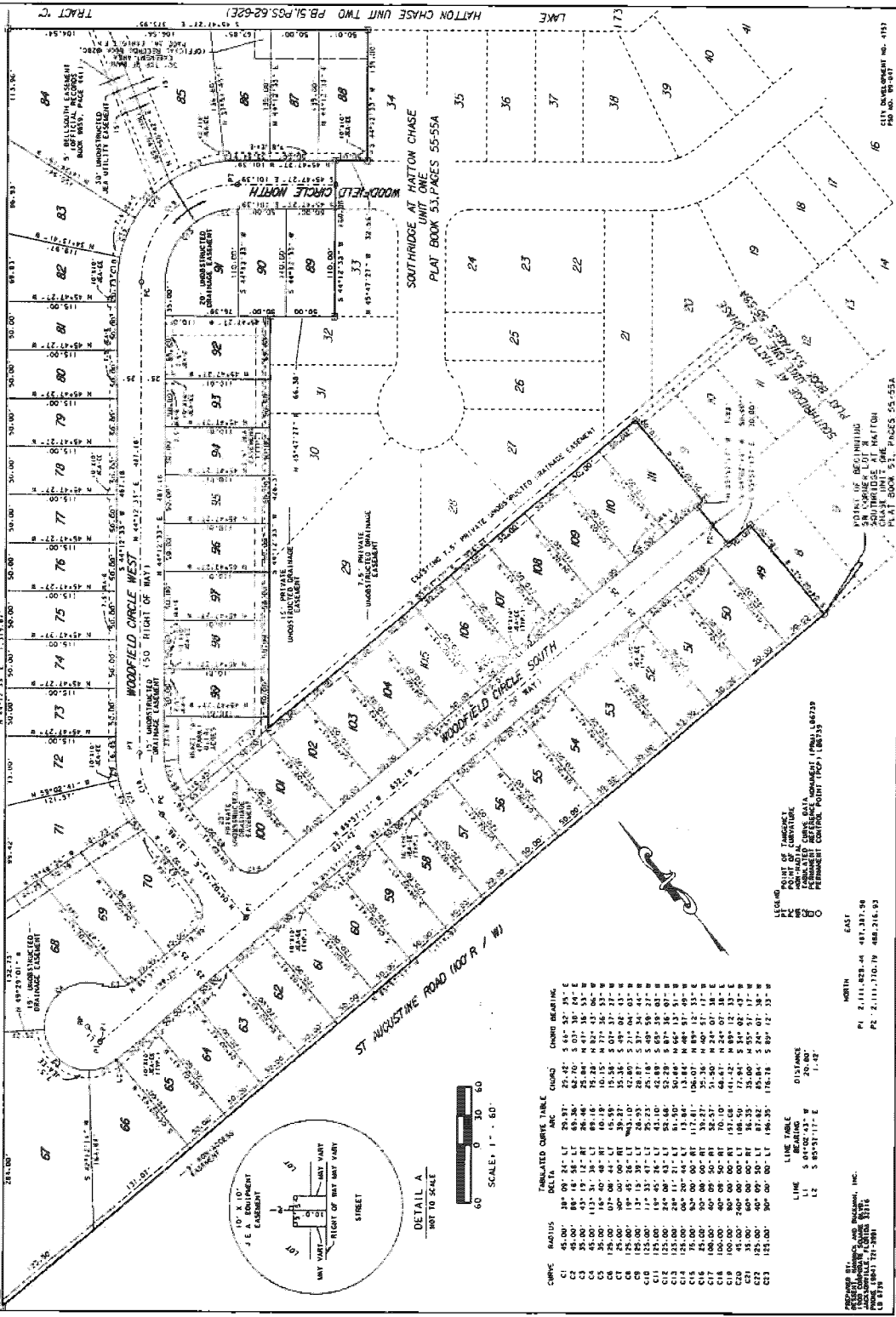
[Signature]
Notary Public, State of Florida
My commission expires: 11-13-25



PLAT BOOK 54 PAGE 81A
PAGE 2 OF 2 PAGES

SOUTHRIDGE AT HATTON CHASE UNIT TWO
A PART OF SECTION 19, TOWNSHIP 4, SOUTH RANGE 28 EAST,
CITY OF JACKSONVILLE, DUVAL COUNTY, FLORIDA

UNPLATTED SECTION 19
A PORTION OF DAV. 3682 PAGE 732, PARCEL 3



CALCULATED CURVE TABLE

CURVE	RADIUS	CHORD	CHORD BEARING	CHORD	CHORD BEARING
C1	45.00'	38.00'	S 81° 32' 38" E	25.42'	S 81° 32' 38" E
C2	45.00'	88.14'	S 74° 15' 24" E	42.70'	S 74° 15' 24" E
C3	45.00'	113.31'	S 67° 08' 17" E	58.98'	S 67° 08' 17" E
C4	45.00'	138.48'	S 59° 51' 10" E	75.26'	S 59° 51' 10" E
C5	35.00'	168.40'	S 52° 34' 03" E	100.15'	S 52° 34' 03" E
C6	35.00'	197.90'	S 45° 16' 56" E	125.00'	S 45° 16' 56" E
C7	25.00'	227.40'	S 37° 59' 49" E	150.00'	S 37° 59' 49" E
C8	25.00'	256.90'	S 30° 42' 42" E	175.00'	S 30° 42' 42" E
C9	15.00'	286.40'	S 23° 25' 35" E	200.00'	S 23° 25' 35" E
C10	15.00'	315.90'	S 16° 08' 28" E	225.00'	S 16° 08' 28" E
C11	15.00'	345.40'	S 08° 51' 21" E	250.00'	S 08° 51' 21" E
C12	15.00'	374.90'	S 01° 34' 14" E	275.00'	S 01° 34' 14" E
C13	15.00'	404.40'	S 04° 17' 07" E	300.00'	S 04° 17' 07" E
C14	15.00'	433.90'	S 11° 00' 00" E	325.00'	S 11° 00' 00" E
C15	15.00'	463.40'	S 17° 42' 53" E	350.00'	S 17° 42' 53" E
C16	15.00'	492.90'	S 24° 25' 46" E	375.00'	S 24° 25' 46" E
C17	15.00'	522.40'	S 31° 08' 39" E	400.00'	S 31° 08' 39" E
C18	15.00'	551.90'	S 37° 51' 32" E	425.00'	S 37° 51' 32" E
C19	15.00'	581.40'	S 44° 34' 25" E	450.00'	S 44° 34' 25" E
C20	15.00'	610.90'	S 51° 17' 18" E	475.00'	S 51° 17' 18" E
C21	15.00'	640.40'	S 58° 00' 11" E	500.00'	S 58° 00' 11" E
C22	15.00'	669.90'	S 64° 43' 04" E	525.00'	S 64° 43' 04" E
C23	15.00'	699.40'	S 71° 25' 57" E	550.00'	S 71° 25' 57" E
C24	15.00'	728.90'	S 78° 08' 50" E	575.00'	S 78° 08' 50" E
C25	15.00'	758.40'	S 84° 51' 43" E	600.00'	S 84° 51' 43" E
C26	15.00'	787.90'	S 91° 34' 36" E	625.00'	S 91° 34' 36" E
C27	15.00'	817.40'	S 98° 17' 29" E	650.00'	S 98° 17' 29" E
C28	15.00'	846.90'	S 105° 00' 22" E	675.00'	S 105° 00' 22" E
C29	15.00'	876.40'	S 111° 43' 15" E	700.00'	S 111° 43' 15" E
C30	15.00'	905.90'	S 118° 26' 08" E	725.00'	S 118° 26' 08" E
C31	15.00'	935.40'	S 125° 09' 01" E	750.00'	S 125° 09' 01" E
C32	15.00'	964.90'	S 131° 51' 54" E	775.00'	S 131° 51' 54" E
C33	15.00'	994.40'	S 138° 34' 47" E	800.00'	S 138° 34' 47" E
C34	15.00'	1023.90'	S 145° 17' 40" E	825.00'	S 145° 17' 40" E
C35	15.00'	1053.40'	S 152° 00' 33" E	850.00'	S 152° 00' 33" E
C36	15.00'	1082.90'	S 158° 43' 26" E	875.00'	S 158° 43' 26" E
C37	15.00'	1112.40'	S 165° 26' 19" E	900.00'	S 165° 26' 19" E
C38	15.00'	1141.90'	S 172° 09' 12" E	925.00'	S 172° 09' 12" E
C39	15.00'	1171.40'	S 178° 52' 05" E	950.00'	S 178° 52' 05" E
C40	15.00'	1200.90'	S 185° 34' 58" E	975.00'	S 185° 34' 58" E
C41	15.00'	1230.40'	S 192° 17' 51" E	1000.00'	S 192° 17' 51" E
C42	15.00'	1259.90'	S 199° 00' 44" E	1025.00'	S 199° 00' 44" E
C43	15.00'	1289.40'	S 205° 43' 37" E	1050.00'	S 205° 43' 37" E
C44	15.00'	1318.90'	S 212° 26' 30" E	1075.00'	S 212° 26' 30" E
C45	15.00'	1348.40'	S 219° 09' 23" E	1100.00'	S 219° 09' 23" E
C46	15.00'	1377.90'	S 225° 52' 16" E	1125.00'	S 225° 52' 16" E
C47	15.00'	1407.40'	S 232° 35' 09" E	1150.00'	S 232° 35' 09" E
C48	15.00'	1436.90'	S 239° 18' 02" E	1175.00'	S 239° 18' 02" E
C49	15.00'	1466.40'	S 246° 00' 55" E	1200.00'	S 246° 00' 55" E
C50	15.00'	1495.90'	S 252° 43' 48" E	1225.00'	S 252° 43' 48" E
C51	15.00'	1525.40'	S 259° 26' 41" E	1250.00'	S 259° 26' 41" E
C52	15.00'	1554.90'	S 266° 09' 34" E	1275.00'	S 266° 09' 34" E
C53	15.00'	1584.40'	S 272° 52' 27" E	1300.00'	S 272° 52' 27" E
C54	15.00'	1613.90'	S 279° 35' 20" E	1325.00'	S 279° 35' 20" E
C55	15.00'	1643.40'	S 286° 18' 13" E	1350.00'	S 286° 18' 13" E
C56	15.00'	1672.90'	S 293° 01' 06" E	1375.00'	S 293° 01' 06" E
C57	15.00'	1702.40'	S 299° 43' 59" E	1400.00'	S 299° 43' 59" E
C58	15.00'	1731.90'	S 306° 26' 52" E	1425.00'	S 306° 26' 52" E
C59	15.00'	1761.40'	S 313° 09' 45" E	1450.00'	S 313° 09' 45" E
C60	15.00'	1790.90'	S 319° 52' 38" E	1475.00'	S 319° 52' 38" E
C61	15.00'	1820.40'	S 326° 35' 31" E	1500.00'	S 326° 35' 31" E
C62	15.00'	1849.90'	S 333° 18' 24" E	1525.00'	S 333° 18' 24" E
C63	15.00'	1879.40'	S 340° 01' 17" E	1550.00'	S 340° 01' 17" E
C64	15.00'	1908.90'	S 346° 44' 10" E	1575.00'	S 346° 44' 10" E
C65	15.00'	1938.40'	S 353° 27' 03" E	1600.00'	S 353° 27' 03" E
C66	15.00'	1967.90'	S 360° 10' 00" E	1625.00'	S 360° 10' 00" E
C67	15.00'	1997.40'	S 366° 52' 53" E	1650.00'	S 366° 52' 53" E
C68	15.00'	2026.90'	S 373° 35' 46" E	1675.00'	S 373° 35' 46" E
C69	15.00'	2056.40'	S 380° 18' 39" E	1700.00'	S 380° 18' 39" E
C70	15.00'	2085.90'	S 387° 01' 32" E	1725.00'	S 387° 01' 32" E
C71	15.00'	2115.40'	S 393° 44' 25" E	1750.00'	S 393° 44' 25" E
C72	15.00'	2144.90'	S 400° 27' 18" E	1775.00'	S 400° 27' 18" E
C73	15.00'	2174.40'	S 407° 10' 11" E	1800.00'	S 407° 10' 11" E
C74	15.00'	2203.90'	S 413° 53' 04" E	1825.00'	S 413° 53' 04" E
C75	15.00'	2233.40'	S 420° 35' 57" E	1850.00'	S 420° 35' 57" E
C76	15.00'	2262.90'	S 427° 18' 50" E	1875.00'	S 427° 18' 50" E
C77	15.00'	2292.40'	S 434° 01' 43" E	1900.00'	S 434° 01' 43" E
C78	15.00'	2321.90'	S 440° 44' 36" E	1925.00'	S 440° 44' 36" E
C79	15.00'	2351.40'	S 447° 27' 29" E	1950.00'	S 447° 27' 29" E
C80	15.00'	2380.90'	S 454° 10' 22" E	1975.00'	S 454° 10' 22" E
C81	15.00'	2410.40'	S 460° 53' 15" E	2000.00'	S 460° 53' 15" E
C82	15.00'	2439.90'	S 467° 36' 08" E	2025.00'	S 467° 36' 08" E
C83	15.00'	2469.40'	S 474° 19' 01" E	2050.00'	S 474° 19' 01" E
C84	15.00'	2498.90'	S 481° 01' 54" E	2075.00'	S 481° 01' 54" E
C85	15.00'	2528.40'	S 487° 44' 47" E	2100.00'	S 487° 44' 47" E
C86	15.00'	2557.90'	S 494° 27' 40" E	2125.00'	S 494° 27' 40" E
C87	15.00'	2587.40'	S 501° 10' 33" E	2150.00'	S 501° 10' 33" E
C88	15.00'	2616.90'	S 507° 53' 26" E	2175.00'	S 507° 53' 26" E
C89	15.00'	2646.40'	S 514° 36' 19" E	2200.00'	S 514° 36' 19" E
C90	15.00'	2675.90'	S 521° 19' 12" E	2225.00'	S 521° 19' 12" E
C91	15.00'	2705.40'	S 528° 02' 05" E	2250.00'	S 528° 02' 05" E
C92	15.00'	2734.90'	S 534° 44' 58" E	2275.00'	S 534° 44' 58" E
C93	15.00'	2764.40'	S 541° 27' 51" E	2300.00'	S 541° 27' 51" E
C94	15.00'	2793.90'	S 548° 10' 44" E	2325.00'	S 548° 10' 44" E
C95	15.00'	2823.40'	S 554° 53' 37" E	2350.00'	S 554° 53' 37" E
C96	15.00'	2852.90'	S 561° 36' 30" E	2375.00'	S 561° 36' 30" E
C97	15.00'	2882.40'	S 568° 19' 23" E	2400.00'	S 568° 19' 23" E
C98	15.00'	2911.90'	S 575° 02' 16" E	2425.00'	S 575° 02' 16" E
C99	15.00'	2941.40'	S 581° 45' 09" E	2450.00'	S 581° 45' 09" E
C100	15.00'	2970.90'	S 588° 28' 02" E	2475.00'	S 588° 28' 02" E

LEGEND
POINT OF SURVEY
POINT OF CURVATURE
EASEMENT
UNPLATTED CURVE DATA
PERMANENT CONTROL POINT (COP)

NORTH
PI 2,111,423.44 481,307.98
PE 2,111,710.19 483,216.93

PREPARED BY: [Name]
DATE: [Date]
SCALE: 1" = 60'

CITY OF JACKSONVILLE

EXHIBIT "B"

AFFIDAVIT

STATE OF FLORIDA)
COUNTY OF DUVAL)

BEFORE ME this day personally appeared Kendall Shainbrown, who being first duly sworn, according to law, deposes and says:

1. I am the President of **SOUTHRIDGE AT HATTON CHASE ASSOCIATION INC.**
2. A Notice of Meeting of the Board of Directors was mailed or hand delivered to all members of **SOUTHRIDGE AT HATTON CHASE ASSOCIATION, INC.** in accordance with Florida Statutes, Section 712.05, and said Notice contained the following statement:

STATEMENT OF MARKETABLE TITLE ACTION

SOUTHRIDGE AT HATTON CHASE OWNERS' ASSOCIATION, INC. (hereinafter the "Association") has taken action to ensure that the Declaration of Covenants, Conditions and Restrictions for South Ridge at Hatton Chase recorded at Official Records Book 9768, Page 1963, *et seq.*, of the current Public Records of Duval County, Florida, together with all amendments thereto and as may be amended from time to time, currently burdening the property of each and every member of the Association, retains its status as the source of marketable title with regard to the transfer of a member's residence. To this end, the Association shall cause the notice required by Chapter 712, Florida Statutes, to be recorded in the public records of Duval County, Florida. Copies of this notice and its attachments are available through the Association pursuant to the Association's governing documents regarding official records of the Association.

3. FURTHER AFFIANT SAYETH NAUGHT.

**SOUTHRIDGE AT HATTON CHASE
OWNERS' ASSOCIATION, INC.**
A Florida Not-For-Profit Corporation

Kendall Shainbrown
By: Kendall Shainbrown
Its: President

**STATE OF FLORIDA
COUNTY OF DUVAL**

Sworn to (or affirmed) and subscribed before me [x] by physical presence or [] by online notarization, this 21st day of October, 2022, by Kendall Shainbrown as President for and on behalf of Southridge at Hatton Chase Association, Inc., () to me well known or (✓) who produced FDI as identification, who stated that they are the President of Southridge at Hatton Chase Association, Inc., that they have read the foregoing Affidavit, and swears the contents thereof are true to the best of their knowledge and belief.



Katherine G. Triay

Notary Public, State of Florida
My commission expires: 11-13-2025

5 MIN. RETURN
PHONE # 296-4551

Book 9768 Page 1963

Prepared by and return to:
Kenneth Y. Gordon, Esquire
Centex Homes
8198 Jog Road, Suite 200
Boynton Beach, Florida 33437

Doc# 2000236507
Book: 9768
Pages: 1963 - 2146
Filed & Recorded
10/11/2000 03:44:10 PM
HENRY W COOK
CLERK CIRCUIT COURT
DUVAL COUNTY
TRUST FUND \$ 92.50
RECORDING \$ 737.00

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
SOUTHRIDGE AT HATTON CHASE
DUVAL COUNTY, FLORIDA

THIS DECLARATION is made on the date hereinafter set forth by Centex Homes, a Nevada general partnership, hereinafter referred to as the "Declarant."

WITNESSETH

WHEREAS, Declarant is the owner of certain real property in Duval County, Florida, described on Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, Declarant desires to create an exclusive planned residential community known as Southridge At Hatton Chase on the land described on Exhibit "A" and such other land as may be added thereto pursuant to the terms and provisions of this Declaration; and

WHEREAS, Declarant has formed a Florida not-for-profit corporation known as the Southridge At Hatton Chase Owners' Association, Inc., to own, operate and maintain the Common Areas herein described for the use and benefit of the Owners of Lots within the Property as herein described; and

WHEREAS, the land described in Exhibit "A" is part of the real property described in that certain instrument titled Imposition of Restrictive Covenants and Assessment Lien recorded in Official Records Book 884, Page 1783 of the Public Records of Duval County, Florida, and is subject to the covenants, conditions, easements, and restrictions therein established; and

WHEREAS, the Association is joining in this Declaration in order to acknowledge its obligations hereunder.

NOW THEREFORE, Declarant declares that the real property described on attached Exhibit "A" and any additional property hereinafter subjected to this Declaration by Supplemental Declaration (as defined in Article 1 below) shall be held, sold and conveyed subject to the restrictions, covenants and conditions declared below, which shall be deemed to be covenants running with the land and imposed on and intended to benefit and burden each Lot and other portions of the Property in order to maintain within the Property a planned community of high standards

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Such covenants shall be binding on all parties having any right, title or interest therein or any part thereof, their respective heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE 1

DEFINITIONS

Section 1.1. **"Additional Property"**: All of that certain real property described in Exhibit "B" attached to this Declaration, and such other real property as Declarant may acquire from time to time, which Declarant may, but is not obligated to, develop and which, by future annexation, may be subjected to this Declaration.

Section 1.2. **"Articles of Incorporation" or "Articles"**: The Articles of Incorporation for Southridge At Hatton Chase Owners Association, Inc., a Florida not-for-profit corporation, and amendments thereto, copy attached hereto as Exhibit "C" and incorporated herein by reference.

Section 1.3. **"Association"**: The Southridge At Hatton Chase Owners' Association, Inc., a Florida not-for-profit corporation established for the purposes set forth herein. Southridge At Hatton Chase Owners' Association, Inc., shall be subordinate to the Master Association.

Section 1.4. **"Board of Directors" or "Board"**. The body responsible for the general governance and administration of the Association.

Section 1.5. **"Bylaws"**: The Bylaws of the Southridge at Hatton Chase Owners' Association, Inc. in the form attached hereto as Exhibit "D" and incorporated herein by reference, as may be amended.

Section 1.6. **"Common Areas" or "Common Property"**: Any property, whether improved or unimproved, or any easement or interest therein, now or hereafter owned by or leased to the Association, or which is dedicated to the Association on any recorded plat of any portion of the Property, or which is declared to be a Common Area by this Declaration. There are no Common Areas established by this Declaration on the date hereof, however, Declarant reserves unto itself the right to declare and designate one or more areas within the Additional Property as Common Area, if and when the Additional Property is annexed and subjected to this Declaration.

Section 1.7. **"Common Expenses"**: The actual and estimated expenses which the Association, incurs, or expects to incur, for the general benefit of all Owners. Common Expenses include any reasonable reserves the Board finds necessary or appropriate.

Section 1.8. **"Common Maintenance Areas"**: The Common Areas, if any, and drainage facilities and any areas within public rights-of-way or easements and any other area for which the Association has or assumes maintenance or other responsibilities that the Board of Directors of the Association deems it necessary or appropriate to maintain for the common benefit of the Members. The Landscape Easement described in Section 9.7 is a Common Maintenance Area.

Section 1.9. **"Community" or "Southridge at Hatton Chase"**: The real property described in Exhibit "A", together with such additional property as is subjected to this Declaration in accordance with Article 2.

Section 1.10. **"Community Wide Standard"**: The standard of conduct, maintenance, or other activity generally prevailing throughout the Property. Such standard shall initially be established by the Declarant and may be more specifically determined by the Board of Directors and the Architectural Control Committee.

Section 1.11. **"Declarant"**: Centex Homes, a Nevada general partnership, its successors and assigns who are designated as such in writing by Declarant, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor or assign.

Section 1.12. **"Declaration"**: This Declaration of Covenants, Conditions and Restrictions for Southridge At Hatton Chase and any amendments, annexations and supplements thereto made in accordance with its terms. The Declaration of Covenants, Conditions and Restrictions for Southridge At Hatton Chase shall be subordinate to the Master Declaration.

Section 1.13. **"Governing Documents"**: The Declaration, any Supplemental Declaration, Articles, By-Laws, Architectural Guidelines.

Section 1.14. **"Lot"**: Any of the plots of land indicated upon the recorded subdivision map of the Property or any part thereof creating single-family homesites, together with all improvements thereon.

Section 1.15. **"Master Association"**: Hatton Chase Master Association, Inc., a Florida not-for-profit corporation, created by Articles of Incorporation of Hatton Chase Master Association, Inc., a Florida corporation not-for-profit as filed with the State of Florida.

Section 1.16. **"Master Association Documents"**: The Master Declaration, Master Association Articles, and Master Association By-Laws. A copy of the Master Association Documents is attached hereto as composite Exhibit "E".

Section 1.17. **"Master Declaration"**: The Imposition of Restrictive Covenants and Assessment Lien as recorded in Official Records Book 8840 Page 1783 of the Public Records of Duval County, Florida. A copy of the Master Declaration is attached hereto in Exhibit "E" to this Declaration. Each Owner is subject to provisions of the Master Declaration which include, among other things, assessment obligations, maintenance and use obligations and restrictions related to retention ponds and mitigation areas.

Section 1.18. **"Member"**: A Person subject to membership in the Association pursuant to Article 3.

Section 1.19. **"Owner"**: The record owner, whether one or more persons or entities, of a fee simple title to any Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation. Every Owner shall be a Member of the Association.

Section 1.20. **"Person"**: An individual, a corporation, a partnership, a limited liability company, a trustee, or any other legal entity.

Section 1.21. **"Plat"**: The Plat of Southridge At Hatton Chase recorded in Plat Book 53 at Pages 55 through 55A, inclusive, of the Official Records of Duval County, Florida; and any land survey plat for all or a portion of the Property described on Exhibit "B", recorded in the Public Records of Duval County, Florida.

Section 1.22. **"Priority of Master Association Lien"**: A Claim of Lien for Assessments payable to the Master Association shall be superior to a Claim of Lien for Assessments due to the Association.

Section 1.23. **"Property" or "Properties"**: The real property described on the attached Exhibit "A" and such additions thereto as may be brought within the jurisdiction of the Association and be made subject to this Declaration.

Section 1.24. **"Supplemental Declaration"**: An instrument filed in the Public Records of Duval County, Florida, which subjects any portion of the Additional Property to this Declaration, identifies Common Area, and/or imposes, additional restrictions and obligations on the land described in such instrument.

Section 1.25. "Surface Water and Storm Water Management System": A drainage system consisting of swales, inlets, culverts, retention ponds, detention ponds, lakes, outfalls, storm drains and the like, and all connecting pipes and easements, which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect quantity and quality of discharges from the system, as permitted pursuant to Chapters 40C-4, 40C-40, or 40C-42, Florida Administrative Code. The Surface Water and Storm Water Management System facilities include, but are not limited to: all inlets, ditches, swales, culverts, water control structures, retention and detention ponds, lakes, floodplain compensation areas, wetlands and any associated buffer areas and wetland mitigation areas, to the extent that any such facilities, areas or conditions apply to Southridge at Hatton Chase.

Section 1.26. "Turnover" or "Turnover Date": The meaning and date set forth in Section 3.5 of this Declaration.

Section 1.27. "Unit": A portion of the Properties, whether developed or undeveloped, intended for development, use and occupancy as a detached residence for a single family, or as an attached townhome or villa home, or as an attached or detached condominium residential unit, and shall, unless otherwise specified, include within its meaning (by way of illustration but not limitation) single-family detached houses on separately platted Lots, attached townhomes or villa homes, and condominium residential units as well as vacant land intended for development as such, all as may be developed, used, and defined as herein provided or as provided in Supplemental Declarations covering all or part of the Property. The term shall include all portions of the Lot together with all improvements thereon. In the case of a parcel of vacant land or land in which improvements are under construction, the parcels shall be deemed to contain the numbers of Units designated for such parcel on the Plat or site plan approved by Declarant, whichever is more recent, until such time as a certificate of occupancy is issued on all or a portion thereof by a local government entity having jurisdiction, after which the portion designated in the certificate of occupancy shall constitute a separate Unit or Units as determined above, and the number of Units in the remaining land, if any, shall continue to be determined in accordance with this paragraph.

Section 1.28. "Wetlands and Mitigation Areas": Any area within the Property identified or designated as habitat for wetland species of plants and/or animals by the St. Johns River Water Management District ("SJRWMD"), by Duval County ("County"), or by the United States Army Corps of Engineers ("ACOE"), or by any other agency of the State of Florida or the United States government and/or designated a mitigation area on the Plat of the Property.

ARTICLE 2

PROPERTY SUBJECT TO DECLARATION

Section 2.1. Property Subject to this Declaration. From and after the time that this Declaration is recorded in the Public Records of Duval County, Florida, the Property shall be subject to the terms and conditions of this Declaration. The Property shall be held, sold and conveyed subject to the easements, restrictions, covenants and conditions contained in this Declaration, which shall run with the land and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors or assigns and shall inure to the benefit of each owner thereof.

Section 2.2. Annexation.

2.2.1. Annexation by Declarant. Within the period beginning with the date this Declaration is recorded in the Public Records of Duval County, Florida and ending either (a) seven (7) years thereafter, or (b) five (5) years from the date of recording of the last recorded Supplemental Declaration annexing additional land to this Declaration, whichever event, (a) or (b), occurs later, the Declarant may, without the consent or joinder of the

Owners or any other person or entity, annex the Additional Property, or any portion thereof (including Common Property), to the Properties. Annexations under this Subsection 2.2.1 shall be accomplished by filing a Supplemental Declaration describing the real property to be annexed (or withdrawn pursuant to Section 2.3 of this Article 2, as the case may be), and shall become effective when such Supplemental Declaration is filed among the Public Records of Duval County, Florida, unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other person or entity the right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of the Properties and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

2.2.2. Annexation by Association. Subject to the consent of the owner thereof, the Association may annex real property, to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of two-thirds (b) of the votes of each class of Members of the Association. The annexation of land under this Subsection 2.2.2 shall be accomplished by the recordation in the Public Records of Duval County, Florida, of a Supplemental Declaration describing the property being annexed and signed by the President and Secretary of the Association and by the owner of the property being annexed. Any such annexation shall be effective upon filing unless otherwise provided therein.

2.2.3. No provision of this Declaration shall be construed to require Declarant or any other person or entity to annex any real property to this Declaration.

2.2.4. Covenants and restrictions applicable to annexations to the Property shall be compatible with, but need not be identical to, the covenants and restrictions set forth in this Declaration.

2.2.5. In the event that either the Federal Housing Administration (the "FHA") or the Department of Veterans Affairs (the "VA") insures or guarantees any mortgage encumbering a Lot, and the regulations or procedures of such agency require under such circumstances approval of annexations by such agency or determination by such agency that such annexation is consistent with the general plan of development for Southridge At Hatton Chase, then such approval or determination as described in Article 16, Subsection 16.2.5 shall be a prerequisite to such annexation.

Section 2.3. Withdrawal. The Declarant may, without the consent or joinder of the Owners or any other person or entity, the Association, or any mortgagee, when necessary or desirable to accommodate changes in the Plat, plan of development of Southridge at Hatton Chase, withdraw from the provisions of this Declaration any of the Property that continues to be owned by the Declarant, and its successors or assigns, and which has not been dedicated or designated as Common Property. Withdrawals under this Section 2.3 shall be accomplished by filing a Supplemental Declaration describing the real property to be withdrawn and shall become effective when such Supplemental Declaration has been recorded in the Public Records of Duval County, Florida, unless otherwise provided therein.

Section 2.4. Conveyance of Common Areas to the Association. On or before the Turnover Date, the Declarant shall convey title to the Common Areas to the Association which shall be obligated to accept such conveyance pursuant to Article 7. Common Areas shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members.

ARTICLE 3

CREATION OF ASSOCIATION; MEMBERSHIP; VOTING RIGHTS

Section 3.1. Creation of Association. Declarant has caused the Association to be created by recording the Articles of Incorporation with the Secretary of State of Florida in the form attached hereto as Exhibit "C", and incorporated herein by reference. Upon execution of this Declaration, Declarant shall cause the Association to create By-Laws in the form attached hereto as Exhibit "D", and incorporated herein by reference.

Section 3.2. Membership. Every Owner of a Unit or Lot, by virtue of the ownership of such Unit or Lot, and the Declarant and its successors and assigns, shall be Members of the Association, and by acceptance of a deed or other instrument evidencing an ownership interest, each Owner and Declarant accepts membership in the Association, acknowledges the authority of the Association as herein stated, and agrees to abide by and be bound by the provisions of this Declaration, the Articles of Incorporation, the Bylaws and other rules and regulations of the Association. The term "Member" shall include each person or entity owning any right, title or interest in any Unit or Lot, except persons or entities holding mortgages or other security or trust interests unless such persons or entities also have the right of possession. Tenants or others occupying any Unit who do not have an ownership interest therein shall not be Members for the purposes of this Declaration. Membership in the Association is appurtenant to, and may not be severed from, the Unit or Lot. The rights and obligations of a Member may not be assigned or delegated except as provided in this Declaration, the Articles of Incorporation or Bylaws of the Association, and shall automatically pass to the successor-in-interest of any Owner upon conveyance of such Owner's interest in the Lot or Unit. Members shall be responsible for compliance with the terms and conditions of this Declaration, the Articles of Incorporation and Bylaws, and rules and regulations of the Association by all occupants, tenants, guests, invitees and family members while residing in or visiting any Unit, Common Area or other portion of the Property.

Section 3.3. Voting Rights of Members of the Association. The Association shall have two classes of membership: Class "A" and Class "B." Members of the Association shall be allocated votes as follows:

3.3.1. Classes:

Class "A". Class "A" Members shall be all Owners with the exception of the Declarant. Each Class A Member shall be entitled to one vote for each Lot or Unit owned. For the purposes of determining voting rights, each Lot or Unit owned by a Class A Member shall be deemed entitled to one (1) vote regardless of the number of persons sharing common ownership interests.

Class "B". The Class "B" Member shall be the Declarant, or its specifically designated (in writing) successor and or assigns. Prior to the Turnover Date (defined in Section 3.5). Declarant shall be allocated three (3) votes for each Lot or Unit owned by it within the Property provided, that at such time as the Class B membership shall cease and become converted to Class A membership as set forth in Section 4 herein, the Declarant shall have one vote for each Unit or Lot owned by it within the Property. On the Turnover Date the Class "B" membership shall cease and be converted to Class "A" membership. Upon conversion to Class "A" membership, the Declarant shall have one vote for each Unit or Lot owned by it within the Property so long as said Unit or Lot is subject to assessment by this Association.

3.3.2. Joint Ownership. When any Unit or Lot is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership, or in any other manner of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs, and a copy thereof is filed with the secretary of the Association, such Owner shall select one official representative to qualify for voting in the Association and shall notify in writing the Secretary of the Association of the name of such individual. The vote allocated to any Unit or Lot (including Units or Lots owned by the Declarant) may not be divided or cast in any fraction, and the vote of each official representative shall be considered to represent the will of all the Owners of that Lot or Unit. If the Owners fail to designate their official representative, then the Association may accept the person asserting the right to vote as the voting Owner until notified to the contrary by the other Owner(s). Upon such notification no affected Owner may vote until the Owner(s) appoint their official representative pursuant to this paragraph.

Section 3.4. Change of Membership.

3.4.1. Ownership. Change of membership in the Association shall be established by recording in the Public Records of Duval County, Florida, a deed or other instrument conveying record fee title to any Lot or

Unit, and by the delivery to the Association, of a copy of such recorded instrument. The Owner designated by such instrument shall, by acceptance of such instrument, become a Member of the Association, and the membership of the prior Owner shall be terminated. In the event that a copy of said instrument is not delivered to the Association, said Owner shall become a Member, but shall not be entitled to voting privileges until delivery of a copy of the conveyance instrument to the Association. The foregoing shall not, however, limit the Association's powers or privileges and the new Owner shall be liable for accrued and unpaid fees and assessments attributable to the Lot or Unit acquired. Notwithstanding the foregoing, the Declarant shall have the right to notify the Association in writing of conveyance of a Unit to an Owner without the requirement of providing a copy of the deed, and the Association shall recognize the Owner identified in such written notice as a Member of the Association and Owner of the Unit.

3.4.2. Interest in Association. The interest, if any, of a Member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to the Owner's real property. Membership in the Association by all Owners shall be compulsory and shall continue, as to each Owner, until such time as such Owner of record transfers or conveys his interest in the real property upon which his membership is based or until said interest is transferred or conveyed by operation of law, at which time the membership shall automatically be conferred upon the transferee. Membership shall be appurtenant to, run with, and shall not be separated from the real property interest upon which membership is based.

Section 3.5. Class B Membership Status.

3.5.1. Duration: The Declarant's Class B membership status shall continue, and shall be in effect, during the period from the inception of the Declaration until either: (1) seven (7) years from the date the Declaration is recorded; or (2) five (5) years after the date of recording of the last Supplemental Declaration annexing additional property into the Association, whichever event, (1) or (2) occurs later; or (3) upon recording of a voluntary written notice executed by the Declarant or its duly authorized successor or assignee electing to convert its Class B status to Class A; or (4) in any event, ninety (90) days after the conveyance of a Unit to a Class A Member that causes the total number of votes held by all Class A Members of the Association to equal the number of votes held by the Class B Member, whichever event, (1), (2), (3) or (4), occurs first (the "Turnover Date"); provided however, that if Class B status is converted to Class A pursuant to clause (4) and, subsequent to such event, the Declarant annexes additional Lots to the Property which annexation causes the number of Lots or Units owned by the Declarant in the Property to exceed twenty-five (25%) percent of the total number of Lots and Units within the Property, Declarant's Class B status shall be restored as to all Lots and Units within the Property then owned by Declarant, and shall continue until the next occurrence of an event of conversion described above. After Turnover, the Class A Members may vote to elect the majority of the members of the Board of Directors. After Turnover, the Declarant may appoint the minority members of the Board (or at least one (1) director) for so long as Declarant owns at least five (5%) percent of the Lots within the Property. After Turnover, the Declarant shall be a Class A Member with respect to the Lots which it owns and shall have all the rights and obligations of the Class A Members, except that it may not cast its votes for the purpose of acquiring control of the Association or selecting the majority of the members of the Board.

3.5.2. Assignment: The Declarant shall have the right to partially assign its status as Declarant and Class B Member, by recorded instrument executed by the original Declarant and acknowledged and accepted by the assignee Declarant, to any person or entity acquiring any portion of the Property for the purpose of development of a residential subdivision, and any such assignee shall thereafter be deemed to be the Declarant as to the Lots or Units owned by such person or entity, and shall have the right to exercise all of the rights and powers of the Declarant as to such Lots and Units, while, at the same time, the original Declarant shall continue to exercise the rights and powers of the Declarant as to all Lots and Units owned by such original Declarant. If any action of the Association requires the approval, consent or vote of the Declarant, and the original Declarant has partially assigned its rights as Declarant to others pursuant to this paragraph, the consent or vote of all such Declarants shall be required to satisfy the requirement of consent by the Declarant. For the purpose of determining Class B membership status pursuant to Subsection 3.5, all Lots or Units owned by all Declarants shall be added together to establish the total number of Class B Lots.

ARTICLE 4

FUNCTIONS OF ASSOCIATION

Section 4.1. General Functions. The Association is the entity responsible for management, maintenance, operation and control of the Common Maintenance Areas. The Association also has primary responsibility for administering and enforcing the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and Florida Law. The Board shall be responsible for management of the Association and may contract with a property manager for such purposes.

Section 4.2. Common Maintenance Areas. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Maintenance Areas and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep the Common Maintenance Areas in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and any agreement with another association or governmental agency.

Section 4.3. Personal Property and Real Property for Common Use. The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Property conveyed to it by the Declarant.

Section 4.4. Services. The Association shall have the following powers:

4.4.1. Maintenance of the Common Maintenance Areas, recreation parcels, and may maintain other city, county, district or municipal properties and rights-of-way (to the extent permitted by any governmental authority) which are located within or in a reasonable proximity to the Property where deterioration of any of the described items would adversely affect the appearance of the Properties or the operation of systems appurtenant to Southridge At Hatton Chase.

4.4.2. Maintenance of any real property located within Southridge At Hatton Chase upon which the Association has accepted an easement for said maintenance.

4.4.3. Insect, pest and aquatic control where necessary or desirable in the judgment of the Board to supplement the service provided by the state and local governments. The provisions of this paragraph shall not be construed as an obligation on the part of Association to provide such services.

4.4.5. Taking any and all actions necessary to enforce all covenants, conditions and restrictions affecting the Properties and to perform any of the functions or services delegated to the Association in any covenants, conditions or restrictions applicable to the Property or in the Articles or Bylaws.

4.4.6. Conducting the business of the Association, including but not limited to administrative services such as legal, accounting and financial, and communication services informing Members of activities, Notice of Meetings, and other important events. The Association shall have the right to enter into management agreements with companies affiliated with the Declarant in order to provide its services, and perform its functions.

4.4.7. Establishing and operating the Architectural Control Committee, pursuant to Article 8.

4.4.8. Adopting, publishing and enforcing such Rules and Regulations as the Board deems necessary, provided, however, the Association shall not restrict access to the Property by Declarant, its agents, employees, contractors, or invitees at all reasonable hours.

4.4.9. Maintenance of lakes and canals owned by or dedicated for the use of the Association within the Properties, as well as maintenance of bodies of water if and to the extent permitted or required by any contract or by any governmental authority having jurisdiction thereof.

4.4.10. The Association may install, own or operate lighting of roads, sidewalks, walking and bike paths throughout the Properties as deemed necessary by the Board. The provisions of this paragraph shall not be construed as an obligation on the part of Association to provide such services.

4.4.11. At the sole option and discretion of the Board, the Association may conduct recreation, sport, craft, and cultural programs of interest to Members, their families, tenants and guests and charging admission fees for the operation thereof.

4.4.12. Constructing improvements on Common Property and easements as may be required to provide the services as authorized in this Article.

4.4.13. The Association may undertake employment of guards, maintenance of control centers for the protection of persons and property within the Properties, installation, operation and maintenance of communication systems by the Association or a contractual designee of the Association, and assistance in the apprehension and prosecution of persons who violate the laws of Duval County or the State of Florida within the Properties. However, NEITHER THE ASSOCIATION, NOR THE DECLARANT SHALL BE OBLIGATED TO PROVIDE ANY SECURITY MEASURES TO THE PROPERTIES NOR SHALL THEY BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS, TENANTS, GUESTS, AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND THE DECLARANT ARE NOT INSURERS AND THAT EACH OWNER, TENANT, GUEST, AND INVITEE ASSUMES ALL RISK OF LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS AND FURTHER ACKNOWLEDGE THAT DECLARANT HAS MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, TENANT, GUEST, OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SECURITY MEASURES RECOMMENDED OR UNDERTAKEN. No Owner shall have any claim or cause of action whatsoever against the Association or the Declarant for the absence of security guards or other security measures.

4.4.14. The Association may also provide exterior maintenance upon any Unit or upon any structure containing Units which, in the reasonable opinion of the Board of Directors of the Association, requires such maintenance because said Unit or structure is being maintained in a manner inconsistent with the overall appearance and standards prevailing within the Association. The Association shall notify the Owner of said Unit or structure in writing, specifying the nature of the condition to be corrected, and if the Owner has not corrected the condition within thirty (30) days after date of said notice, the Association (after approval of a majority of the Board) may correct such condition. Said maintenance shall include but not be limited to painting, repairs, replacement and maintenance of roofs, gutters, down spouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements. For the purpose of performing the exterior maintenance authorized by this Article, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Unit or exterior of any Unit or other structures or improvements located in Southridge At Hatton Chase at reasonable hours on any day, except Saturday and Sunday; provided, however, the Association shall have the right of entry without notice if necessary to correct an emergency situation. The cost of such maintenance shall be assessed against the Unit upon which such maintenance is performed as a Special Assessment as provided in Article 6, Section 6.6.

4.4.15 The Association may establish use fees and promulgate rules and regulations respecting the use of Common Property and Association facilities by Members and persons other than Members.

4.4.16. The Association may engage in any activities reasonably necessary and legally required to remove from the Common Maintenance Areas, Common Property, and other open space any pollutants, hazardous waste or toxic materials, and by Special Assessment, recover costs incurred from the Owner(s) causing such condition or upon whose property such materials were located or generated.

4.4.17. The Association shall accept conveyance of all Common Areas and Common Property from the Declarant, including all improvements, structures, equipment, apparatus or personal property thereon, and cooperate with and assist Declarant, its agents, employees and contractors in periodic inspection and maintenance thereof pursuant to Article 7.

The functions and services allowed in this Section to be carried out or offered by the Association at any particular time shall be determined by the Board taking into consideration proceeds of assessments and the needs of the Members of the Association. The functions and services which the Association is authorized to carry out or to provide, may be added to or reduced at any time upon the affirmative vote of a majority of the Board; provided, however, the Board may not vote to reduce or abrogate the Association's responsibility to maintain Common Maintenance Areas. The Association may provide the permitted services by contract with third parties, including agreements with applicable governmental agencies.

Section 4.5. Conveyance to Association. The Association shall be obligated to accept any and all conveyances to it by Declarant of fee simple title, easements or leases to open space, parks, lakes, recreation parcels, Surface Water and Storm Water Management Systems within the Property or Common Property as set forth in Article 7.

Section 4.6. Conveyance by Association. The Association may convey or dedicate lands or easements that are part of the Common Properties owned by the Association to Duval County, the State of Florida, or other governmental authority or agency. The Association may also convey lands or easements that are part of the Common Properties owned by the Association to the Declarant in connection with any replatting of any portion of the Property.

Section 4.7. Contracts with Other Associations. The Association is authorized to enter into any contracts or easement arrangements with other associations that may subsequently be formed for portions of the Southridge At Hatton Chase property that are not annexed hereto and made subject to this Declaration provided that such contracts or easements are necessary or beneficial for the operation of the Association or the maintenance of the Properties; provided that the costs or expenses of operating, performing, or maintaining such contracts or easements shall be allocated between this Association and such other associations in accordance with the cost incurred or benefit received by each association. Any such contracts or easements shall be approved by the vote or written consent of a majority of the Board of the Association.

ARTICLE 5

GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS OF THE ASSOCIATION

Section 5.1. Purpose of Maintenance Fund. The Board, for the benefit of the Owners, shall provide and shall pay for out of the maintenance fund provided for in Article 6 for the following expenses:

a. The Association shall pay all taxes and assessments and other liens and encumbrances which shall properly be assessed or charged against the Common Areas rather than against the individual Owners, if any.

b. The Association shall pay for the care and preservation of the Common Maintenance Area, including without limitation, the drainage facilities.

c. The Association may retain the services of a professional person or management firm to manage the Association or any separate portion thereof to the extent deemed advisable by the Board, (provided that any contract for management of the Association shall be terminable by the Association, with no penalty upon no more than ninety (90) days prior written notice to the managing party) and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager.

d. The Association may engage legal and accounting services.

e. The Association may pay the premiums and other costs of a policy or policies of insurance insuring the Association against any liability to the public or to the Owners (and/or invitees or tenants) incident to the operation of the Association in any amount or amounts as determined by the Board of Directors, including a policy or policies of insurance as provided herein in Article 15.

f. The Association may pay the premiums and other costs of workers compensation insurance to the extent necessary to comply with any applicable laws.

g. The Association may pay the premiums or other costs of such fidelity bonds as may be required by the Bylaws or as the Board may determine to be advisable.

h. The Association may pay for any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, structural alterations, taxes or assessments (including taxes or assessments assessed against an individual Owner) which the Board is required to obtain or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the enforcement of this Declaration.

Section 5.2. Powers and Duties of Board. The Board, for the benefit of the Owners, shall have the following general powers and duties, in addition to the specific powers and duties provided for herein and in the Bylaws of the Association.

a. The Board shall have the power to execute all declarations of ownership for tax assessment purposes with regard to the Common Areas, if any, on behalf of all Owners.

b. The Board shall have the power to borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent Owners if the Board sees fit.

c. The Board shall have the power to enter into contracts, maintain one or more bank accounts, and generally to have all the power necessary or incidental to the operation and management of the Association.

d. The Board shall have the power to protect or defend the Common Areas from loss or damage by suit or otherwise and to provide adequate reserves for replacements.

e. The Board shall have the power to make reasonable rules and regulations for the operation of the Common Maintenance Areas and to amend them from time to time; provided that, any rule or regulation may be amended or repealed by an instrument in writing signed by a majority of the Owners, or with respect to a rule applicable to less than all of the Common Areas, by the Owners in the portions affected.

f. The Board shall make available for inspection by Owners after the end of each fiscal year an annual report and to make all books and records of the Association available for inspection by Owners at reasonable times and intervals.

g. The Board shall have the power to adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency.

h. The Board shall have the power to enforce the provisions of any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules.

i. The Board shall have the power to collect all assessments and enforce all penalties for non-payment including the filing of liens and institution of legal proceedings.

Section 5.3. Board Powers Exclusive. The Board shall have the exclusive right to contract for all goods, services and insurance, payment of which is to be made from the maintenance fund and the exclusive right and obligation to perform the functions of the Board except as otherwise provided herein.

Section 5.4. Maintenance Contracts. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner or other person or entity for the performance by the Association of services which the Board is not otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association.

ARTICLE 6

ASSESSMENTS

Section 6.1. Creation of the Lien and Personal Obligations of Assessments. Declarant covenants, and each Owner of any Lot or Unit shall by acceptance of a deed therefor, regardless of whether it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay the Association: (1) Annual Assessments, (2) Special Assessments (3) an Initial Capital Assessment, and (4) Master Association Maintenance Assessments, all fixed, established and collected from time to time as hereinafter provided. The Annual Assessments, Special Assessments, Initial Capital Assessment, and Master Association Maintenance Assessments, together with such interest thereon and costs of collection provided herein shall be a charge and continuing lien as provided herein on the real property and improvements of the Owner against whom each such assessment is made. Each such assessment, together with such interest thereon and cost of collection, shall also be the personal obligation of the person who is the Owner of such real property at the time when the assessment first becomes due and payable. In the case of co-ownership of a Unit or Lot, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment.

The liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Property or by the abandonment of the property against which the assessment was made. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws; or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Section 6.2. Purpose of Annual Assessments. The Annual Assessments levied by the Association may be used for the improvement, maintenance, enhancement and operation of the Common Maintenance Area, Common Property and public areas located in, on or about the Property to the extent that deterioration of the public areas would adversely affect the appearance of the Property or the operation of systems appurtenant to the Property, and further to provide services which the Association is authorized or required to provide, including, but not limited to, the payment of taxes and insurance, construction, repair or replacement of improvements, payment of the costs to acquire labor, equipment, materials, management and supervision necessary to carry out its authorized functions,

payment of the Association's share, if any, of the Master Association's Maintenance Assessment, and for the payment of principal, interest and any other charges connected with loans made to or assumed by the Association for the purpose of enabling the Association to perform its authorized or required functions. Assessments shall also be used for the maintenance and repair of the Surface Water and Storm Water Management System including but not limited to work within retention areas, drainage structures and drainage easements.

Section 6.3. Duty of the Board. It shall be the duty of the Board, at least thirty (30) days in advance of each fiscal year of the Association, to establish the annual budget and to fix the amount of the Annual Assessment against each Lot or Unit for the coming fiscal year, and to prepare a roster of the Lots and Units and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by the Owner. Failure to fix the amount of the Annual Assessment within the time period set forth above will not preclude the Board from fixing the Annual Assessment at a later date. In the event the Board fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year, and the Annual Assessment for the immediately preceding year shall continue for the current year. Written notice of the Annual Assessment shall be sent to every Owner subject thereto not later than seven (7) days after fixing the date of commencement thereof.

Section 6.4. Rate of Assessment. Annual Assessments shall be established by dividing the total Common Expenses of the Association by the total number of Lots or Units subject to assessment to derive a uniform base assessment amount applicable to all Lots. Special Assessments for capital improvements or expenses applicable to all Lots within the Property shall be established in the same manner; however, Special Assessments applicable to a particular Lot for expenses attributable exclusively to such Lot, or the Owner thereof, shall be determined by dividing the applicable expense by the number of Lots to which it applies. After such amounts have been determined, the amounts due from the Class "B" Member shall be adjusted according to the following provisions. Declarant will have the following option for each assessment year:

6.4.1. Declarant Exemption. During the period in which Declarant has the status of Class B Member, Declarant may elect to be excused from payment of Assessments at the Class A assessment rate, provided that Declarant shall be responsible for any operating deficit created by Declarant excusing itself from payment of Assessment under the Class A assessment rate, save and except any portion of such deficit attributable to delinquent assessments owed by Class A Members. (The "operating deficit" is the difference between (i) the amount of assessments levied on Class "A" Member-owned Lots, plus any other income received during the fiscal year, and (ii) the amount of the Association's actual expenditures during the fiscal year excluding Special Assessments and contributions for reserves, if any.) Notwithstanding the foregoing, the Declarant shall have the right, but not the obligation, to reimburse the Association for deficits attributable to delinquent assessments owed by Class A Members, and, in that event, the Association shall promptly institute collection proceedings, including legal action if necessary, to recover such unpaid amount(s) from such Owner(s), and, upon receipt of such recovery, the Association shall reimburse the Declarant the amount(s) so recovered up to the amount of any operating deficit funded by Declarant which arose from such nonpayment.

6.4.2. In the alternative, Declarant may elect, by written notice to the Board, to pay the full Class A rate of assessment for each Lot or Unit owned by the Declarant within the Association and subject to assessment without thereby waiving its Class B status, and, in such event, shall not be liable for the operating deficit of the Association as provided in Subsection 6.4.1.

Regardless of Declarant's election, Declarant's assessment obligations may be satisfied in the form of cash or by "in kind" contribution of services and materials, or by a combination of these.

6.4.3. At such time as Class B status shall cease, all Lots and Units owned by Declarant shall be assessed at the full Class A rate and Declarant shall not have any obligation to fund any operating deficit of the Association thereafter.

6.4.4. Notwithstanding anything contained herein to the contrary, in the event the Association incurs any Common Expense, which by its nature is applicable only to a completed Unit, such expense shall only be assessed to and payable by the Owners of completed Units, and shall not be included within any Assessments payable by Declarant. Such expenses include, for example, expenses for bulk cable television or home security monitoring service, which may be incurred pursuant to this Declaration.

Section 6.5. Initial Maximum Annual Assessment; Increases in Maximum Assessment; and Annual Assessment Rates.

6.5.1. Initial Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Unit by the Declarant to a Class A Member, the Maximum Annual Assessment per Unit shall be \$200.00.

6.5.2. Increases in Maximum Annual Assessment - Without Consent of the Members
From and after the January 1 of the year determined pursuant to Subsection 6.5.1, the Maximum Annual Assessment may be increased each year by the Board without a vote of the Membership of the Association by an amount not more than (a) ten percent (10%) above the sum of (1) the Maximum Annual Assessment for the previous year, plus (2) increases mandated by governmental agencies and/or increased fixed costs incurred for insurance, taxes, recycling, waste disposal, or to obtain services from utility companies; or (b) the percentage increase, if any, in the current U.S. Government's Consumer Price Index (Urban Price Index - All Urban Consumers), herein referred to as the "CPI", or the CPI published for the proceeding period, or other statistical index providing similar information if the CPI ceases to be published, whichever amount (a) or (b) is greater.

6.5.3. Increases in Maximum Annual Assessment - Requiring Consent of the Members.
The Maximum Annual Assessment may not be increased above the amount described in Subsection 6.5.2 above without the approval of a simple majority of each class of Members who are either voting in person or by proxy, at a meeting of the Association duly called for this purpose, or whose approval is evidenced by the written consent of the majority of such Members.

6.5.4. Establishing the Annual Assessment. The Board of Directors of the Association shall set the Annual Assessment for each fiscal year at an amount not in excess of the Maximum Annual Assessment then in effect as established pursuant to Subsections 6.5.1, 6.5.2 or 6.5.3 above. If the Board sets the Annual Assessment at an amount which is less than the allowable Maximum Annual Assessment, the Board has the right to increase the Annual Assessment to any amount not greater than the allowable Maximum Annual Assessment then in effect without the consent of the Members upon thirty (30) days written notice. The election of the Board to set the Annual Assessment at an amount less than the Maximum Annual Assessment shall not affect the calculation of the Maximum Annual Assessment for ensuing years pursuant to this Section 6.5.

Section 6.6. Special Assessments.

6.6.1. Common Special Assessments. In addition to the Annual Assessments authorized herein, the Association may levy in any fiscal year a Common Special Assessment applicable to that fiscal year only 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, such assessment shall have the affirmative vote or written consent, or combination thereof, at least a simple majority of the votes of each class of Members. The obligation to pay Common Special Assessments shall be computed on the same basis as for Annual Assessments. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Common Special Assessment is approved, if the Board so determines.

6.6.2. Individual Special Assessments. The Association (by simple majority vote of the Board) may also levy a Special Assessment against any Member to reimburse the Association for costs incurred

pursuant to Article 4, Section 4.3.13 and 4.3.15, in bringing a Member and his Unit or Lot into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the Bylaws, and the Association rules and regulations, or for the recovery of expenses incurred pursuant to Section 6.13 of this Article 6, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing.

Section 6.7. Initial Capital Assessment. There is hereby established an assessment, herein referred to as the "Initial Capital Assessment", applicable to each Lot or Unit owned by a Class A Member (except the Declarant if the Declarant shall become a Class A Member) in the amount of \$200.00 per Lot or Unit which shall become due and payable by the Class A Owner of each Lot or Unit (except the Declarant if Class B has converted to Class A Membership) upon first occupancy of such Lot or Unit as a place of residence by a Class A Member. For purposes of clarity, the Initial Capital Assessment is a one-time assessment due at the closing at which the Lot is conveyed to a Class A Member for the purpose of construction of a residential dwelling by the Class A Member, or at which the completed Unit is conveyed to a Class A Member for use as a residence, whether occupied or not. No further Initial Capital Assessment shall be due for any subsequent transfer of ownership of any Unit from one Class A Member to a successor Class A Member.

Section 6.8. Notice and Quorum Requirements. Written notice of any proposed action to be taken pursuant to Subsection 6.5.3 or Subsection 6.6.1 shall be delivered to each Member at least 30 days in advance of (1) any meeting at which such matter is to be discussed or (2) any action which is to be taken by written approval of the Members in lieu of a meeting. The notice shall state the purpose of the meeting or proposed written approval and shall contain a written description of the of the proposed assessment. The notice shall also contain a copy of a proxy that can be cast in lieu of attendance at the meeting. If the Association has, or is planned to have, 250 Members or less - the quorum for any such meeting shall be no less than 20% of the total number of votes. If the Association has, or is planned to have, more than 250 Members but less than 1000 Members - the quorum for any such meeting shall be no less than 10% of the total number of votes. If the Association has, or is planned to have, more than 1000 Members - the quorum for any such meeting shall be no less than 5% of the total number of votes. The foregoing requirements are minimum requirements, however, more stringent requirements imposed elsewhere in this Declaration, or pursuant to applicable laws or regulations shall supersede the requirements contained in this Section and the Association shall be bound by such more restrictive requirements as if fully reproduced herein.

Section 6.9. Date of Commencement of Annual Assessments; Due Dates. The Annual Assessments provided for herein shall commence as to each Lot or Unit within the description of Southridge At Hatton Chase, on the first day of the month next following the month in which the Lot or Unit is subjected to the terms and conditions of this Declaration by recordation of this Declaration, and as to any additional Lots or Units subsequently annexed into the Association, on the first day of the month next following the month in which such additional Lot or Unit is subjected to the terms and conditions of this Declaration by recordation of a Supplemental Declaration annexing such Lots or Units into the Association. The dates when such Annual Assessments shall become due shall be established by duly adopted resolution of the Board. The Annual Assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit. The Association may delegate to a mortgage company, financial institution or management company responsibility for collection of assessments with the express written consent and agreement of such financial institution or management company. The Annual Assessments shall be payable in advance in monthly installments, or in annual, semi-annual or quarter-annual installments if so determined by the Board of Directors of the Association (absent which determination they shall be payable monthly).

Section 6.10. Records of Payment. The Board shall prepare a roster of Owners and Annual Assessments and Special Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner at reasonable times with reasonable notice. Any Owner shall have the right to request the Association to issue a written statement signed by an officer of the Association, setting forth whether all Annual Assessments and/or Special Assessments owed by such Owner have been paid. The Association shall have the right to impose a fee for the issuance of such statements not to exceed \$50.00 per statement. Requests for such statements shall be in writing addressed to the address to which Annual Assessment payments are made.

Each request shall contain the street address and legal description (by platted lot and block) of the property and the full name of the Owner. The Association shall issue the requested statement within 30 days after receipt of the written request, subject to the payment of any fee for such service imposed by the Association. Such written statement issued by the Association shall be prima facie evidence of payment of any assessment therein stated to have been paid.

Section 6.11. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; The Lien: Remedies of Association.

6.11.1. If any assessment (e.g. any Annual Assessment, Special Assessment, Master Association Maintenance Assessments or Initial Capital Assessment) is not paid on the date due, then such assessment shall become delinquent and the entire assessment shall, together with interest thereon and cost of collection thereof as hereinafter provided, become due and payable and be a continuing lien on the property which shall bind such property in the hands of the then Owner, the Owner's heirs, devisees, personal representatives and assigns. The obligation of the Owner to pay such assessment is a personal obligation and any assessments that are due but remain unpaid at the time the Owner disposes of his or her ownership interest shall be enforceable by the Association against such person or against such person's successor in interest to the property subject to the assessment unless such successor in interest is a bona fide purchaser for value without notice of the assessment, or acquires title to the property by foreclosure of a lien securing a purchase money mortgage or home equity mortgage, or by deed or conveyance in lieu of foreclosure of such lien.

6.11.2. The Association may record a notice of lien for delinquent assessments in the public records and foreclose the lien in the same manner as a mortgage. The lien shall not be valid against subsequent bona fide purchasers or mortgagees for value unless so recorded. Upon recording, the lien shall secure the amount of delinquency stated therein and all unpaid assessments due thereafter until satisfied of record, together with interest thereon, as provided herein, and the reasonable cost of (a) notices of delinquency, (b) demands for payment, (c) notices of liens, (d) assignment of liens, (e) releases of liens, (f) recording costs, (g) attorney's fees, and (h) management company fees.

6.11.3. If the assessment is not paid within thirty (30) days after the due date it shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same for collection of the amounts due, or an action to foreclose the lien against the property. Suit to recover a money judgment for delinquent amounts owed to the Association and attorney's fees and costs shall be maintainable without foreclosing or waiving the lien securing the same. In the event that the Association turns the account over to an attorney for collection, there shall be added to the amount due the reasonable fees and charges of such attorney, including, but not limited to, charges for issuing notice of legal action or demands for payment, negotiation and preparation of settlement agreements and/or releases, costs of preparation of legal action, court costs, filing fees and all other expenses incurred by the Association for enforcement of its lien and/or collection of amounts owed.

6.11.4. In the event that the Association elects to foreclose its lien against any Unit, the Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be assessed or levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure.

Section 6.12. Subordination of the Lien to Mortgages; Mortgagees' Rights. The lien of the assessments provided for herein is subordinate to the lien of any purchase money or home equity Mortgage given to an Institutional Lender now or hereafter placed upon a Unit or Lot recorded prior to the recording of a notice of lien pursuant to Section 6.11 of this Article 6; provided, however, that such subordination shall apply only to the

assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Each Owner hereby authorizes and instructs the Association that an Institutional Lender holding a secured mortgage lien on a Unit, upon delivery of written request from the Institutional Lender to the Association, shall be entitled to written notification from the Association of any default of an Owner of any obligation hereunder which is not cured within sixty (60) days. The Association may provide such notice without receiving a request from the Institutional Lender without further notice to the Unit Owner. An Institutional Lender holding a mortgage on a Unit may pay any past due assessment or other obligation of the Unit Owner to the Association on behalf of such Owner, and, upon request from the Institutional Lender, the Association shall assign its lien rights herein established to such Institutional Lender.

An Institutional Lender may pay taxes or other charges which are in default and which may or have become a charge against any Common Property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Property and Institutional Lenders making such payments shall be owed immediate reimbursement therefor from the Association.

Section 6.13. Damage to Common Property by Owners. Any maintenance, repairs or replacements within the Common Property arising out of or caused by the willful or negligent act of the Owner, his family, tenants, guests or invitees shall be done at said Owner's expense or a Special Assessment therefore shall be made against his Lot or Unit.

Section 6.14. Exempt Property. The following property subject to this Declaration shall be exempted from all assessments, charges and liens created herein: (a) all easements, rights-of-way or other interest dedicated and accepted by the local public authority and devoted to public use; and (b) all Common Property.

Section 6.15. Master Association Maintenance Assessments. The Master Declaration provides among other things for the levy and collection of assessments for the maintenance and repair of the Retention Pond and Drainage Easement benefitting the Properties in accordance with the Master Association Articles, By-Laws, Master Declaration and agreements governing the Master Association. In accordance with such documents and agreements, a maintenance assessment for payment of the operation, maintenance and repair costs (the "Master Association Maintenance Assessments") shall be assessed by the Master Association, in advance, at the beginning of each calendar year, based on the operation, maintenance and repair costs incurred during the preceding 12-month period. Each Owner of a Lot or Unit within the Properties shall be responsible for the payment of its proportionate share of the Master Association Maintenance Assessments imposed upon the Properties as set forth in the Master Association Documents. If the Master Association requires the Association to collect the Master Association Maintenance Assessments charged to the Property and remit the annual Master Maintenance Association Assessments to the Master Association, then the Association shall have the right to assess and collect from each Owner, each Owner's proportionate share of the Master Association Maintenance Assessments imposed by the Master Association on the Property. The Master Association Maintenance Assessment may appear on the annual assessment statement. Each Owner, by acceptance of a deed to a Unit, is deemed to covenant and agree to pay these assessments, and the Association shall have a lien on each Unit for unpaid, past due assessments.

ARTICLE 7

TITLE TO COMMON AREAS; ACCEPTANCE AND MAINTENANCE OF COMMON PROPERTIES

Section 7.1. Construction and Ownership of Common Property Improvements. Declarant may designate certain portions of the Property to be Common Property or Common Area (collectively referred to in this Article 7 as the "Common Properties") that will be improved or developed in association with the development of

the Property. Declarant may elect to construct or install certain improvements or facilities upon portions of the Common Properties, but is not obligated to do so. Declarant shall have the absolute right and power to determine what improvements or facilities, if any, it will install or construct on the Common Properties at all times prior to conveying such Common Properties to the Association, and within two (2) years thereafter. All lands designated by the Declarant as Common Properties shall be conveyed to, and title shall be held by, the Association, together with all improvements or facilities constructed or installed thereon.

Section 7.2. Acceptance of Common Properties. On or before the Turnover, the Declarant shall convey the Common Property to the Association by Quit Claim Deed. The Association shall be obligated to accept title to any interest in real or personal property transferred to it by Declarant. Any fee simple interest in property transferred to the Association shall be subject to all matters of record.

Section 7.3. Maintenance of the Common Properties. The Association shall own, operate and maintain all Common Properties and Common Maintenance Areas and the improvements or facilities constructed or installed thereon in accordance with the Community Wide Standard, subject to normal wear and tear, depreciation, and the elements. Maintenance of the Common Properties shall include periodic inspection and preventive maintenance for the improvements and facilities thereon.

Section 7.4. Inspections of the Common Properties by Declarant. Declarant hereby reserves the right, at all times after conveyance of the Common Properties to the Association, to enter the Common Properties, and the Common Maintenance Areas without prior notice, and to inspect the condition of the improvements and facilities thereon. If Declarant determines, in its sole judgement, that the improvements or facilities are in need of repair or maintenance, it may so notify the Association in writing, and it shall be the sole obligation of the Association owning such Common Properties to promptly complete such repairs or maintenance. Failure of the Association to properly maintain and repair the Common Properties shall relieve the Declarant of any liability to the Association or to any Member for any condition of the Common Properties. Declarant shall have the right to make a record of its inspections by photographing and/or videotaping the Common Properties, and shall have the right to perform tests or examinations to determine the condition of the Common Properties, provided that Declarant shall indemnify the Association from any claims for personal injury, death, property damage or non-payment asserted by persons claiming by, through or under the Declarant for injury, death or damage occurring as a result of such examinations or tests. Notwithstanding the foregoing, Declarant shall have no obligation to perform inspections of the Common Properties owned by the Association. The deeds conveying the Common Properties to the Association may contain a recitation of this reservation, however failure to recite such reservation in such deeds shall not affect the rights of Declarant herein reserved.

Section 7.5. Maintenance and Repair Records. The Association shall keep records of maintenance and repairs performed on the Common Properties and/or Common Maintenance Areas, and such records shall be made available to the Declarant and to any Member upon written request. Failure of the Association to maintain appropriate records of maintenance and repairs shall be conclusive evidence that such maintenance and repairs were not performed.

Section 7.6. Operation, Maintenance and Monitoring of Drainage Facilities. The Master Association in accordance with specific provisions of the Master Association Documents shall maintain the off-site retention ponds and drainage structures and Surface Water Management System for the Properties. The Association, shall, when requested by Declarant, apply for the issuance of, or accept assignment of, all St. Johns River Water Management District ("SJRWMD") permits for the Southridge At Hatton Chase property (as such property may be expanded by annexation of additional phases as herein contemplated) and shall be designated as the "permittee" thereof. The conditions of the permits may include monitoring and record keeping schedules. The drainage facilities and improvements, the Drainage Easements identified on the Plat of Southridge At Hatton Chase Unit One, including without limitation, the retention/detention ponds, underground pipes, inlets and outfall structures, if any, and the Drainage Easements identified on the plat of any additional property annexed into this Declaration, shall be collectively referred to herein as the "Surface Water and Storm Water Management System". Neither the Declarant, nor the Association shall be liable to the Association or any Owner for damage caused by flooding, and

each Owner acknowledges and agrees that the Declarant and the Association shall not be liable for damages sustained by any Owner caused by weather events not taken into consideration in the design or construction of such system and facilities.

Section 7.7. Special Amendments Relating to Surface Water and Storm Water Management System. Any amendment to this Declaration which alters the Surface Water and Storm Water Management System, beyond maintenance in its original condition, including the water management portions of the Common Properties, must have the prior written approval of the SJRWMD. This section may not be amended without the consent of such District.

Section 7.8. Shared Facilities. It is expected that certain portions of the Surface Water and Storm Water Management System will serve the drainage needs of adjacent lands not owned by Declarant and not within the Properties subject to this Declaration. Declarant reserves the right to grant such drainage and/or use easements and rights as Declarant may deem necessary or appropriate for accomplishing the drainage needs of the Properties and/or lands owned by others provided that such agreements shall not unreasonably interfere with the use of the system by the Owners or unreasonably increase the cost of maintenance of the system by the Association.

Section 7.9. Condemnation. In the event of condemnation or a sale in lieu thereof of all or any portion of the Common Areas, the funds payable with respect thereto shall be payable to the Association and shall be used by the Association to purchase additional Common Areas to replace that which has been condemned or to take whatever steps it deems reasonably necessary to repair or correct any damage suffered as a result of the condemnation. In the event that the Board of Directors of the Association determines that the funds cannot be used in such a manner due to the lack of available land for additional Common Areas or for any other reason, any remaining funds may be distributed to the Owners on a pro rata basis.

ARTICLE 8

ARCHITECTURAL REVIEW

Section 8.1. Architectural Control Committee. A committee to be known as the Architectural Control Committee (the "ACC") shall be established consisting of three (3) persons who need not be members of the Association.

a. The committee members of the ACC shall be appointed, removed and/or replaced by the Declarant so long as there is Class B membership. Thereafter the committee members of the ACC shall be appointed, removed and/or replaced by the Board of Directors.

b. The purpose of the ACC is to enforce the architectural standards of the community and to approve or disapprove plans for improvements proposed for the Lots.

c. ~~The ACC shall act by simple majority vote, and shall have the authority to delegate its duties or to retain the services of a professional engineer, architect, designer, inspector or other person to assist in the performance of its duties.~~

Section 8.2. Scope of Review. No building, fence, wall, outbuilding, landscaping, pool, athletic facility or other structure or improvement shall be erected, altered, added onto or repaired upon any portion of the Property without the prior written consent of the ACC, provided however, that improvements erected, altered, added onto or repaired by Declarant shall be exempt from the provisions of this Article 8.

Section 8.3. Submission of Plans. Prior to the initiation of construction upon any Lot, the Owner thereof shall first submit to the ACC a complete set of plans and specifications for the proposed improvements, including site plans, grading plans, landscape plans, floor plans depicting room sizes and layouts, exterior

elevations, specifications of materials and exterior colors, and any other information deemed necessary by the ACC for the performance of its function. In addition, the Owner shall submit the identity of the individual or company intended to perform the work and projected commencement and completion dates.

Section 8.4. Plan Review. Upon receipt by the ACC of all of the information required by this Article 8, it shall have thirty (30) days in which to review said plans. The proposed improvements will be approved if, in the sole opinion of the ACC: (1) the improvements will be of an architectural style and material that are compatible with the other structures in the Property; (2) the improvements will not violate any restrictive covenant or encroach upon any easement or violate building set back lines; (3) the improvements will not result in the reduction in property value, use or enjoyment of any of the Property; (4) the individual or company intended to perform the work is acceptable to the ACC in the exercise of its reasonable discretion, provided however, that the right of the ACC to consent to the individual or company selected to perform the work shall not be used to require any Owner to retain the Declarant or its employees, agents, contractors or affiliated companies, nor shall such consent be deemed approval or indorsement of the quality of work or performance of the company or individual performing such work; and (5) the improvements will be substantially completed, including all cleanup, within three (3) months of the date of commencement [6 months for the construction of a complete house]. In the event that the ACC fails to issue its written approval within thirty (30) days of its receipt of the last of the materials or documents required to complete the Owner's submission, the ACC's approval shall be deemed to have been granted without further action.

Section 8.5. Non-conforming Structures. If there shall be a material deviation from the approved plans in the completed improvements, such improvements shall be in violation of this Article 8 to the same extent as if erected without prior approval of the ACC. The ACC, the Association or any Owner may maintain an action at law or in equity for the removal or correction of the non-conforming structure and, if successful, shall recover from the Owner in violation all costs, expenses and fees incurred in the prosecution thereof.

Section 8.6. Immunity of ACC Members. No individual committee member of the ACC shall have any personal liability to any Owner or any other person for the acts or omissions of the ACC if such acts or omissions were committed in good faith and without malice. The Association shall defend any action brought against the ACC or any committee member thereof arising from acts or omissions of the ACC committed in good faith and without malice.

Section 8.7. Address for Notice. Requests for ACC approval or correspondence with the ACC shall be addressed to the Southridge At Hatton Chase Architectural Control Committee and mailed or delivered to the principal office of Sentry Management, 2980 Hartley Road West, Suite 4, Jacksonville, Florida, 32257, or such other address as may be designated from time to time by the ACC. No correspondence or request for approval shall be deemed to have been received until actually received by the ACC in form satisfactory to the ACC.

Section 8.8. Declarant Exempt. All improvements erected, altered, added onto or repaired by Declarant shall be exempt from the provisions of this Article 8.

ARTICLE 9

EASEMENTS

Section 9.1. Utility Easements. Declarant reserves for itself (and its successors and assigns), so long as Declarant owns any property described in Exhibit "A" or "B," and the Association thereafter, the right to grant perpetual, nonexclusive easements for the benefit of Declarant or its designees, upon, across, over, through and under any portion of the Common Area for ingress, egress, installation, replacement, repair, maintenance, use and operation of all utility and service lines and service systems, public and private, including, without limitation, cable television. Declarant, for itself and its designees, reserves the right to retain title to any and all pipes, lines, cables or other improvements installed on or in such easements. Upon cessation of Class B membership, the Association shall have the right to grant the easements described herein.

Section 9.2 Easements of Encroachment. Declarant hereby grants easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area and between adjacent Lots, to a distance of less than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. Such easement shall permit encroachment only by a structure or fixture which has been approved in accordance with Article 8 of this Declaration and which is unintentionally constructed on another's property. An encroachment easement shall not exist if the encroachment results from willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

Section 9.3. Drainage Easements. There is hereby reserved for the benefit of the Association, the Declarant and SJRWMD, a perpetual non-exclusive easement over all areas of the Surface Water and Storm Water Management System for access to operate, maintain and repair the system. By this easement, the beneficiaries shall have the right to enter upon any portion of any Lot which is a part of the Surface Water and Storm Water Management System, at any reasonable time and in a reasonable manner, to operate, maintain or repair the Surface Water and Storm Water Management System as required by the SJRWMD permits. Additionally, the beneficiaries shall have a perpetual non-exclusive easement for drainage over the entire Surface Water and Storm Water Management System. No person shall alter the flow of the Surface Water and Storm Water Management System, including the buffer and any drainage swales, without the prior written approval of SJRWMD. Easements for installation and maintenance of utilities, storm water retention/detention ponds, and/or conservation areas are reserved as may be shown on any recorded Plat of the Property. Within these easement areas, no structure, landscaping or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may hinder or change the direction of flow of drainage channels or slopes in the easements. The easement area of each Lot and all improvements contained therein shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority, utility company, Master Association or the Association is responsible. Drainage swales may be constructed within drainage easements, or elsewhere on Lots or Common Property, to contain and conduct the flow of surface water runoff. Each Owner, including but not limited to the Association, and the Declarant, shall be responsible for the maintenance, operation and repair of drainage swales located on their properties. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales to provide drainage, water storage, conveyance and other storm water management capabilities as permitted by the St. Johns River Water Management District. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in the swales is prohibited. No alteration of a drainage swale shall be authorized, and any damage to a drainage swale, whether caused by natural or human-induced phenomena, shall be repaired and the drainage swale returned to its former condition as soon as possible by the Owner of the property upon which the drainage swale is located. No fences, walls, hedges or other improvements that interfere with, retard or redirect the flow of drainage shall be installed, or permitted to remain, in the Unobstructed Access Drainage Easement on Lots 9, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 27, 28, 29, 34, and 35, inclusive.

Section 9.4. Declarant's Easement to Correct Drainage. Declarant hereby reserves for the benefit of Master Association, Declarant a blanket easement on, over and under the ground within the Property to maintain and correct drainage of surface waters and other erosion controls in order to comply with applicable permits and approved drainage plans or to maintain reasonable standards of health, safety and appearance, and shall be entitled to remove trees or vegetation, without liability for replacement or damages, as may be necessary to provide adequate drainage for any Lot. Notwithstanding the foregoing, the Owner of each Lot is responsible for maintaining the original drainage patterns and improvements on the Lot established by the Declarant, and nothing herein shall be interpreted to impose any duty upon Declarant to correct or maintain any drainage improvements within the Property.

Section 9.5. Easement for Maintenance, Emergency and Enforcement. In the event that the Owner fails to maintain the Lot as required herein, or in the event of emergency, the Association shall have the right to enter upon the Lot to make emergency repairs and to do other work reasonably necessary for the proper

maintenance and operation of the Property. Entry upon the Lot as provided herein shall not be deemed a trespass, and the Association shall not be liable for any damage so created unless such damage is caused by the Association's willful misconduct or gross negligence. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

Section 9.6. Temporary Completion Easement. All Lots shall be subject to an easement of ingress and egress for the benefit of the Declarant, its employees, subcontractors, successors and assigns, over and upon the front, side and rear yards of the Lots as may be expedient or necessary for the construction, servicing and completion of dwellings and landscaping upon adjacent Lots, provided that such easement shall terminate 24 months after the date such Lot is conveyed to the Owner by the Declarant.

Section 9.7. Landscape Easement. Declarant reserves for itself and the Association, an easement (herein referred to as the "Landscape Easement") over, upon and across (i) the south ten (10) feet of Lots 1, 2, 3, 4, 5, 6, 7, 8, and 48; and (ii) the east ten (10) feet of Lot 1 adjacent to Wood Center Drive right-of-way; and (iii) the west ten (10) feet of Lot 48 adjacent to the Wood Center Drive right-of-way, as shown on Exhibit "F" attached hereto, for erection, installation, operation, maintenance, repair, and replacement of Community signs, fence and/or walls, monuments, sidewalks, paths together with landscaping, lighting, utility and irrigation facilities. No Owner shall obstruct access to the Landscape Easement, or install or remove any plant or other improvement or installation placed in the Landscape Easement by the beneficiaries thereof, or obstruct the view of any sign installed within the Landscape Easement from the adjacent street right-of-way installed in the Landscape Easement. All improvements permanently installed in such easement by Declarant or the Association shall be and remain the property of the Association, and the Association shall operate and maintain all such permanent improvements as part of the Common Maintenance Area of the Association as a Common Expense. No Owner shall unreasonably inhibit access by the Association or the Declarant for inspection or maintenance of the wall, fence or other improvements within the easement, and no Owner shall erect or install any permanent improvement within the easement area without the prior written consent of the Declarant as long as the Declarant retains Class "B" membership status, or by the Association thereafter, and such approval shall not be unreasonably withheld provided that the proposed improvements are approved by the Architectural Control Committee, and do not materially affect the use of the easement by the Association or Declarant. All improvements installed in the easement that are designed, constructed and intended to remain indefinitely are deemed to be permanent improvements for the purposes of this easement. Declarant's marketing signs and paraphernalia intended to remain only as long as Declarant continues to market new homes in the Properties, are not deemed to be permanent improvements, and shall be erected, maintained and removed by Declarant at its sole expense, and shall not become the property of the Association. Nothing contained in this Section 9.7 or elsewhere in this Declaration shall obligate the Declarant or the Association to erect any particular wall or sign, and the design, size, style, materials and location of any such wall and/or signs shall be at the sole and exclusive election and determination of the Declarant and the Association.

Section 9.8. Restrictive Covenants Affecting Entry Wall, Signage and Landscape Easement. No Owner or other person shall cut, remove, destroy or otherwise disturb any plant, shrub, tree or other vegetation along the Entry Wall, Signage and Landscape Easement created pursuant to the foregoing Section 9.7, nor shall any person, including, but not limited to any Owner, the Declarant and the Association, deposit dirt, fill, grass-clippings, trash, rubbish, tree trimmings, building materials or other waste within such easements without the prior written consent (as evidenced by any required permit or other official certification) of the Association, the Declarant, the County of Duval, the City of Jacksonville.

ARTICLE 10

USE AND OCCUPANCY

Except as permitted by the conditions of this Declaration, all Lots and dwellings shall be used and occupied for single family residence purposes only. No Lot or dwelling may be used for commercial, institutional or other non-residential purpose if such use involves the attendance or entry of non-residents upon the Lot or otherwise diminishes the residential character of the Lot or neighborhood. This prohibition shall not apply to (a) "garage sales"

conducted with the prior written consent of the Association and subject to any permits required by Duval County provided that no Owner shall conduct more than one (1) garage sale of no more than two (2) days duration during any six (6) month period or, (b) the use of any Units by Declarant as model homes or sales offices, or (c) the use of any Lots as sites for construction office trailers or sales office trailers by Declarant, or (d) the use of a portion of a dwelling Unit as an office by the residents of the dwelling provided that such use does not involve the attendance of any person other than the residents of the dwelling, and does not establish the dwelling as the place of employment of any person not a resident of the dwelling, and, provided further, that the use does not involve attendance of clients, customers, consultants, visitors or others, or any other activity or indication of use that affects the residential character of the dwelling or the Community. Notwithstanding the foregoing, this Declaration shall not be deemed to permit or authorize any use or activity that violates any applicable zoning ordinances, land use laws, professional regulations or other local, state or federal law, ordinance or regulation.

ARTICLE 11

PROPERTY RIGHTS

Section 11.1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement in and to the Common Areas and Common Property and a right and easement of ingress and egress to, from and through said Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions.

a. The right of the Association to establish and publish rules and regulations governing the use of the Common Areas and Common Property affecting the welfare of Association members.

b. The right of the Association to suspend the right of use of the Common Areas and Common Property of an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

c. The right of the Association, subject to the provisions hereof, to dedicate or transfer all or any part of the Common Areas, if any, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedication or transfer shall be effective unless an instrument signed by Owners entitled to cast two-thirds (2/3) of the votes of each class of membership has been recorded agreeing to such dedication or transfer.

d. All easements herein described are easements appurtenant to and running with the land; they shall at all times inure to the benefit of and be binding upon the undersigned, all of their grantees, and their respective heirs, successors, personal representatives and assigns, perpetually and in full force.

Section 11.2. Delegation of Use. Any Owner may delegate, in accordance with the appropriate By-Laws, his right of ingress and egress over and across the Common Areas and right of use and enjoyment of the Common Areas to his guests, invitees and family members, and to tenants and contract purchasers of his Unit, and their respective guests, invitees and family members.

Section 11.2. Effect of Declaration. Reference in any deed, mortgage, trust deed or any other recorded documents to the easements, restrictions and covenants herein described or to this Declaration shall be sufficient to create and reserve such easements and covenants to the respective grantees, mortgagees, or trustees of said parcels as fully and completely as if those easements, restrictions and covenants were fully related and set forth in their entirety in said documents.

Section 11.3. Re-zoning Prohibited. No Lot shall be rezoned to any classification allowing commercial, institutional or other non-residential use without the express consent of the Association and Declarant, which may be withheld in Declarant's sole discretion. Notwithstanding Article 17 to the contrary, Declarant or the

Association may enforce this covenant by obtaining an injunction against any unapproved rezoning at the expense of the enjoined party.

ARTICLE 12

USE RESTRICTIONS

Section 12.1. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 12.2. Development Activity. Notwithstanding any other provision herein, Declarant and its successors and assigns, shall be entitled to conduct on the Property all activities normally associated with and convenient to the development of the Property and the construction and sale of dwelling units on the Property.

Section 12.3. Temporary Structures. No structure of a temporary character, including, without limiting the generality thereof, any trailer, tent, shack, garage, barn, motor home or mobile home or other outbuilding, and no prefabricated or relocated structure shall be used on any Lot at any time as a residence, either temporarily or permanently. This restriction shall not be interpreted to limit the right of Declarant to use trailers or outbuildings as sales offices, construction offices or material storage facilities.

Section 12.4. Signs. No sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Unit, fence or other improvement upon such Lot so as to be visible from public view or mounted on any vehicle or trailer parked or driven in the Property or carried by any person, or by any other means displayed within the Property except the following:

a. Address Signs. An Owner may display an address sign or marker in the form and style first installed by the Declarant of the Unit, or in such other form or style approved by the ACC pursuant to Article 8.

b. For Sale Signs. An Owner may erect one (1) sign not exceeding 2' x 3' in area, fastened only to a stake in the ground and extending not more than three (3) feet above the surface of the ground, or in form and size otherwise approved by the ACC, advertising the property for sale.

c. Declarant's Signs. Signs or billboards may be erected by the Declarant.

d. Political Signs. Political signs may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs shall not be erected more than ninety (90) days in advance of the election to which they pertain and are removed within fifteen (15) days after the election.

e. Compliance with Laws. Notwithstanding the foregoing, Owners erecting signs permitted by this Section 12.4 shall comply with all local and state laws, ordinances and regulations governing such signs, including any requirements for permits. This paragraph shall not be deemed to permit any signs except those specifically enumerated in paragraphs (a) through (d) above.

Section 12.5. Campers, Boats and Recreational Vehicles. No campers, boats, boat trailers, recreational vehicles and other types of non-passenger vehicles, equipment, implements or accessories may be kept on any Lot unless the same are fully enclosed within the garage located on such Lot and/or said vehicles and accessories are screened from view by a screening structure or fencing approved by the ACC, and said vehicles and accessories are in an operable condition. The ACC, as designated in this Declaration, shall have the absolute authority to determine from time to time whether a vehicle and/or accessory is operable and adequately screened from public view. Upon an adverse determination by said ACC, the vehicle and/or accessory shall be removed

and/or otherwise brought into compliance with this paragraph. No dismantling or assembling of motor vehicles, boats, trailers, recreational vehicles, or other machinery or equipment shall be permitted in any driveway or yard adjacent to a street. No commercial vehicle bearing commercial insignia or names shall be parked on any Lot except within an enclosed structure or a screened area which prevents such view thereof from adjacent lots and streets, unless such vehicle is temporarily parked for the purpose of serving such Lot.

Section 12.6. Pets, Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except for cats, dogs or other generally recognized household pets of a reasonable number, provided that they are not kept, bred, or maintained for any commercial purpose; and provided further, than no more than four (4) adult animals may be kept on a single Lot. All such animals shall be kept in strict accordance with all local laws and ordinances (including leash laws) and in accordance with all rules established by the Southridge At Hatton Chase Owners Association. Notwithstanding the foregoing, this Section 12.6 shall not be deemed to permit any Owner to keep any animal in violation of any local, state or federal law, ordinance or regulation.

Section 12.7. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All equipment and containers for the storage or disposal of such material shall be kept in a clean and sanitary condition. No cans, bags, containers or receptacles for the storing or disposal of trash, garbage, refuse, rubble, or debris shall be stored, kept, placed or maintained on any Lot where visible from any street except solely on a day designated for removal of garbage and rubbish and on which days only, such cans, bags, containers, and receptacles may be placed in front of a residence and beside a street for removal but shall be removed from view before the following day.

Section 12.8. Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and eight (8) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and in a line connecting them at points thirty-five (35) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. This area of no obstruction shall include the triangular area formed by projecting an imaginary line from the right of way line, into the right of way, to a point of intersection and measuring a distance of twenty-five (25) feet forming two sides and two points. In the case of a vehicle access way or driveway, the distance measured at right angles, from the point of intersection formed by the edge of the driveway and the right of way line shall be ten (10) feet. The same sight line limitations shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 12.9. Parking. No vehicles, trailers, implements or apparatus may be driven or parked in the Common Maintenance Areas or on any easement (except areas intended for vehicular access) unless in use for maintaining such Common Maintenance Areas.

Section 12.10. Commercial or Institutional Use. No Lot, and no building erected or maintained on any Lot shall be used for manufacturing, industrial, business, commercial, institutional or other non-residential purposes, except for construction offices, model homes and sales offices, and except for home offices as described in Article 10, or as otherwise set forth in this Declaration or in the Articles of Incorporation or Bylaws of the Association.

Section 12.11. Detached Buildings. No detached accessory buildings, including, but not limited to, detached garages and storage buildings, shall be erected, placed or constructed upon any Lot without the prior consent of the ACC. Every outbuilding, inclusive of such structures as a storage building, greenhouse or children's playhouse shall be compatible with the dwelling to which it is appurtenant in terms of its design and material composition. In no instance shall an outbuilding exceed one (1) story in height or have total floor area in excess of ten percent (10%) of the floor area of the main dwelling. Notwithstanding the foregoing, this Section 12.11 shall not

be deemed to permit the erection of any outbuilding in violation of any construction, zoning or land use laws, ordinances or regulations of the local, state or federal governments.

Section 12.12. Fences. No fence, wall or hedge shall be erected or maintained on any Lot nearer to the street than the building setback lines for the front yard, except for fences erected in conjunction with model homes or sales offices. Except as may be necessary to maintain the sight distances required by Section 12.8, side yard fences on corner Lots must be erected inside the side street setback line of the Lot. All fences shall be constructed of wood or masonry except for retaining walls installed by Declarant or retaining walls or decorative walls approved by the ACC. Vinyl and aluminum fences may be permitted only with the approval of the ACC. No chain-link, metal cloth or agricultural fences may be built or maintained on any Lot. Unless otherwise agreed between Owners, side and rear yard fences that separate adjacent lots shall be owned and maintained by the Owner on whose Lot the fence exists, or if the location is indefinite, such fence will be maintained by the Owners whose Lots are involved jointly with expenses being shared equally. Any and all fences shall be first approved by the ACC prior to installation.

Section 12.13. Landscaping. Decorative ground cover rock in the front and side yard may not exceed ten (10) percent of the total area of the front and side yard. Lawns must be properly maintained (not to exceed six (6) inches in height).

Section 12.14. Television and Radio Receiving Devices. No exterior radio or television antenna, satellite dish, microwave antenna or other antenna or device for sending or receiving television or radio signals may be erected or maintained on the exterior of any Unit in the Properties in such a manner as to be visible to an observer from the street in front of the Unit. Television and/or radio receiving devices may be erected on the exterior of a Unit in a location that does not allow them to be visible to an observer from the street in front of the Unit if such devices are approved for installation by the ACC, provided however, that satellite receiving dishes in excess of 39 inches in diameter shall be prohibited on all Lots. Notwithstanding the foregoing, the Board of Directors of the Association shall have the authority to establish size limitations for television and radio receiving devices that do not have a material effect upon the appearance of the Unit which devices may be approved for use in areas that are visible to an observer from the street if advances in technology create devices that are unobtrusive and do not materially affect the appearance of the Unit. By acceptance of a deed to a Unit within the Properties, each Owner agrees that this restrictive covenant is a reasonable limitation on the Owners' ability to receive television and/or radio transmissions, and (1) does not unreasonably delay or prevent installation, maintenance or use of television or radio receiving devices, (2) does not unreasonably increase the cost of installation, maintenance or use of television or radio receiving devices, (3) does not preclude reception of an acceptable quality television or radio signal; and (4) does not impose an unnecessary burden, expense or delay on any Owner. Each Owner covenants with Declarant and every other Owner that the rights of the Association and all other Owners of Units in the Properties in the protection of property values and the architectural character and aesthetics of the Properties supersedes and takes precedence over the interests of each individual Owner in the placement of television and radio receiving devices, and that the limitations established in this Declaration provide each Owner reasonable alternatives for receiving quality television and radio signals without the necessity of erecting receiving devices in locations that are visible to observers from the street in front of the Unit or otherwise materially affect the appearance of the Unit. Therefore, each Owner agrees to be bound by this limitation and waives the benefits of any contrary rule or regulation promulgated by the Federal Communications Commission or other governmental body or agency.

Section 12.15. Exterior Finish. All exterior walls of all dwellings, garages and approved accessory buildings shall be completely finished with wood, stucco, brick, stone, paneling or other material acceptable to the ACC. No unpainted concrete block surfaces shall be visible on any exterior wall. The first floor exterior walls of the main residence building constructed on any Lot shall be composed of masonry or masonry veneer (including stucco), said requirement to apply to all first floor exterior walls, excluding windows, doors or other openings and gable ends. The minimum masonry requirement specified shall apply to the lower floor only for a two-story dwelling. Masonry or masonry veneer includes stucco, ceramic tile, clay, brick, rock and all other materials commonly referred to in the Duval County, Florida area as masonry. Notwithstanding the foregoing, the ACC is empowered to waive this restriction if, in its sole discretion, such waiver is advisable in order to accommodate a

unique or advanced building concept, design, or material, and the resulting structure will not detract from the general appearance of the neighborhood.

Section 12.16. Chimneys. All fireplace flues shall be completely enclosed and concealed from public view in finished chimneys of materials architecturally compatible with the principal finish material of the exterior walls of the dwelling or otherwise approved by the ACC.

Section 12.17. Clothes Hanging Devices. Clothes hanging devices exterior to a dwelling shall not exceed six (6) feet in height and shall not be placed nearer to any street abutting the Lot than the side yard setback line or the back of the Unit constructed on the Lot. Clothes hanging devices shall be screened from public view by a fence approved by the ACC. Such fence shall be erected by the Owner before any clothes hanging device is erected.

Section 12.18. Window Treatment. No aluminum foil, reflective film or similar treatment shall be placed on windows or glass doors.

Section 12.19. Oil and Mining Operations; Hazardous Materials. No oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon 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. No tank for the storage of oil or other fluids may be maintained on any of the Lots above the surface of the ground. No hazardous, flammable or explosive materials shall be kept, stored or disposed of on any Lot except household chemicals, cleansers, lubricants and the like, which may be kept and used in conventional domestic applications and amounts in accordance with applicable environmental laws and regulations.

Section 12.20. Mail Boxes. Mail boxes shall be erected and maintained upon areas determined by the U.S. Postal Service in accordance with the current postal authority standards and the approval of the ACC. If the U.S. Postal Service requires the use of "cluster" type mailboxes, they shall be located at sites approved by the Postal Service and the Declarant, and shall be maintained by the Association as part of the Common Property.

Section 12.21. Garages. An enclosed garage able to accommodate at least two (2) automobiles must be constructed and maintained for each residence. The openings of such garages must be situated within the setback lines set out herein. If the garage is detached from the house, it shall be located entirely in the rear yard area and not less than five (5) feet from any side or rear Lot line and in the case of corner Lots, not less than the distance required for dwellings from side streets. Garages may be used as the Declarant's sales offices prior to permanent occupancy of the main structure, however, sales offices must be converted to garages prior to permanent occupancy. Detached garages may not exceed a height of eighteen feet (18') at the highest ridge point of the roof measured from the existing ground unless prior written approval is obtained from the Architectural Control Committee. With the exception of periods when garages are used as sales offices, all garages shall be maintained for the storage of automobiles, and no garage may be enclosed or otherwise used for habitation.

Section 12.22. Roof. No exposed roof surfaces on any principal and/or secondary structures shall be of wood shingles or wood shakes unless rated by the State Insurance Board as meeting fire retardant standards. The Architectural Control Committee shall have the authority to approve roof treatments and materials when in its determination such treatments and materials, in the form utilized will not be a detriment to the quality of the neighborhood.

Section 12.23. Setback Lines. All buildings or other structures (except fences), permanent or temporary, habitable or uninhabitable, must be constructed, placed and maintained in conformity with setback lines imposed herein. In no event shall any such building or other structure be constructed, placed or maintained within 5 feet of the side boundary of a Lot or within 5 feet of the rear boundary of a Lot. Front setback lines for one story homes are hereby established at 20 feet, and for two story homes at 20 feet. Detached garages and temporary structures shall be located entirely in the rear yard area and not less than 10 feet from any side or rear Lot line and in

the case of corner Lots, not less than the distance required for dwellings from side streets. The eaves, steps and porches of buildings shall not be deemed to be a part of a building or structure for the purpose of this covenant. Notwithstanding the foregoing, the ACC shall have the right and authority to approve variances from the setback requirements for reasonable cause or to alleviate a hardship.

Section 12.24. Athletic and Recreational Facilities. Outdoor athletic and recreational facilities such as swing sets and sport courts of either a permanent or temporary nature shall not be placed on any Lot between the street right-of-way and the front of a Unit and must be approved by the Architectural Control Committee pursuant to Article 8. Basketball goals shall be permitted only upon approval by the ACC, but shall be required to be movable, and when used in the front of the Lot must be limited to use no later than one hour after dusk. All basketball goals must be stored out of site of the front Lot when not in use. Tennis court lighting and fencing shall be allowed only with the approval of the ACC.

Section 12.25. Water and Sewage Systems. No individual water supply system or sewage disposal system shall be permitted on any Lot, including but not limited to water wells, cesspools or septic tanks.

Section 12.26. Exterior Holiday Decorations. Lights or decorations may be erected on the exterior of Units in commemoration or celebration of publicly observed holidays provided that such lights or decorations do not unreasonably disturb the peaceful enjoyment of adjacent Owners by illuminating bedrooms, creating noise or attracting sight-seers. All lights and decorations that are not permanent fixtures of the Unit which are part of the original construction or have been properly approved as permanent improvements by the ACC shall be removed within thirty (30) days after the holiday has ended. Christmas decorations or lights may not be displayed prior to November 15th of any year. For other holidays, decorations or lights may not be displayed more than two (2) weeks in advance of the holiday. The Association shall have the right, upon thirty (30) days prior written notice to enter upon any Lot and summarily remove exterior lights or decorations displayed in violation of this provision. The Association, and the individuals removing the lights and decorations, shall not be liable to the Owner for trespass, conversion or damages of any kind except intentional misdeeds and gross negligence.

Section 12.27. Solar Energy Devices. No Owner may erect or maintain solar collector panels or other solar energy devices or equipment upon any Lot unless such apparatus is erected and maintained in such a way that it is screened from public view at a point in the center of the public street right-of-way directly in front of the house erected on such Lot; and no such apparatus shall be erected without the prior written consent of the ACC.

ARTICLE 13

PICKETING AND DEMONSTRATIONS

By acceptance of the deed to any Lot covered by this Declaration, the Owner covenants and agrees with the Owners of all other Lots within the subdivision; that no Owner or resident of any Lot shall engage in picketing, protest marches, sit-in demonstrations, protest speeches or other forms of public protest, including without limitation, displaying signs or placards within public view, upon any Lot or within any Common Area, easement or street adjacent to any Lot, or affixed to any vehicle or apparatus upon or adjacent to any Lot, street, easement or Common Area. This prohibition shall not affect the right of any person to participate in any other form of public protest conducted outside the area depicted on any recorded subdivision Plat. No Owner or resident of any Lot shall engage in conduct that tends to vilify, ridicule, denigrate, or impugn the character of any other Owner or resident if such conduct occurs on any Lot, Common Area, easement or street depicted on the subdivision Plat. Each Owner, by acceptance of the deed to any Lot, shall be deemed to have accepted the foregoing prohibitions as reasonable limitations on his or her constitutional right of free speech and to recognize and agree that all Owners have the right to the peaceful enjoyment of their property; the right of privacy; the right to practice their own religion; the freedom of association; the right to engage in a profession, business or life-style of their own choosing provided that the conduct of such profession, business or life-style is not illegal and does not otherwise violate any provision of this Declaration.

ARTICLE 14

MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of first Mortgages on Units in the Properties. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

Section 14.1. Rights of Eligible Holders. An institutional holder, insurer, or guarantor of a first Mortgage (herein referred to as an "Institutional Lender") that provides a written request to the Association (such request to state (1) the name and address of such holder, insurer, or guarantor; (2) the name of the Owner; (3) the address of the Unit; and (4) the Lot and Block numbers and identification of the Unit, thereby becoming an "Eligible Holder"), will be entitled to:

- a. the right to inspect Association documents and records on the same terms as Members;
- b. copies of all written notices to the Unit Owner of material amendments to the Declaration, Articles of Incorporation or Bylaws of the Association when such notices are required to be given to Owners pursuant to such documents;
- c. copies of written notices to the Unit Owner of extraordinary actions to be taken by the Association when such notices are required to be given to Owners pursuant to this Declaration or the Bylaws;
- d. copies of written notices to the Unit Owner of (i) any property loss, condemnation or eminent domain proceeding affecting the Common Property resulting in losses greater than ten percent (10%) of the current annual budget, or (ii) any Unit insured by the Association in which the Eligible Holder has an interest;
- e. copies of written notices to the Unit Owner of any termination, lapse or material modification of an insurance policy held by the Association;
- f. written notice of any default by an Owner of a Unit subject to a mortgage held by the Eligible Holder in paying assessments or charges to the Association which remains uncured for sixty (60) consecutive days;
- g. written notice of any proposal to terminate the Declaration or dissolve the Association at least thirty (30) days before such action is taken;
- h. the right of a majority of Eligible Holders (determined on the basis of one vote for each Unit standing as security for a mortgage held by the Eligible Holder) to demand that the Association retain a professional management company; and
- i. the right of a majority of Eligible Holders (determined on the basis of one vote for each Unit standing as security for a mortgage held by the Eligible Holder) to demand an audit of the Association's financial records.

Section 14.2. Voting Rights of Eligible Holders. For purposes of this Section, an Eligible Holder of a Mortgage shall be entitled to one (1) vote for each first Mortgage owned.

14.2.1. Unless at least two-thirds (b) of the Eligible Holders consent, the Association shall not:

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

b. change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner (a decision, including contracts, by the Board or provisions of any supplemental declaration subsequently recorded on any portion of the Properties regarding assessments for Lots to be annexed or other similar areas shall not be subject to this provision where such decision or subsequent supplemental declaration is otherwise authorized by this Declaration.);

c. by act or omission change, waive, or abandon any material aspect of the scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Units and of the Common Property (the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment withing the meaning of this provision.);

d. fail to maintain insurance, as required by this Declaration; or

e. use hazard insurance proceeds for any Common Property losses for other than the repair, replacement, or reconstruction of such property.

14.2.2. Any election to terminate the legal status of the Association shall require:

a. the approval of at least fifty-one percent (51%) of the Eligible Holders if the election to terminate the legal status is the result of substantial destruction or a substantial taking in condemnation of the Common Property; or

b. the approval of at least sixty-seven percent (67%) of the Eligible Holders if the termination is sought for any other reason.

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

14.2.4. The affirmative vote fifty-one percent (51%) of the Eligible Holders shall be sufficient to require the Association to engage a professional management company.

14.2.5. The affirmative vote fifty-one percent (51%) of the Eligible Holders shall be sufficient to require the Association to conduct an audit of its financial records.

Section 14.3. Voluntary Payments by Eligible Holders. Eligible Holders may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Property and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and Eligible Holders making such payments shall be entitled to immediate reimbursement from the Association.

Section 14.4. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the Eligible Holder of any Unit in the case of

distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property.

Section 14.5. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the Eligible Holder of any Mortgage encumbering such Owner's Unit.

Section 14.6. Amendment by Board. Should the Federal Housing Administration, Department of Veterans Affairs, Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently modify any of their respective requirements which necessitate the provisions of this Article, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

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

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

ARTICLE 15

INSURANCE AND CASUALTY LOSSES

Section 15.1. Common Areas. The Association shall keep all improvements, facilities and fixtures located within the Common Areas insured against loss or damage by fire or other casualty for the full insurable replacement value thereof (with reasonable deductibles and normal exclusions for land, foundations, excavation costs and similar matters, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property, whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance for and on behalf of itself and all Members. The insurance coverage with respect to the Common Areas shall be written in the name of, and the proceeds thereof shall be payable to, the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are common expenses and shall be included in the Association's annual budget and collected as part of the Annual Assessment.

To the extent obtainable at reasonable rates, the insurance policy(ies) maintained by the Association shall contain provisions, or be accompanied by endorsements, for: agreed amount and inflation guard, demolition costs, contingent liability from operation of building laws and increased costs of construction.

All insurance policies shall contain standard mortgagee clauses, if applicable.

The Association shall also maintain, to the extent any insurable improvements to Common Areas are within an "A" flood zone, flood insurance in an amount equal to the lesser of 100% of the replacement costs of all insurable improvements (if any) within the Common Areas or the maximum amount of coverage available under the National Flood Insurance Program, whichever is less.

Section 15.2. Waiver of Subrogation. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Members, Declarant and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

Section 15.3. Liability and Other Insurance. The Association shall have the power to and shall obtain comprehensive public liability insurance, including medical payments and malicious mischief, with coverage of at least \$1,000,000.00 (if available at reasonable rates and upon reasonable terms) for any single occurrence, insuring against liability for bodily injury, death and property damage arising from the activities of the Association or with respect to property under its jurisdiction, including, if obtainable, a cross liability endorsement insuring each Member against liability to each other Member and to the Association and vice versa. The Association may also obtain Worker's Compensation insurance and other liability insurance as it may deem desirable, insuring each Member and the Association and its Board of Directors and officers, from liability in connection with the Common Areas, the premiums for which shall be common expenses and included in the assessments made against the Members. The Association may also obtain such other insurance as the Board deems appropriate. All insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion.

The Board may also obtain such errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board or any management company engaged by the Association against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board or any committee thereof. At a minimum, however, there shall be blanket fidelity bonding of anyone (compensated or not) who handles or is responsible for funds held or administered by the Association, with the Association to be an obligee thereunder. Such bonding shall cover the maximum funds to be in the hands of the Association or management company during the time the bond is in force. In addition, the fidelity bond coverage must at least equal the sum of three (3) months' of regular assessments, plus all reserve funds.

Section 15.4. Damage and Destruction.

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

15.4.2. In the event of damage or casualty loss to the improvements, if any, erected on the Common Properties, which in the opinion of the Board of Directors, should not be repaired or reconstructed, the Board shall deliver written notice thereof to each Member stating (1) the amount of the insurance proceeds to be paid to the Association by the insurer as a result of the loss; (2) the estimated cost of repair or reconstruction; and (3) a request that each Member deliver a written response voting for or against repair or reconstruction within 30 days after receiving the Board's notice. Such notice shall be sent to each Member within 60 days after the Board has received the settlement offer of the insurer and the estimated cost of repair or reconstruction from a qualified contractor. The Association shall make the repairs or reconstruct the improvements unless at least 75% of the Members of each class of membership vote not to do so. No Eligible Holder shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed; provided, however, this provision shall not apply to construction Mortgagees, if any, providing construction financing for such damaged Common Property.

15.4.3. In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized by the Members, then and in that event the affected portion of the Common Property shall be restored to its natural state and maintained by the Association in a neat and attractive condition.

Section 15.5. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be

required for such purpose, shall be disbursed in payment of such repairs or reconstruction. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Property shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Eligible Holders as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Eligible Holder of a Unit and may be enforced by such Mortgagee.

Section 15.6. Repair and Reconstruction. If the damage or destruction to the Common Area for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Members, levy a Special Assessment against all Owners on the same basis as provided for Annual Assessments. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE 16

GENERAL PROVISIONS

Section 16.1. Duration: The covenants, conditions and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and be enforceable by the Association, the Declarant and any Owner, their respective legal representatives, heirs, successors, and assigns, for a period of thirty (30) years from the date this Declaration is recorded. Upon the expiration of said thirty (30) year period, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if during the last year of the initial thirty (30) year period, or during the last year of any subsequent ten (10) year renewal period, Voting Members representing three-fourths (3/4) of the votes of the Association vote in favor of terminating this Declaration at the end of its then current term. Termination of this Declaration is deemed to be an "Extraordinary Action" subject to the provisions of Section 16.2.

Written notice of any meeting at which such proposal to terminate this Declaration is to be considered, setting forth the fact that such a proposal will be considered, shall be given at least sixty (60) days in advance of said meeting. In the event that the Association votes to terminate this Declaration, the President and Secretary of the Association shall execute certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted; the date that notice of such meeting was given, the total number of votes of Members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the total number of votes necessary to adopt a resolution terminating this Declaration, the total number of votes cast in favor of such resolution, and the total number of votes cast against such resolution.

Said certificate shall be recorded in the Public Records of Duval County, Florida, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration. Termination of the Association shall not have the effect of terminating easements herein provided or granted prior to such termination, or terminating contractual rights created prior to termination which from the context of the contract were meant to survive termination.

Section 16.2. Material Amendments and Extraordinary Actions. The Association may amend this Declaration in regard to the matters identified herein as "Material Amendments", or may undertake the actions herein listed as "Extraordinary Actions" only in the following manner.

16.2.1. Material Amendments. The matters listed below are deemed to be material to this Declaration, and any proposed amendment concerning such matters shall be deemed to be a "Material Amendment":

- a. the manner of determining the basis for assessments or the administration of assessment liens;
- b. any method of imposing or determining any charges to be levied against individual Unit Owners;
- c. reserves for maintenance, repair or replacement of Common Area improvements;
- d. maintenance obligations;
- e. allocation of rights to use Common Areas;
- f. any scheme of regulation or enforcement of standards for maintenance, architectural design or appearance of improvements on Units;
- g. reduction of insurance requirements;
- h. restoration or repair of Common Area improvements;
- i. the addition, annexation or withdrawal of land to or from the project;
- j. voting rights;
- k. restrictions affecting leasing or sale of a Unit; or
- l. any provision which is for the express benefit of Mortgagees, or Eligible Holders.

16.2.2. Extraordinary Actions. The matters listed below are deemed to be extraordinary under this Declaration, and any proposed action concerning such matters shall be deemed to be an "Extraordinary Action":

- a. merging or consolidating the Association (other than with another non-profit entity formed for purposes similar to the Association);
- b. determining not to require professional management, if that management has been required by the Association-documents, a majority of Eligible Holders or a majority vote of the Members;
- c. expanding the Association to include land not previously described as land adjacent to the boundaries of the Property which increases the overall land area of the project or number of Units by more than 10%;
- d. abandoning, partitioning, encumbering, mortgaging, conveying, selling or otherwise transferring or relocating the boundaries of the Common Areas except for (1) granting easements which are not inconsistent with, or which do not interfere with the intended Common Area use; (2) dedicating Common Area as required by a public authority; (3) limited boundary line adjustments made in accordance with the

provisions of this Declaration; or (4) transferring Common Area pursuant to a merger with a non-profit entity formed for purposes similar to the Association;

e. using insurance proceeds for purposes other than reconstruction or repair of insured improvements;

f. making capital expenditures (other than for repair or replacement of existing improvements) during any period of 12 consecutive months costing more than 20% of the annual operating budget for that period;

g. termination of the Declaration or other termination of the planned unit development; or

h. dissolution of the Association.

16.2.3. Notice Required for Material Amendment or Extraordinary Action. Written notice of any proposed Material Amendment or Extraordinary Action shall be delivered to each Member at least 30 days in advance of (1) any meeting at which such matter is to be discussed; or (2) any action which is to be taken by written approval of the Members in lieu of a meeting. The notice shall state the purpose of the meeting or proposed written approval and shall contain a summary of any Material Amendment or Extraordinary Action to be considered. The notice shall also contain a copy of a proxy that can be cast in lieu of attendance at the meeting. If the Association has, or is planned to have, 250 Members or less - the quorum for any such meeting shall be no less than 20% of the total number of votes. If the Association has, or is planned to have, more than 250 Members but less than 1000 Members - the quorum for any such meeting shall be no less than 10% of the total number of votes. If the Association has, or is planned to have, more than 1000 Members - the quorum for any such meeting shall be no less than 5% of the total number of votes. The foregoing requirements are minimum requirements, however, more stringent requirements imposed elsewhere in this Declaration, or pursuant to applicable laws or regulations shall supersede the requirements contained in this Section and the Association shall be bound by such more restrictive requirements as if fully reproduced herein.

16.2.4. Approval Required for Material Amendment or Extraordinary Action. Material Amendments and Extraordinary Actions may be approved by the Members, after receipt of notice as set forth above, either (1) by the affirmative vote of at least 67% of the Class A Members (i.e. all Members except the Declarant) who are present, in person or by proxy, and voting at the meeting called as described in the notice at which a quorum is present, and the vote of the Declarant, or (2) by the written consent of at least 67% of all Class A Members and the Declarant (if the Declarant then retains Class B status) to any action taken in lieu of a meeting.

16.2.5. Additional Approval Requirements. In addition to the approval of the Members and the Declarant set forth above, the following conditions shall apply:

a. Any Material Amendment or Extraordinary Action that changes the rights of any specific class of Members (i.e. Class A; or Class B;) must also be approved either (1) by the affirmative vote of at least 51% of the Members of such Class who are present, in person or by proxy, and voting at a meeting called as described in the required notice at which a quorum of such Class of Members is present, or (2) by the written consent of at least 51% of all Members of such Class to any action taken in lieu of a meeting.

b. Any Material Amendment or Extraordinary Action proposed during the period in which the Declarant retains its Class B status must also be approved by the Federal Housing Administration ("FHA"), and the Department of Veterans Affairs ("VA") if any Unit within the Properties has been financed by a mortgage insured by FHA or guaranteed by VA. The Association shall deliver written notice of the proposed Material Amendment or Extraordinary Action to the FHA and VA simultaneously with its notice to the Members. If the FHA or VA fails to deliver written notice to the Association of its objection to the proposed Material

Amendment or Extraordinary Action within 30 days after receipt of the notice, FHA and VA will be deemed to have approved the matters contained in the notice, and the Association shall be entitled to record an affidavit signed by an authorized officer averring that written notice was delivered to the FHA and VA and no objection was timely received from such agencies.

16.2.6. Notice of Material Amendment or Extraordinary Action. Upon approval of a Material Amendment or Extraordinary Action, the Association shall record appropriate written notice thereof in the Public Records of Duval County, Florida, and take all such further action as may be prudent or necessary to implement and carry out the Material Amendment or Extraordinary Action.

Section 16.3. Non-Material Amendments. The Association may amend this Declaration in regard to all matters, except those identified in Section 16.2 as "Material Amendments", in the following manner.

16.3.1. Amendments by Members - Notice Required for Non-Material Amendment. Written notice of any Non-Material Amendment proposed by the Board of Directors of the Association shall be delivered to each Member at least 30 days in advance of (1) any meeting at which such matter is to be discussed or (2) any action which is to be taken by written approval of the Members in lieu of a meeting. The notice shall state the purpose of the meeting or proposed written approval and shall contain a summary of any Non-Material Amendment to be considered. The notice shall also contain a copy of a proxy that can be cast in lieu of attendance at the meeting. If the Neighborhood Association has, or is planned to have, 250 Members or less - the quorum for any such meeting shall be no less than 20% of the total number of votes. If the Association has, or is planned to have, more than 250 Members but less than 1000 Members - the quorum for any such meeting shall be no less than 10% of the total number of votes. If the Association has, or is planned to have, more than 1000 Members - the quorum for any such meeting shall be no less than 5% of the total number of votes. The foregoing requirements are minimum requirements, however, more stringent requirements imposed elsewhere in this Declaration, or pursuant to applicable laws or regulations shall supersede the requirements contained in this Section and the Association shall be bound by such more restrictive requirements as if fully reproduced herein.

16.3.2. Approval Required for Non-Material Amendment by Members. Non-Material Amendments proposed by the Board of Directors pursuant to Subsection 16.3.1 may be approved by the Members, after receipt of notice as set forth above, either (1) by the affirmative vote of at least 51% of the Class A Members (i.e. all Members except the Declarant who retains Class B status) who are present, in person or by proxy, and voting at the meeting called as described in the notice at which a quorum is present, and the vote of the Declarant; or (2) by the written consent of at least 51% of all Class A Members and the Declarant (if the Declarant then retains Class B status) to any action taken in lieu of a meeting.

16.3.3. Amendments by Declarant Without Consent by Members. During the period in which the Declarant retains the status of the Class "B" Member, Declarant shall have the right to amend this Declaration, without the necessity of consent or joinder by Owners or any other persons or entities, to make nonsubstantial changes that do not materially or adversely affect the interests of other Owners or other affected parties, and to clarify any ambiguities or conflicts, or correct any scrivener's errors in this Declaration. No approval by the Association or by any Member shall be required for Declarant to amend this Declaration pursuant to this Subsection 16.3.3.

16.3.4. Notice of Non-Material Amendment. Upon approval of a Non-Material Amendment by the Members pursuant to Subsection 16.3.2, or delivery of notice of amendment by Declarant pursuant to Subsection 16.3.3, the Association shall record appropriate written notice thereof in the Public Records of Duval County, Florida, and take all such further action as may be prudent or necessary to implement and carry out the Non-Material Amendment.

Section 16.4. Assignment of Rights and Duties. Any and all of the rights, powers and reservations of the Association and Declarant may be assigned to any person, corporation or association which will assume the

duties of the Association or Declarant pertaining to the particular rights, powers and reservations assigned. Upon such assignee evidencing its consent in writing to accept such assignment and assume such duties, he or it shall to the extent of such assignment have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by the Association or Declarant. Further, the Association or Declarant may from time to time delegate any and all of its rights, powers, discretion and duties hereunder to such agent or agents as it may nominate.

Section 16.5. Municipal Service Taxing Units. In order to perform the services contemplated by this Declaration, the Association or Declarant, in conjunction with Duval County, Florida, may seek the formation of special purpose municipal service taxing units ("MSTUs"). The MSTUs will have responsibilities defined in their enabling resolutions which may include, but are not limited to, maintaining roadway informational signs, traffic control signs, benches, trash receptacles and other street furniture, keeping all public roadways and roadside pedestrian easements clean of windblown trash and debris, mowing, payment of electrical charges, maintenance of drainage canals, ponds and structures, maintenance of designated landscape areas, payment of energy charges for street and pedestrian lighting, and other services benefitting the Properties. In the event such MSTUs are formed, the Properties will be subject to assessment for the cost of services performed within the MSTU and personnel working for or under contract with Duval County shall have the right to enter upon lands within the Properties to affect the services contemplated. Each Owner by acquiring lands within the Properties agrees to pay each and every MSTU assessment imposed upon the Owner's land in a timely manner, failing which such assessments and special charges shall be a lien upon those lands. The Association retains the right to contract with Duval County to provide the services funded by the MSTUs. Services performed by an MSTU that would otherwise be performed by the Association and for which the MSTU imposes assessments on the Owners shall be removed from the Association's budget and the Board shall reduce the Annual Maintenance Assessment accordingly.

Section 16.6. Severability. Should any covenant, condition or restriction herein contained, or any Article, Section, subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 16.7. Interpretation. The Board shall have the right except as limited by any other provisions of this Declaration or the Bylaws to determine all questions arising in connection with this Declaration and to construe and interpret its provisions, and its good faith, determination, construction or interpretation shall be final and binding. In all cases, the provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the maintenance of Common Areas and the facilities located thereon.

Section 16.8. Disposition of Common Property on Termination of Declaration. Should the Members of the Association vote not to renew and extend this Declaration as provided for herein, all Common Property owned by the Association at such time shall be transferred to another association or appropriate public agency having similar purposes. If no other association or agency will accept such property then it will be conveyed to a Trustee appointed by the Circuit Court of Duval County, Florida, which Trustee shall sell the Common Property free and clear of the limitations imposed hereby upon terms established by the Circuit Court of Duval County, Florida. That portion of the Open Space or Common Property consisting of the Surface Water and Storm Water Management System cannot be altered, changed or sold separate from the lands it serves except that Declarant shall be obligated to and shall convey that portion of the Open Space consisting of the Surface Water and Storm Water Management System to the Association upon completion and approval of such system by all applicable governmental authorities. The proceeds of such a sale shall first be used for the payment of any debts or obligations constituting a lien on the Common Property, then for the payment of any obligations incurred by the Trustee in the operation, maintenance, repair and upkeep of the Common Property. The excess of proceeds, if any, from Common Property shall be distributed among Owners in a proportion which is equal to the proportionate share of such Owners in common expenses.

Section 16.9. Execution of Documents. The approved plan for the development of the Properties may require from time to time the execution of certain documents required by governmental authorities. To the extent that said documents require the joinder of Owners, Declarant by its duly authorized officers may, as the agent or the attorney-in-fact for the Owners, execute, acknowledge and deliver such documents and the Owners, by virtue of their acceptance of deeds, irrevocably nominate, constitute and appoint Declarant, through its duly authorized officers, as their proper and legal attorneys-in-fact for such purpose. Said appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section shall recite that it is made pursuant to this Section.

Section 16.10. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 16.11. Prohibited Actions. Notwithstanding anything contained herein to the contrary, the Association will perform no act nor undertake any activity which will violate its non-profit status under applicable state or federal law.

Section 16.12. Singular, Plural and Gender. Whenever the context so permits, the use of the singular shall include the plural and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

Section 16.13. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Property.

Section 16.14. Conflicts. In the event of conflict between the terms of this Declaration and any Bylaws, rules, regulations or Articles of Incorporation of the Association, this Declaration shall control.

Section 16.15. Partial Invalidity. The invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

Section 16.16. Additional Declarant Rights. Nothing herein shall be construed to restrict, prohibit or in any way inhibit Declarant's efforts to promote, market and sell dwelling units within the Property. In particular and without limitation, Declarant shall be entitled to operate sales trailers, model homes and sales office in the model homes within the Property. Declarant shall also be entitled to sponsor promotional events, and make or permit such other use of the Property as Declarant deems appropriate to promote the sale of dwelling units within the Property. Declarant hereby reserves for itself, its successors, designees, and assigns, the non-exclusive right to use all Common Areas and all other portions of the Property retained by Declarant in conjunction with and as part of its program of sale, construction, marketing, and development including, but not limited to, the right to carry on construction and to enter and transact business, maintain models and sales and rental offices; employ sales personnel; show dwelling units for sale by Declarant; and use the portions of the Property and improvements owned

by Declarant or the Association for the purposes set forth above. This provision may not be modified nor deleted without the express written consent of Declarant, which consent may be withheld for any reason.

Section 16.17. Amendment of Provision Relating to Declarant. As long as the Declarant or its successors or assigns holds any property for development or sale in the ordinary course of business within Southridge at Hatton Chase, no amendment shall have the effect of changing any provision relating specifically to the Declarant without the Declarant's written consent.

ARTICLE 17

MASTER DECLARATION

Section 17.1. Master Association Documents. Each Owner and Unit is subject to the jurisdiction of the Master Association and is subject to the provisions of the Master Declaration, the Master Association Articles of Incorporation and the Master Association By-Laws affixed as Exhibit "E" attached hereto.

Section 17.2. Master Association Assessments. The Master Declaration provides among other things for the levy and collection of maintenance assessments for the maintenance and repair of the Retention Pond and Drainage Easement in accordance with the Master Association Documents. In accordance with such documents and agreements, a maintenance assessment for payment of maintenance and repair costs (the "Master Association Maintenance Assessments") shall be assessed by the Master Association, in advance, at the beginning of each calendar year, based on maintenance and repair costs incurred during the preceding 12-month period. Each Owner of a Lot or Unit shall be responsible for the payment of its proportionate share of the Master Association Maintenance Assessments as set forth in the Master Association Documents.

ARTICLE 18

ENFORCEMENT

Section 18.1. Enforcement. Enforcement of these covenants, conditions and restrictions shall be in accordance with this Article 18 by any proceeding at law or in equity and may be instituted by Declarant, its successors or assigns, the Association, its successors or assigns, or any Owner against any person or persons violating or attempting to violate or circumvent any covenant, condition or restriction, either to restrain violation or to recover damages, and to enforce any lien created by these covenants; and failure by the Association or any Owner or Declarant, or their successors or assigns, to enforce any covenant, condition or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce the same thereafter. Further, the Association shall have the right of self help to cure any violations that remain uncured after any required notice is given. If the Association elects to commence enforcement proceedings after delivery of notice thereof to any Owner in violation hereof, and incurs any expenses in the commencement of such proceedings, the Association shall prosecute such enforcement proceedings to conclusion notwithstanding subsequent voluntary compliance by the Owner until the Association shall have recovered its expenses from such Owner.

Section 18.2. Mediation and Arbitration of Disputes. Before commencing any other form of legal action to enforce the provisions of this Declaration, the party desiring enforcement shall first demand mediation by an independent third party professional mediator. If a settlement of the dispute is reached through voluntary mediation, a notice thereof shall be executed by the parties, and, if appropriate, shall be recorded in the real property records to place all successors and assigns of the Owner on notice of such settlement. If no settlement is achieved through voluntary mediation, either party shall have the right to initiate mandatory binding arbitration according to the rules of the American Arbitration Association. All persons owning any portion of any Lot, their family members and tenants, shall be deemed to have consented to mandatory binding arbitration of all disputes arising under this Declaration, and shall cooperate and participate in such arbitration proceedings. The award of the arbitrator may be entered as an agreed judgment in any litigation or legal proceeding concerning the subject matter of the arbitration,

and shall be enforceable in accordance with its terms. In any such arbitration proceedings, the arbitrator shall award recovery of the arbitration fees, attorneys' fees, expert witness fees, and other costs and expenses of such proceeding to the prevailing party.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed on its behalf as of this day of 10/10, 2000.

WITNESS

DECLARANT

Todd White
Print Name: Todd White

CENTEX HOMES, a Nevada general partnership

By: Centex Real Estate Corporation, a Nevada corporation, its managing general partner

Joe Beela
Print Name: Joe Beela

By: Robert S. Porter
Robert S. Porter, Division President

STATE OF FLORIDA

COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 10th day of October, 2000, by Robert S. Porter, Division President of Centex Real Estate Corporation, a Nevada corporation, managing general partner of Centex Homes, a Nevada general partnership, who is personally known to me or who produced a valid Florida driver's license as identification, and did not take an oath.

Todd White
Notary Public, State of Florida
My Commission Expires: _____
My Commission No.: _____

(Notary Seal)

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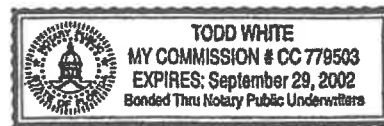


EXHIBIT "A"

Lots "1" through "48" inclusive, as shown on the plat of Southridge at Hatton Chase Unit One according to the plat thereof, as recorded in Plat Book 53 at page 55-55A, of the Public Records of Duval County, Florida.

EXHIBIT "B"

LEGAL DESCRIPTION
SOUTHRIDGE AT HATTON CHASE, UNIT TWO

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A PORTION OF SECTION 19, TOWNSHIP 4 SOUTH, RANGE 28 EAST, DUVAL COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE INTERSECTION OF THE EAST LINE OF SAID SECTION 19 WITH THE NORTHERLY RIGHT-OF-WAY LINE OF ST. AUGUSTINE ROAD, A 100 FOOT RIGHT-OF-WAY AS PRESENTLY ESTABLISHED; THENCE, SOUTH 48°18'48" WEST, ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, 809.42 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 1382.39 FEET; THENCE, SOUTHWESTERLY AND WESTERLY ALONG THE ARC OF SAID CURVE, CONTINUING ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, THROUGH A CENTRAL ANGLE OF 45°09'00", AN ARC DISTANCE OF 1089.35 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 70°53'18" WEST, 1061.38 FEET; THENCE, NORTH 86°32'12" WEST, CONTINUING ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, 2313.66 FEET TO THE POINT OF BEGINNING.

FROM THE POINT OF BEGINNING, CONTINUE NORTH 86°32'12" WEST, ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, 1114.97 FEET; THENCE, NORTH 43°37'38" EAST ALONG THE SOUTHEASTERLY LINE OF PARCEL 3 AS RECORDED IN OFFICIAL RECORDS VOLUME 3262, PAGE 732 OF SAID DUVAL COUNTY, A DISTANCE OF 1319.87 FEET TO THE SOUTHWEST CORNER OF TRACT "C", OF "HATTON CHASE UNIT TWO", AS RECORDED IN PLAT BOOK 51, PAGES 62 THROUGH 62E, OF THE PUBLIC RECORDS OF SAID DUVAL COUNTY; THENCE, SOUTH 46°22'22" EAST ALONG THE SOUTHWEST LINE OF SAID "TRACT C" AND LOT 173 OF SAID "HATTON CHASE UNIT TWO", A DISTANCE OF 373.95 FEET TO THE NORTHWEST CORNER OF LOT 34 "SOUTHRIDGE AT HATTON CHASE UNIT ONE", AS RECORDED IN PLAT BOOK 53, PAGES 55 THROUGH 55A OF THE PUBLIC RECORDS OF SAID DUVAL COUNTY; THENCE, THE FOLLOWING COURSES ALONG THE WESTERLY BOUNDARY OF SAID "SOUTHRIDGE AT HATTON CHASE UNIT ONE": SOUTH 43°37'38" WEST 135.00 FEET; THENCE, NORTH 46°22'22" WEST 32.56 FEET; THENCE, SOUTH 43°37'38" WEST 160.00 FEET; THENCE, NORTH 46°22'22" WEST 66.38 FEET; THENCE, SOUTH 43°37'38" WEST 426.37 FEET TO THE WESTERNMOST CORNER OF LOT 29 OF SAID "SOUTHRIDGE AT HATTON CHASE UNIT ONE"; THENCE, DEPARTING SAID WESTERLY BOUNDARY, RUN SOUTH 86°32'12" EAST ALONG THE SOUTHERN LINE OF LOTS 29, 28, 27, AND 21 OF SAID "SOUTHRIDGE AT HATTON CHASE UNIT ONE" A DISTANCE OF 496.61 FEET TO THE NORTHWEST CORNER OF LOT 9 OF SAID "SOUTHRIDGE AT HATTON CHASE UNIT ONE"; THENCE, SOUTH 03°27'48" WEST ALONG THE WEST LINE OF SAID LOT 9 A DISTANCE OF 110.00 FEET; THENCE, NORTH 86°32'12" WEST 7.82 FEET; THENCE, SOUTH 03°27'48" WEST 50.00 FEET; THENCE, SOUTH 86°32'12" EAST 30.00 FEET TO THE NORTHWEST CORNER OF LOT 8 OF SAID "SOUTHRIDGE AT HATTON CHASE UNIT ONE"; THENCE, SOUTH 03°27'48" WEST ALONG THE WEST LINE OF SAID LOT 8 A DISTANCE OF 120.00 FEET TO THE NORTH RIGHT-OF-WAY OF ST. AUGUSTINE ROAD AND THE POINT OF BEGINNING.

SAID LANDS CONTAINING 12.15 ACRES, MORE OR LESS.