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DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS
FOR
AHERN TOWNHOMES

THIS DECLARATION OF COVENANTS, EASEMENTS, AND RESTRICTIONS FOR AHERN TOWNHOMES is made on _____, 2017, by **AHERN TH PROJECT, LLC**, a Florida limited liability company (the “Declarant”), joined by AHERN TOWNHOME ASSOCIATION, INC., a Florida not for profit corporation (“Association”).

WHEREAS, Declarant is the owner of the following described real property lying in Duval County, Florida:

LEGAL DESCRIPTION IS ATTACHED HERETO AS EXHIBIT “A”

(the “Property”, also referred to as “AHERN TOWNHOMES”), and Declarant desires to develop it as a residential community; and

WHEREAS, Declarant desires, by this Declaration, to provide for the preservation of the values and improvements of the Property and the maintenance of the improvements thereon; and

WHEREAS, Declarant herewith imposes these protective covenants, conditions and restrictions set forth herein upon the Property; and

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the values and improvements established as aforesaid to create a not-for-profit corporation pursuant to Chapter 617, Florida Statutes, and to act and serve as a homeowners association pursuant to Chapter 720, Florida Statutes, known as AHERN TOWNHOME ASSOCIATION, INC., to which there has been and will be delegated and assigned certain powers and duties of ownership, operation, administration, maintenance, repair or replacement of portions of the Property, and the enforcement of the covenants, restrictions, easements, reservations, regulations, burdens and liens contained herein and the collection and disbursement of the assessments and charges hereafter provided.

NOW, THEREFORE, in consideration of the premises and covenants herein contained, Declarant hereby declares that the Property shall be held, owned, used, transferred, sold, conveyed, demised and occupied, subject to the covenants, restrictions, easements, reservations, charges, regulations, burdens and liens hereinafter set forth, all of which shall run with the Property, and which shall be binding upon all parties having any right, title or interest in such Property, or any part thereof, and their heirs, successors and assigns.

1. DEFINITIONS.

1.1 “Articles” means the Articles of Incorporation of the Association, a copy of which is attached hereto as **Exhibit “B”**. The Articles are incorporated herein.

1.2 “Assessment” means the Individual Lot Assessment, Special Assessments, Special Lot Assessments and any and all other assessments which are levied or collected by the Association in accordance with the provisions of this Declaration or any other of Community Documents.

1.3 “Association” means AHERN TOWNHOME ASSOCIATION, INC., which is responsible for operating the Property pursuant to this Declaration. The Association is not a condominium association under Chapter 718, Florida Statutes.

1.4 “Board”, “Board of Directors” or “Directors” means the Directors of the Association acting as a Board of Directors.

1.5 “Budget” means the budget for the Association.

1.6 “Building” means the structure of which the Dwelling Units are a part.

1.7 “Bylaws” means the Bylaws of the Association, as same may be amended from time to time. A copy of the initial Bylaws is attached hereto as **Exhibit “C”**.

1.8 “City” means the City of Atlantic Beach, Florida.

1.9 “Common Costs” means the expenses for which Owners are jointly and severally liable to the Association as described in Community Documents.

1.10 “Common Property” means those portions of the Property (if any) not included within a Lot, as is more particularly described in Paragraph 3.

1.11 “Community Documents” means, in the aggregate, this Declaration, the Articles, the Bylaws, the Rules, and all of the instruments and documents, including easements, referred to therein or referred to herein, as same may be modified from time to time.

1.12 “Contributing Lot” means each Lot upon its conveyance from Declarant to an Owner. Contributing Lot shall not mean a Lot upon its conveyance by Declarant to Declarant or any of its affiliates, unless specified in a written instrument recorded by Declarant.

1.13 “County” means Duval County, Florida.

1.14 “Declarant” means **Ahern Townhome Partners, LLC**, a Florida limited liability company, its successors, grantees, and assigns. Notwithstanding the foregoing, an Owner shall not, solely by the purchase of a Lot or a Dwelling Unit, be deemed a successor or assign of Declarant or entitled to the rights of Declarant under this Declaration or any other Community Documents, unless such Owner is specifically so designated as a successor or assignee of such rights in the respective instrument of conveyance or any other instrument executed by Declarant and recorded in the Public Records of Duval County, Florida. However, if the assignor assigns only a portion of its rights as Declarant hereunder to an assignee, then the term Declarant as used in this Declaration shall mean such assignee only when necessary to give such assignee the specific rights of Declarant hereunder which were specifically assigned to such assignee to the same extent as if the assignee had been the original Declarant, and such assignee shall not have any of the rights of Declarant hereunder which were not specifically assigned to such assignee. In addition, if any Person obtains title to all of the Property then owned by Declarant as a result of the foreclosure of any mortgage or deed in lieu thereof, such Person may elect to become Declarant by a written election recorded in the Public Records of the County, and regardless of the exercise of such election, such Person may appoint as Declarant any third party who acquires title to all or any portion of the Property, by written appointment recorded in the Public Records of the County. In any event, any subsequent Declarant shall not be liable for any default or obligations incurred by any prior Declarant, except as same may be expressly assumed by the subsequent Declarant.

1.15 “Declaration” means this instrument, as may be amended by the Declarant or the Association in accordance herewith and the Bylaws.

1.16 “Dedicated Property” means those portions of the Plat, if any, lying within the Property that are dedicated or reserved on the Plat to the Association. Dedicated property shall include any easements within the Property dedicated or reserved on the Plat to the Association.

1.17 “Developer Control Period” means that period of time prior to the time that ninety (90%) of the Lots are conveyed to Owners.

1.18 “Director” means a Director, as defined in the Articles and Bylaws.

1.19 “Dwelling Unit” means a townhome dwelling unit that is located on a Lot, provided that a final certificate of occupancy has been issued therefore by the applicable governmental authority. A Dwelling Unit cannot be transferred, demised, sold or leased apart from the Lot. There shall be only one Dwelling Unit on a Lot.

1.20 “Individual Lot Assessment” means the Assessment due from each Lot, as further described in Paragraph 9.1 hereof.

1.21 “Institutional Mortgagee” means any lending institution owning or holding a first mortgage encumbering a Lot which is any of the following institutions:

1.21.1 any Federal or State Savings and Loan or Building and Loan Association, or any commercial or other bank or real estate investment trust, or any mortgage banking company or any subsidiary thereof; or

1.21.2 any “Secondary Mortgage Market Institution,” including the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, and any other secondary Mortgage Market Institution as the Board shall hereafter approve in writing which has acquired a first mortgage upon a Lot; or

1.21.3 any and all investors or lenders, or the successors and assigns of such investors or lenders (herein referred to as “Lenders”) which have loaned money to Declarant and who hold a mortgage on any portion of the Property securing such a loan; or

1.21.4 such other institutional lenders as the Board shall hereafter approve in writing as Institutional Mortgagees which have acquired a mortgage upon a Lot; or

1.21.5 Declarant, if Declarant owns or holds a mortgage on any portion of the Property, and the transferee of any mortgage encumbering any portion of the Property which mortgage was originally held by Declarant; or

1.21.6 any life insurance company; or

1.21.7 any Lender acquiring or holding a first mortgage on a lot securing the repayment of funds provided by the Lender for the purchase of the Lot by an Owner from Declarant.

1.22 "Lot" means any one of the numbered parcels shown on the plat of the Property recorded in the public records of Duval County, Florida. The term "Lot" shall also be deemed to include the Dwelling Unit constructed thereon or to be constructed thereon, and other improvements thereto, except as may otherwise be provided in the Declaration. No Lot may be subdivided, and no alienation, transfer, demise, sale or lease of a portion of a Lot shall be permitted.

1.23 Intentionally omitted.

1.24 "Member" means a member of the Association.

1.25 "Owner" means the owner or owners of the fee simple title to a Lot and includes Declarant for so long as it is individually the owner of the fee simple title to any Lot.

1.26 "Party Wall" shall mean and refer to the common walls which are built to divide Dwelling Units as a part of the construction of a Building and intended to be placed on the dividing line (whether or not such wall is actually built on the dividing line) between Lots underlying such Building.

1.27 "Person" means any individual, corporation, governmental agency, business trust, estate, personal representative of an estate, trust, trustee, partnership, association, two or more persons having a joint or common interest, or any other legal entity.

1.28 "Plat" means the Plat of the Property, if any, to be recorded in the Public Records of Duval County, Florida.

1.29 "Property" means the real property described in **Exhibit "A"**.

1.30 "Rules" means any rules and regulations adopted by the Association.

1.31 "Special Assessment" means, in addition to other Assessments designated as Special Assessments in Community Documents, those Assessments further described in Paragraph 10.3 hereof.

1.32 "Special Lot Assessment" means an Assessment against an individual Owner, as further described in Paragraph 10.4 hereof.

1.33 "Environmental Regulatory Agency" means any governing authority having jurisdiction over any property contemplated in this document for the preservation, restoration or creation of any environmentally sensitive lands. These agencies include, but are not limited to, any City or County Drainage District (DD), City or County Department of Environmental Resource Management (ERM), St. Johns River Water Management District (SJRWMD), the U.S. Army Corps of Engineers (ACOE) and the U.S. Environmental Protection Agency (EPA).

2. **DEVELOPMENT PLANS.**

2.1 Development. Declarant intends to develop or cause to be developed upon the Property a residential community to be known as AHERN TOWNHOMES. Declarant's general plan of development further contemplates that the Dwelling Units shall be whatever type(s) of structures Declarant may choose. The Property shall be comprised of Lots and Common Property.

3. **COMMON PROPERTY.**

3.1 Common Property. The Common Property shall include, without limitation, those portions of the Dedicated Property lying within the Property. Common Property shall also be deemed to include the interest of the Association in and to any easement granted in favor of the Association, whether such easement has been granted as of the date hereof or shall be granted thereafter, and shall include any non-exclusive easement wherein Persons, in addition to Declarant, are also beneficiaries under the easement. The Common Property may include, without limitation, entrance ways, utility easements, roadways, roadway swales, sidewalks in the road right-of-way, community walls, and landscape buffer areas provided that the

mentioning of any particular form of Common Property herein shall not require that such form of Common Property be provided.

3.2 Assumption of Responsibility for Dedicated Property. Notwithstanding the dedication or reservation of the Dedicated Property to the Association on the Plat, if any, it is the intention of Declarant that the Dedicated Property will in all respects be included within the Common Property.

3.3 Easements in General. Every Member shall have a non-exclusive right and easement of enjoyment in and to the Common Property, and such easement shall be appurtenant to and pass with title to each Lot, subject to the right of the Association to adopt Rules governing the use and enjoyment thereof, and the right of Declarant or the Association to grant permits, licenses and easements over, through, across and under the Common Property for utilities, roads and other purposes reasonably necessary or useful for the maintenance or operation of the Property. Every Member shall have a non-exclusive easement and right of ingress, egress and access over and across all roadways, sidewalks and other portions of the Common Property as may be designated, designed or used for such purposes.

4. **MAINTENANCE RESPONSIBILITIES.** In consideration of the benefits hereinafter contained, and in payment of the Common Costs, Declarant does hereby declare and the Association agrees that the following provisions shall be applicable to the Property, which shall be transferred, demised, sold, conveyed and occupied subject to the terms of this Declaration and the other Community Documents, as follows:

4.1 Maintenance of Lot and Dwelling Unit.

4.1.1 The Association shall be responsible for the general maintenance of the Lot and exterior components of the Dwelling Unit (the "Exterior") in the Association's reasonable business judgment. Maintenance of the Lot shall include the planting, sodding, and maintaining of landscaping, shrubbery, lawns, mowing lawns, and weeding of landscaped areas and keeping any Declarant or Association installed irrigation system functioning. Maintenance of the Exterior includes general cleaning and painting of siding and trim, repair or replacement of stucco, and roof repair and replacement. In the event an Owner damages the Lot, including landscaping, irrigation systems, and/or lawns or the Exterior, or places Owner's property in such fashion so as to increase the cost or difficulty for the Association and its contractors to maintain or repair the Lot or the Exterior, then in addition to all other rights of the Association described in this Declaration, the Association shall be entitled to assess the Owner for (i) the cost or incremental additional cost of the repair or maintenance, and (ii) a reasonable administrative fee, not to exceed One Hundred dollars (\$100.00) per occurrence. All matters relating to the interior of a Dwelling Unit, including matters originating on or upon the Exterior but impacting the interior of a dwelling unit, to the extent affecting the interior of the Dwelling Unit, shall be the Owner's responsibility. The following certain repairs shall be completed with Association consent and only with product pre-approved by the Association, but the Owner shall bear all expenses related thereto: replacement of Air Conditioning outside units, doors, windows, driveway and walkway pavers, and screens, including screenroom related repairs. Each Owner of a Lot covenants that said Owner shall, at all times, maintain, repair and replace (with the same or substantially similar material or product) at the Owner's sole expense, all improvements on the Owner's Lot, including but not limited to all portions of the Owner's Dwelling Unit, lighting, fences (whether or not installed by Declarant) and screening, where applicable, sprinkler systems, sidewalks, mailboxes and landscaping, utility lines, ducts, conduits, pipes, wires, utility fixtures and appurtenances which service only the Owner's Lot, (excluding only general maintenance of the Lot and Exterior as specifically described above). Owners shall be solely responsible to remove visible moisture accumulation, repair leaks, and prevent and eliminate excess humidity in their respective Dwelling Unit immediately upon discovery thereof and shall perform periodic inspections of plumbing, drain and condensate lines, air handlers and ducts to prevent the spread of water, prevent leaks and avoid the growth or accumulation of mold, bacteria or other microbial contamination ("**Microbial Contamination**") in the Dwelling Unit or Party Walls. The Owners shall promptly notify the Association in writing of any leaks, water penetration or excess humidity and any Microbial Contamination discovered in the Dwelling Units. If required by Association, the applicable Owner shall engage an indoor environmental specialist acceptable to Association to determine the cause of any leaks, water penetration or excess humidity, the extent of any Microbial Contamination, and the appropriate course of repair and or remediation. Once approved by Association in writing, the applicable Owners, at that Owner's sole cost and expense, shall promptly undertake all repairs and remediation in order to repair such leaks, water penetration or excess humidity and to remediate, in accordance with applicable laws, statutes, regulations and ordinances and with nationally accepted remediation standards. Additionally, the Owners shall prevent the accumulation of other contaminants, including but not limited to carbon dioxide, volatile organic compounds, formaldehyde and other chemicals or gases in their Dwelling Unit or spreading from their Dwelling Unit that are or might be injurious to human health. Owners shall not use any biocides or chemicals in their Dwelling Unit for removal of any contamination that are not EPA-registered for that particular purpose or which could be harmful to occupants of their Dwelling Unit or the Building.

4.1.2 If any Owner fails to carry out any of the Owner's responsibilities pursuant to this Declaration ("Defaulting Owner") (as shall be determined by the Association), the Association shall have the right, but not the obligation, after ten (10) days' written notice to the Defaulting Owner, to enter the Lot, inclusive of the Dwelling Unit, of the Defaulting Owner for the purpose of performing the responsibilities described in the notice. Such entry on the Lot of the Defaulting Owner shall not be deemed a trespass. In the event of emergencies, the Association may, in its sole discretion, dispense with the aforesaid notice. The cost of performing such responsibilities and the expenses of collection (if any), including court costs and reasonable attorneys' fees at all trial and appellate levels, shall be specially assessed against the Defaulting Owner as a Special Lot Assessment and shall become a lien upon the Lot of the Defaulting Owner, in the manner provided in this Declaration. The Defaulting Owner shall be personally liable to the Association for the payment of amounts assessed against him and for all costs of collecting the same plus interest and attorneys' fees as hereinafter provided. If the amounts assessed against the Defaulting Owner are not paid within 15 days of the date of the assessment, the Board may proceed to enforce and collect said Special Lot Assessments against the Defaulting Owner in any manner provided for by the laws of the State of Florida, including foreclosure of the lien and sale of the Lot. For purposes of this subparagraph, unless the Defaulting Owner performs the obligations set forth in such notice, the date of assessment shall be deemed to be the day after the foregoing ten (10) days has elapsed. Said lien shall be effective only from and after the time of recordation among the Public Records of the County of a written, acknowledged statement signed by an officer of the Association setting forth the amount due. All sums expended shall earn interest at the highest rate permitted under the law. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a recordable satisfaction of lien. Nothing contained in this Paragraph 4.1.2 shall be deemed or construed as limiting any remedy or right of enforcement of the Association as may be otherwise provided herein.

4.2 Maintenance of Common Property, Ponds, and Other Property.

4.2.1 The Association shall maintain, operate, manage, and insure any and all Common Property and repair and replace any improvements of any nature thereto, and pay utilities, insurance, taxes and assessments thereon, if any. Notwithstanding the foregoing, the improvements, landscaping and lawn located upon the surface of any drainage, utility or like kind easement which may be located upon any portion of a Lot shall be maintained by the Owner of such Lot. Nothing herein contained shall be construed as obligating the Association to maintain insurance, pay taxes or pay assessments on any portion of Common Property lying within a Lot.

4.2.2 The Association shall maintain, operate, manage, and insure all ponds, streams and/or wetlands located within the Property which serve as part of the drainage and stormwater retention system for the Property, including without limitation, the Drainage System, detention ponds, retention ponds, dry detention areas, drainage facilities, drainage structures, any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, pumps, conduits and/or similar equipment installed therein or used in connection therewith, as consistent with the ownership thereof, as provided and set forth on the Plat.

5. **PRESERVATION OF VALUES AND IMPROVEMENTS.** In order to preserve the value of the Property and improvements thereto, the following provisions shall be applicable to the Property:

5.1. Owner's Covenant for Use. Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Lot, whether or not it shall be so expressed in such deed or instrument, covenants and agrees that the Lot shall be used, held, maintained, and conveyed solely in accordance with and subject to the covenants, reservations, easements, restrictions, and lien rights regarding same as are set forth in the Community Documents.

5.2. Alterations and Improvements.

5.2.1. No construction or remodeling of any Dwelling Unit or alterations to any Dwelling Unit shall be permitted to be made (other than within the Dwelling Unit), other than by Declarant, without the prior written approval of the Directors, except that approval shall be given for those improvements which are set forth in Declarant's original plans and specifications (the "Plans and Specifications") for the type of Dwelling Unit (which Plans and Specifications are on file with the County), and such improvements as were originally offered by Declarant as an optional improvement to the Dwelling Unit or Lot (subject to Paragraph 5.2.6). Except for the aforescribed improvements which are permitted, no Dwelling Unit or structure of any kind, including without limitation, additions, improvements, modifications, exterior painting, exterior decorations, landscaping, replacement of exterior doors, windows or window coverings, exterior lighting, mailboxes, pools, fences, walls, pavement, patios, terraces, gazebos, sheds, huts, screening or screened enclosures, tree forts, playhouses or garages, shall be erected or altered, other than by Declarant, unless first approved by the Directors, as provided herein and in the Bylaws. In addition, no basketball hoops shall be placed within any right of way or erected upon any Lot. Any basketball hoop used by an Owner on a Lot shall be of a temporary nature and shall be used so as to not make

any objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Lots or the owner of any portion of the Property, and shall be removed upon request of the Directors.

5.2.2. The Directors may establish reasonable fees (including, without limitation, fees of any architect or engineer engaged by the Association) to be charged for review of applications hereunder and may require such fees to be paid in full prior to review of any application. This Paragraph 5.2.2 shall not apply to construction of improvements or modifications to the Common Property by or on behalf of the Association or Declarant nor to the construction of any improvements on the Lots by Declarant.

5.2.3. The Directors may promulgate detailed standards and procedures governing improvements and construction and the processing of applications, consistent with those of the Community Documents. The Directors, at their discretion, may create a committee for the purpose of reviewing applications.

5.2.4. Any request for approval by the Directors of any improvement shall be in writing and shall be accompanied by plans and specifications or other details as the Association may deem reasonably necessary in connection with its determination as to whether or not it will approve same. The plans and specifications submitted for approval shall show the nature, kind, shape, height, materials, color, and location of all proposed improvements and certify that such are in compliance with applicable County regulations and ordinances. If the Association deems the plans and specifications deficient, the Association may require such further detail in the plans and specifications as the Association deems necessary in connection with its approval of same, including, without limitation, floor plans, site plans, drainage plans, elevation drawings, and descriptions or samples of exterior materials and colors, and until receipt of the foregoing, the Association may postpone review of any plans submitted for approval. The Association shall not be required to use the services of any architect or engineer in connection with its exercise of architectural approval. The Association shall not be obligated to review or approve any plans and specifications until such fee is paid. Approval of any request shall not be withheld in a discriminatory manner or in a manner which unreasonably prohibits the reasonable improvement of any property, but may be withheld due to aesthetic considerations. In consenting to any proposed improvement, the Association may condition such consent upon changes being made and any such approval shall be deemed a disapproval unless and until the party requesting the approval agrees to the changes. If the Association approves, or is deemed to have approved, any improvement, the Owner requesting approval may proceed to make the improvement in strict conformance with the plans and specifications approved or deemed to have been approved, subject to any conditions of the Association's approval, and shall not make any material changes without the approval of the Association. If the Association approves any improvement, same shall require the Association to approve any similar improvement in the future, and the Association shall have the right in the future to withhold approval of similar improvements requested by any other Owner.

5.2.5. The approval of the Directors of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Directors, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

5.2.6. The Directors may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, natural conditions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall: (i) be effective unless in writing, (ii) be contrary to the restrictions set forth in the body of this Declaration, or (iii) estop the Directors from denying a variance in other circumstances.

5.2.7. The approval, rejection or withholding of any approval by the Directors of the plans, proposals and specifications and the location of all structures, and every alteration of any structure, shall not be construed or interpreted as a representation or determination by the Directors or Declarant that any building, zoning, plumbing, electrical code or other applicable governmental regulations or requirements have or have not been properly met by the Owner, it being understood that the approval of the Directors or Declarant relates only to the aesthetics of the improvements shown on the plans and specifications, and not to their sufficiency or adequacy. Each Owner shall be responsible for obtaining all necessary technical data and to make application to and obtain the approval of any appropriate governmental agencies prior to commencement of any work or construction. In the event that any improvement constructed to or on a Lot by or on behalf of an Owner is determined by a governmental agency to be in violation of any governmental building code, ordinance, regulation or other requirement, then Owner, at Owner's sole expense, shall promptly take such actions as are necessary to remedy the violation.

5.2.8. Nothing herein shall be interpreted as an exemption from compliance with County regulations and ordinances.

5.3. Residential Purposes. Lots shall be used for residential purposes only. No commercial or business occupations may be carried on any Lot except for the construction, development and sale or rental of such Lots and Dwelling Units to be constructed thereon by Declarant and for direct accessory services to the Lots such as utilities, maintenance, and other such services. Notwithstanding the preceding sentence, an Owner may conduct a business from a Dwelling Unit to the extent such business may be conducted solely by means of regular U.S. mail or electronic communications (telephone, facsimile, Internet e-mail and similar means) and does not involve the presence of other persons (*e.g.*, customers, contractors, frequent parcel delivery) within AHERN TOWNHOMES; provided that such business is in compliance with all governmental requirements.

5.4. Single Family Units. Each Dwelling Unit shall be occupied by no more than one family. The term "family" means a group of persons related to each other by blood, adoption or marriage, together with any minor children entrusted to the care of any such persons, or a group of two persons not related by marriage who maintain a common household, together with persons related to them by blood, adoption or marriage, together with any minor children entrusted to the care of any such persons. A family shall also include any person residing in a Dwelling Unit who is performing child care, nursing, housekeeping or other domestic services for the Owner or any member of the family residing therein. In no event shall the total number of persons residing in a Dwelling Unit exceed seven persons.

5.5. Additional Provisions for the Preservation of the Values and Amenities of AHERN TOWNHOMES. In order to preserve the values and amenities of AHERN TOWNHOMES, the following provisions shall be applicable to the Property:

5.5.1. Parking. Vehicles shall be parked only in the driveways serving the Dwelling Units, except as set forth in Paragraph 5.5.2. No vehicles shall be parked on any roadway, swale or any other unpaved portion of the Property, including unpaved portions of any Lot, unless pursuant to express rules and regulations adopted by the Directors regarding such parking. Notwithstanding the foregoing, service and delivery vehicles may be parked in the Property during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Dwelling Unit or the Common Property. No Owner shall conduct or permit to be conducted repairs (except in an emergency) or restorations of any motor vehicle, or other vehicle upon any portion of the Property, except in a garage with the doors thereto closed at all times. The Association shall have the right but not obligation to remove any vehicles located on any portion of the Property which are in violation of this Paragraph 5.5.1. This section shall not apply to any activities of Declarant. All garage doors shall be kept closed at all times except for those immediate periods when an Owner or his agents is accessing the garage.

5.5.2. Prohibited Vehicles. Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, any trucks, including pick-up trucks with more than 3/4 ton capacity, tractors, mobile homes, recreational vehicles (not including sport-utility vehicles commonly used as private vehicles), campers, camper trailers, boats and any watercraft, and any trailers for boats, watercraft or any vehicles shall not be parked anywhere on the Property, unless parked in an enclosed garage. Unless located within an enclosed garage, stored vehicles, vehicles which are obviously inoperable, and vehicles that do not have a current operating license or tag shall not be permitted on the Property. In addition, in order to preserve the aesthetic values of the community, the Association may require or cause the removal from the Property any vehicle with substantial body damage unless the owner of the vehicle parks said vehicle inside an enclosed garage. For purposes of this Paragraph 5.5.2., police cars shall not be considered commercial vehicles.

5.5.3. Driveway and Garages. All Lots shall have a paved driveway of stable, hard surface and permanent construction. If any portion of the driveway located within a utility easement or within a dedicated right-of-way is damaged or removed as a result of work on the utilities located within such utility easement or dedicated right-of-way, then to the extent not repaired by the utility, the Owner of the Lot served by such driveway shall promptly repair and replace such damaged portions of the Owner's driveway at the Owner's expense using materials and design similar to that for the driveway which was damaged. Different materials may be used only where the prior written consent of the Directors is obtained. Each Townhome shall be constructed with a two (2) car garage and no garage shall be converted to heated and cooled living space.

5.5.4. No Time-Sharing. No "Time-Share Plan" (as defined in Chapter 721 of the Florida Statutes), or any similar plan shall be permitted for any Dwelling Unit.

5.5.5. Antennas and Aerials. No exterior antenna, aerial, satellite dish or other apparatus for the transmission of, or receiving television, radio or other signals of any kind shall be placed, allowed or maintained upon any portion of a Lot, except those which are not permitted to be prohibited by applicable law, or unless such have been approved by the Directors.

5.5.6. Signs, Flags and Banners. Except for Declarant, no “for sale” signs or “for rent” signs shall be displayed during the Developer Control Period. Thereafter, any “for sale” or “for rent” signs shall be subject to requirements set by the Directors as to number, size, letterings and location. No other sign, advertisement or notice shall be permitted on the Property unless specifically permitted by the prior written consent of the Directors. Flags, banners, pennants and streamers may not be displayed, except that American flags may be displayed subject to requirements set by the Board as to size and location.

5.5.7. Maintenance of Premises. Consistent with Section 4.1.1 of this Declaration, the Association shall have primary responsibility for exterior maintenance of the Premises. However, for those responsibilities of the Owner (being those for which the Association is not responsible), upon the failure of an Owner to maintain the Owner’s Lot in accordance with such responsibility or any portion of the Property adjacent thereto for which the Owner has a duty to maintain and any improvements on the Lot or adjacent property and upon the Owner’s failure to correct such deficiencies within ten (10) days after written notice by the Association or Declarant, the Association or Declarant, until Declarant no longer owns any portion of the Property, may, at its option, enter upon such Lot or portion of the Property and make such corrections as may be necessary, the cost of which shall be paid for by the Owner. If any Owner fails to make payment as requested, the requested payment shall be collected as a Special Lot Assessment from the Owner as elsewhere described in this Declaration. If Declarant makes such corrections, the Association shall upon written request reimburse Declarant for the expense thereof. The application or operation of this subparagraph shall be in addition to the remedies provided in Paragraph 5.1.2.

5.5.8. Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Property, except that dogs, cats, or other usual and common domesticated household pets not to exceed a total of three may be permitted in a Lot. This limitation does not apply to fish. However, those pets which, in the sole discretion of the Board, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Lots or the owner of any portion of the Property, shall be removed upon request of the Board. If the Owner fails to honor such request, the pet may be removed by the Board, and such action shall not be deemed to be a trespass or conversion. No pets shall be kept, bred or maintained for any commercial purpose. Pets shall at all times whenever they are outside a Dwelling Unit be carried or confined on a leash held by a responsible person. No Owner shall be permitted to maintain on their Lot a pit bull terrier, pit bull terrier mix, or any other dog of mean or violent temperament, or which otherwise evidences such temperament, or any exotic pet including, without limitation, snakes, lizards and spiders of any kind. Each Owner shall promptly remove and dispose of waste matter deposited by their pet. The Directors may adopt Rules relating to the control or presence of pets on the Common Property.

5.5.9. Fences. All fences, other than those installed by Declarant, are subject to the approval of the Directors as set forth in Paragraph 5.2, provided that in no event shall fences of any kind be permitted on the Lot. No plant hedges or additional landscaping shall be permitted as a fence substitute without the prior written consent of the Directors as set forth in Paragraph 5.2.

5.5.10. Firearms. The discharge of firearms within the Property is prohibited. The term “firearms” includes “B-B” guns, pellet guns and other firearms of all types and sizes.

5.5.11. Waterbeds, Outdoor Broadcast. No waterbed shall be placed or used in any Dwelling Unit. No exterior broadcast system or other playing of music, radio, television or similar broadcast or live music shall be played on any balcony or veranda at a volume sufficient to reasonably disturb any other Owner.

5.6. Compliance with Documents. Each Owner and the Owner’s family members, guests, invitees, and lessees and their family members, guests and invitees shall be bound by and abide by the Community Documents. The conduct of the foregoing parties shall be considered to be the conduct of the Owner responsible for, or connected in any manner with, such individuals present within AHERN TOWNHOMES. Such Owner shall be liable to the Association for the cost of any maintenance, repair or replacement of any real or personal property located on the Common Property rendered necessary by the Owner’s act, neglect or carelessness, or by that of any of the foregoing parties which shall be paid for by the Owner as a Special Lot Assessment.

5.7. Casualty Destruction of Improvements. If a Dwelling Unit, structure or other improvement is damaged or destroyed by casualty loss or other loss, then within 90 days after the time after such incident, the Owner thereof shall either commence to rebuild or repair the damaged Dwelling Unit, structure or improvement and diligently continue such rebuilding or repairing until completion, or properly clear the damaged Dwelling Unit, structure or improvement and restore or repair the Lot in accordance with the requirements of the Association. As to any such reconstruction of a destroyed Dwelling Unit, structure or improvement, the same shall only be replaced with a Dwelling Unit, structure or improvement as are approved as provided herein.

5.8. Portable Buildings; Clothes Lines and Outside Clothes Drying; Surface Water Management; Outside Storage of Personal Property; Air Conditioning Units; Oil and Gas Tanks, Air Conditioners; Exceptions for Declarant. No portable, storage, temporary or accessory buildings or structures, or tents, shall be erected, constructed or located upon any portion of the Property for storage or otherwise, without the prior written consent of the Association. No clothesline or clothes pole shall be erected, and no outside clothes-drying is permitted except where such activity is advised or mandated by governmental authorities for energy conservation purposes, in which event the Association shall have the right to approve the portions of any property used for outdoor clothes-drying purposes. Only portable outdoor clothes-drying facilities approved by the Association are permitted, and same shall be removed or not in use. No Owner shall do anything to adversely affect the surface water management and drainage of the Property without the prior written approval of the Association and any controlling governmental authority, provided the foregoing shall not be deemed to prohibit or restrict the initial construction of improvements upon the Property by Declarant or by the developer of any portion of the Property in accordance with permits issued by controlling governmental authorities. The personal property of any Owner shall not be kept outside the Dwelling Unit or fenced or walled in yard without the prior written consent of the Association. Only central air conditioning units are permitted without the prior written consent of the Association. No window air conditioning unit or water softener system shall be installed on the front or any side of a building on a Lot. The foregoing use and maintenance restrictions shall not apply to Declarant, or to any portion of the Property while owned by Declarant, and shall not be applied in a manner which would unreasonably prohibit or restrict the development of any property and the construction of any Dwelling Units, sales offices, recreational facilities and other improvements thereon, or any activity associated with the sale of any new Units, by Declarant or by the developer of any portion of the Property. Specifically, and without limitation, Declarant and, subject to the consent of Declarant shall have the right to: (i) construct any buildings or improvements within the Property, and make any additions, alterations, improvements, or changes thereto; (ii) maintain customary and usual sales, leasing, general office and construction operations on any portion of the Property; (iii) place, erect or construct portable, temporary or accessory buildings or structures upon any portion of the Property for sales, leasing, construction, storage or other purposes; (iv) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction of any portion of the Property; and (v) post, display, inscribe or affix to the exterior of a Unit or upon any portion of the Property, signs and other materials used in developing, constructing, selling, leasing or promoting any portion of the Property.

5.9. Mailboxes. No mailbox, paper box, or other receptacle of any kind for use in the delivery of mail, newspapers, magazines or similar material shall be erected on any Lot without prior written approval of Directors as to style and location.

5.10. Tree Preservation. Any tree removal shall be subject to Association approval. All tree removal shall be removed only in accordance with County regulations and ordinances.

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

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

5.13. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. Rubbish, trash, garbage, or other waste shall be kept in closed sanitary containers constructed of metal or rigid plastic, except that during the course of construction upon Lots, the debris created by the builders shall not be required to be kept in closed containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition and shall be maintained in the garage of each Dwelling Unit so as to shield any such equipment from the view of the street or other Lots, except on scheduled garbage pick-up days, except debris created during the course of construction as aforesaid, which shall be removed by the builder upon completion of construction.

6. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION. Membership in the Association shall be established by the acquisition of ownership of fee title to a Lot as evidenced by the recording of an instrument of conveyance in the Public Records of the County. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Lot. Further, Declarant shall be a Member so long as Declarant owns any portion of the Property. Each Member shall be entitled to the benefit of, and be subject to, the provisions of the Community Documents. The voting rights of Members shall be as set forth in the Articles and the By-Laws.

7. EASEMENTS.

7.1. Recognition of Existing Easements. Each Owner, by acceptance of a deed or other instrument of conveyance, recognizes and consents to the easements reserved or granted with respect to the Property whether reserved or granted under this Declaration or other instrument of record including the Plat of Ahern Townhomes. Declarant shall have the right to modify, grant or assign any existing or proposed easements. Existing and/or proposed easements include, without limitation, the following easements:

7.1.1. Water Management Easement. There is granted in favor of the Declarant and the Association a perpetual, non-exclusive easement or easements for flowage, drainage, storm water retention and detention on, over, upon, within and under the Property.

7.1.2. Access/Utility and Drainage Easements. There exists in favor of the Declarant and the Association and, if required, the applicable water management district or districts, and any other entity or public body which Declarant or the Association deem appropriate perpetual, non-exclusive easements or easements for ingress, egress, utilities and drainage on, over, across, through and under the paved roadway, sidewalks, swales, and any such other portions of the Property, as described on the Plat of Ahern Townhomes or otherwise recorded in the Public Records of Duval County, Florida.

7.2. Ingress-Egress/Governmental Services. There is granted in favor of the Association and each Member of the Association and lawful resident on the Property a non-exclusive easement or easements for ingress and egress on, over, across and through the paved roadways, sidewalks, swales and other portions of the Common Property, and on, over, across and through each Lot. There is granted in favor of the County, its various agencies and services, and to all other applicable governmental agencies, a perpetual non-exclusive easement on, over, across and through the Property and all portions thereof, for the purpose of rendering police, fire and other governmental services on the Property and, when necessary, with respect to adjoining property, public or private.

7.3. Grant and Reservation of Easements. There is reserved for Declarant, the Association, and their designees or the following perpetual easements on, over, across, through, and under the Property as covenants running with the Property for the benefit of Declarant, the Association, and their designees, for the following purposes and provided that none of such easements shall interfere with the use of the Property for residential purposes, and such easements shall be used only to the extent reasonably necessary for their intended purposes. The following easements may be grants of easements or reservations giving the Declarant the right to grant such easements as the context shall indicate:

7.3.1. Utility Easements. There is reserved unto Declarant and the Association the right to grant non-exclusive or exclusive easements over, under, in and upon any portion of the Property, including, but not limited to, any portion of any Lot, whether or not said Lot has been conveyed, as may be necessary to provide utility services and for ingress and egress for persons and vehicles to provide and maintain such utility services, including, but not limited to, power, electric, sewer, water, drainage, telephone, gas, lighting facilities, street lights, irrigation, television transmission and cable television facilities, telecommunications, limited access service and facilities in connection therewith.

7.3.2. Governmental Services Easement. There is reserved unto Declarant and the Association the right to grant non-exclusive easements and on, over, across and through the Property to provide for governmental service including, without limitation, police and fire protection, postal service and ambulance service including rights of ingress, egress, and access for persons and equipment necessary for such purposes, for the benefit of all appropriate governmental and quasi-governmental agencies, Declarant and the Association.

7.3.3. Easement for Encroachment. There is granted an easement for encroachment (including any encroachment due to the overhang of appurtenant structures) in favor of the Declarant, all Owners and the Association, as applicable, if any portion of the Common Property now or hereafter encroaches upon any Lot, or if any improvement to any Lot constructed by Declarant now or hereafter encroaches upon the Common Property, or if the improvements constructed by Declarant on any Lot now or hereafter encroach upon any other Lot, the foregoing being as a result of inaccuracies in survey, construction or reconstruction, or due to settlement or movement. The encroaching improvements shall remain undisturbed for so long as the encroachment exists. The easement herein granted for encroachment shall include an easement for encroachment of overhanging portions of the roof of any dwelling Unit and the maintenance and use of the encroaching improvements in favor of the Person for whose benefit the easement is granted. The easements for encroachment described herein shall not apply to improvements made by an Owner after the conveyance of the Lot.

7.3.4. Access and/or Ingress-Egress Easement. There is reserved unto Declarant the right to grant perpetual, non-exclusive easements for ingress and egress on, over, and across the paved roadway, sidewalks, swales, and other such portions of the Property reasonably designed for ingress and egress purposes.

7.3.5. Landscaping and Lawn Care Easement. There is granted in favor of Declarant, the Association, and their agents a perpetual, non-exclusive easement or easements over all non-dwelling

unit portions of each Lot for the purpose of landscaping and lawn care. It shall be the Association's responsibility to maintain all landscaping and lawn areas.

7.3.6. Right of Association and Declarant to Enter Upon Lots. There is granted and reserved unto Declarant and the Association, or the designees, agents or employees of either, easements for ingress and egress to enter over, under, in, and upon the Lots for the purpose of fulfilling their duties and responsibilities of administration, maintenance or repair in accordance with this Declaration, including the making of such repair, maintenance or reconstruction to prevent damage or risk of loss to other Owners. Such entry, under, over, in, and upon the Lots shall not be deemed a trespass.

7.3.7. Reservation of Right to Grant or Accept Easements. Declarant, as long as it owns a Lot, and thereafter the Association, shall have the right to grant or accept on behalf of itself or the Association, without further authorization, such grants of easement or other instruments as may from time to time be necessary or desirable over and upon the Property or portions thereof. The foregoing reservation shall include, but not be limited to, the right on the part of Declarant to grant any and all types and kinds of easements through any portion of a Lot (including any Lot previously conveyed by Declarant) for any purposes whatsoever.

7.3.8. Reservation of Utility and HVAC System Easements. The Owner of each Dwelling Unit is granted an easement through the Party Wall and the attic space and under the foundation and slab of each Dwelling Unit making up the townhome building for electrical, communications, and HVAC system purposes, including electrical, lineset, and outside unit placement. This provision shall specifically not include the location of satellite dishes. In the event of any uncertainty regarding the scope of the easement herein granted, the Board shall have the conclusive determination related thereto.

7.4. Declaration of Party Walls Easements. Each Common Wall shared by two Dwelling Units in a Building and lying along the mutual boundary of the Lots on which the Dwelling Units are constructed shall be a Party Wall. Each Owner shall have an easement for the perpetual benefit and use of the Party Wall adjoining such Owner's Dwelling Unit, subject to the provisions of this Paragraph 7.4.

7.4.1. The Owner of each Dwelling Unit is granted an easement for the existence of the Party Wall and any encroachment of the Party Wall onto the adjoining Lot, including, without limitation, any encroachment resulting from initial construction by Declarant, reconstruction by the Association after damage to or destruction of a Dwelling Unit or Dwelling Units, (provided, that the Association shall not have the authority to relocate any Lot boundary or change the legal description of any Lot), or natural settling or shifting. Each Owner is granted an easement and the right to enter the adjoining Dwelling Unit when it is necessary to do so in order to effect repairs to the Party Wall as required herein, subject to reasonable prior notice to the Owner of such adjoining Unit, but no such repair may be made without the prior knowledge of such adjoining Owner.

7.4.2. Each Owner shall have the responsibility to repair and maintain the drywall and unfinished surface of the exterior portions of the Party Wall lying within such Owner's Dwelling Unit as well as any electrical, plumbing, and mechanical systems therein servicing that Dwelling Unit. The Owners of the Dwelling Units on either side of a Party Wall shall equally share the expense of repair and maintenance of the interior and structural portions of the Party Wall, except when such repair or maintenance is necessary due to the negligent, willful or intentional act or action on the part of one of such Owners. If an Owner shall effect a repair, replacement, renovation, use or modification within such Owner's Dwelling Unit, and such repair, replacement, renovation, use or modification shall cause damage to the Party Wall or shall otherwise require repair, replacement or maintenance to any portion of the Party Wall, then such Owner shall be responsible for the cost thereof. Any repair or reconstruction of the Party Wall shall include substantially similar materials, design and location as that which existed prior to such work. Each Owner shall have the right to a lien against the adjoining Lot for any expenses incurred by such Owner for the repair or maintenance of the Party Wall which expenses are the obligation of the Owner of the adjoining lot as provided in this Paragraph 7.4.2. Such lien may be enforced by the Owner in the same manner as liens for assessments may be enforced by the Association.

7.4.3. Any repair, replacement or modification of a Party Wall shall be to its original construction and subject to the approval of the Directors in the same manner as other matters subject to Architectural Control as provided in Paragraph 5.2. The Owner of the Dwelling Unit sharing the Party Wall which is the subject of the application for repair, replacement or modification shall be given notice of the application.

7.4.4. The rights of any Owner as provided in this Paragraph 7 may be enforced by an Institutional Lender holding a mortgage on the Owner's lot in the same manner as such rights may be enforced by such Owner.

7.4.5. No changes may be made to the structure of any Party Wall.

7.4.6. The provisions of this Paragraph 7 shall apply to any portion of a roof in the vicinity of a common wall in the same manner as if such portion of the roof were part of the Party Wall.

7.4.7. The provisions of this Paragraph 7 shall be a covenant running with the land of each Lot.

8. COVENANT TO PAY ASSESSMENTS; ESTABLISHMENT AND ENFORCEMENT OF LIENS; CERTAIN RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES.

8.1. Affirmative Covenant to Pay Assessments and Common Costs. In order to (1) fulfill the terms, provisions, covenants and conditions contained in the Community Documents; and (2) maintain, operate and preserve the Property, for the use, safety, welfare and benefit of the Owners and their guests, invitees, lessees and licensees, there is hereby imposed upon each Lot the affirmative covenant and obligation to pay to the Association (in the manner herein set forth) all Assessments including, but not limited to, the Individual Lot Assessments, Special Assessments, and Special Lot Assessments, as hereinafter provided. Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Lot, whether or not it shall be so expressed in such deed or instrument, shall be obligated and agrees to pay to the Association all Assessments in accordance with the provisions of the Community Documents, provided that the Owner shall be personally obligated only for Assessments that fall due during the time the Owner owns the Lot unless otherwise assumed by such Owner, notwithstanding the fact that the Lot may be subject to a lien for Assessments in addition thereto; provided that, in a voluntary conveyance of a Contributing Lot, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor for the Owner's share of Common Costs up to the time of conveyance.

8.2. Establishment of Liens. Any and all Assessments made by the Association in accordance with the provisions of this Declaration or any of Community Documents (the "Assessments") with interest thereon at the highest rate allowed by law, late charges and costs of collection, including, but not limited to, reasonable attorneys' fees and court costs, are hereby declared to be a charge and continuing lien upon the Lot against which each such Assessment is made. Each Assessment against a Lot, together with interest thereon at the highest rate allowed by law, late charges and costs of collection thereof, including, but not limited to, reasonable attorneys' fees and court costs, shall also be the personal obligation of the Owner of such Lot. Said lien shall be effective only from and after the time of the recordation among the Public Records of the County, of a written, acknowledged statement (sometimes hereinafter referred to as a "claim of lien" or "lien") by the Association setting forth the amount due to the Association as of the date the statement is signed. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a satisfaction of the lien in recordable form. Notwithstanding anything to the contrary herein contained, when an Institutional Mortgagee of record obtains title to a Lot as a result of foreclosure of its mortgage or deed in lieu of foreclosure, such acquirer of title, its successors or assigns shall not be liable for the share of Assessments pertaining to such Lot or chargeable to the former Owner of such Lot which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the Assessment(s) against the Lot in question is secured by a claim of lien for Assessment(s) that is recorded prior to the recordation of the mortgage of the Institutional Mortgagee which was foreclosed or with respect to which a deed in lieu of foreclosure was given; provided, however, the unpaid share of Assessment(s) shall be collectible from all of the Owners of Contributing Lots, including such acquirer of title and the Owner's successors and assigns.

8.3. Late Charges and Collection of Assessments by Association. If any Owner shall fail to pay any Assessment or installment thereof charged to such Owner within 14 days after the same becomes due, then a late charge of \$100, accruing as of the due date, may be levied by the Board for each month the Assessment is unpaid, which late charge may be secured by the filing of a claim of lien. If an Assessment is not paid within 30 days of its due date, the Association shall have any and all of the following remedies to the extent permitted by law, which remedies are cumulative and which remedies are not in lieu of, but are in addition to all other remedies available to the Association:

8.3.1. To accelerate the entire amount of any Assessments for 12 months from the date of the last overdue Assessment based on the then current Individual Lot Assessment amount, notwithstanding any provisions for the payment thereof in installments;

8.3.2. To advance on behalf of the Owner(s) in default, funds to accomplish the needs of the Association up to and including the full amount for which such Owner(s) is liable to the Association and the amount or amounts of monies so advanced, together with interest at the highest allowable rate, and all costs of collection thereof, including, but not limited to, reasonable attorneys' fees at pretrial, trial and appellate levels, may thereupon be collected by the Association and such advance by the Association shall not waive the default;

8.3.3. To file an action in equity to foreclose its lien at any time after the effective date thereof; and

8.3.4. To file an action at law to collect said Assessment plus late charges, interest at the highest rate allowed by law from the due date of such Assessment, court costs and reasonable attorneys' fees without waiving any lien rights or rights of foreclosure in the Association.

8.4. Rights of Declarant and Institutional Mortgagees to Pay Assessments and Receive Reimbursement. Declarant and any Institutional Mortgagees shall have the right, but not the obligation, jointly or singly, and at their sole option, to pay any of the Assessments which are in default and which may or have become a charge against any Lots. Further, Declarant and any Institutional Mortgagees shall have the right, but not the obligation, jointly or singly, and at their sole option, to pay insurance premiums or fidelity bond premiums or other required items of Common Costs on behalf of the Association when the same are overdue and when lapses in policies or services may occur. Declarant and any Institutional Mortgagees paying overdue Common Costs on behalf of the Association will be entitled to immediate reimbursement from the Association plus any costs of collection including, but not limited to, reasonable attorneys' fees, and the Association shall execute an instrument in recordable form to this effect and deliver the original of such instrument to each Institutional Mortgagee who is so entitled to reimbursement and to Declarant if Declarant is entitled to reimbursement.

8.5. Working Capital Fund. Declarant may establish a "Working Capital Fund" for the operation of the Association, which may be collected by Declarant from each Lot purchaser at the time of conveyance of each Lot to such purchaser in an amount equal to Eight Hundred (\$800.00) Dollars. The share of each Lot of the Working Capital Fund, if collected, shall be transferred to the Association at the time of closing of the sale of each Lot. The purpose of this fund is to assure that the Directors will have cash available to meet any legitimate Association expense, or to acquire insurance, additional equipment, or services deemed necessary or desirable by the Board of Directors, and may be expended at any time for such purposes. Amounts paid into the fund at closing are not to be considered advance payment of Assessments or as a reserve fund, and are not refundable or transferable.

9. METHOD OF DETERMINING ASSESSMENTS.

9.1. Determining Amount of Assessments. The total anticipated Common Costs for each fiscal year shall be set forth in a Budget prepared by the Directors as required under the Community Documents and shall be generally based upon maintenance responsibilities, including those described in Section 4 hereof, development of maintenance reserves and other factors consistent with reasonable association operation. The total anticipated Common Costs (other than those Common Costs which are properly the subject of a "Special Assessment" as hereinafter set forth) shall be apportioned equally among the Contributing Lots by dividing the total anticipated Common Costs which are reflected by the Budget, other than those Common Costs which are properly the subject of Special Assessment (adjusted as hereinafter set forth) by the total number of Contributing Lots at the time of adoption of the Budget, with the quotient thus arrived at being the "Individual Lot Assessment." All questions regarding the number of Contributing Lots subject to this Declaration shall be decided by the Directors.

9.2. Reserves for exterior maintenance; Painting. Upon the election of the Directors, special reserves or expenses for repair or replacement or for exterior maintenance, repair, specifically including stucco repair, painting or replacement for any Building shall be established. Until such time as special reserves or expenses are approved by the Directors, each Unit Owner shall perform and pay for their own repairs and replacements and for exterior maintenance, repair, painting or replacement, subject to the requirements of this Declaration.

9.3. Assessment Payments. Individual Lot Assessments which have commenced on a Contributing Lot shall be prorated for the quarter in which the Contributing Lot came into existence, and shall thereafter be payable quarterly in advance on the first day of each quarter of each year, or as otherwise determined from time to time by the Directors. For any Budget year, Declarant may elect to pay: (I) the portion of the actual Common Costs, less any provision for reserves, that do not exceed budgeted amounts and which were properly incurred by the Association during that year which is greater than the sums received by the Association from the payment of Common Costs for that year by Owners other than Declarant; or (ii) such amount as Declarant would otherwise be obligated to pay if it had been subject to the annual assessment for Common Costs for that year on those Contributing Lots within the Property of which it is the Owner. Unless Declarant otherwise notifies the Directors at least 60 days before the beginning of each fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. Declarant's obligations hereunder may be satisfied in the form of a cash subsidy or by "in kind" contributions of service or materials, or a combination of these. Notwithstanding the foregoing, until such time as Declarant no longer appoints a majority of the directors of the Association, or until Declarant notifies the Association in writing that Declarant elects to pay Assessments as in the case of any other Owner, Declarant shall not be liable for Assessments for any Units owned by Declarant, but in lieu thereof, Declarant shall be responsible for all Assessments actually incurred by the Association in excess of the Assessments and any other income receivable by the Association. In any event, during the period when Declarant is not liable for Assessments, the Association will not be required to fund the portion of any reserve account reflected in the budget which is attributable to any Units owned by Declarant. Notwithstanding the foregoing, in the event the Association incurs any Common Costs not ordinarily anticipated in the day-to-day management and operation of the Property, including but not limited to expenses incurred in connection with

lawsuits against the Association, or incurred in connection with damage to property, or injury or death to any person, which are not covered by insurance proceeds, the liability of Declarant for such Common Costs shall not exceed the amount that Declarant would be required to pay if it was liable for Assessments as any other Owner, and any excess amounts payable by the Association shall be assessed to the other Owners. Other than as provided in this paragraph, Declarant shall have no obligation to contribute or pay any amount for Assessments or Common Costs as to Lots owned by Declarant. Notwithstanding anything provided herein, Declarant shall never be obligated to pay any amounts for any reserve fund even though the lack of payment of reserves for accounting purposes may be deemed to be an expense of the Association.

9.4. Special Assessments. Special Assessments include, in addition to other Assessments designated as Special Assessments in the Community Documents, those Assessments which are levied for capital improvements which include the costs (whether in whole or in part) of constructing or acquiring improvements for Common Property, or the cost of reconstructing or replacing such improvements and such Assessments as may be necessary for the Association to carry out its obligations under the Community Documents. Special Assessments shall be assessed in the same manner as the Individual Lot Assessment. No Lots owned by Declarant shall be subject to any Special Assessments without the prior written consent of Declarant. Special Assessments shall be paid in such installments or in a lump sum as the Directors shall from time to time determine.

9.5. Special Lot Assessment. Special Lot Assessment means those Assessments against an individual Owner which are levied by the Association for maintaining, preserving, and restoring the Common Property and Lots upon such Owner's failure to fulfill the Owner's obligations to do same under the provisions of Community Documents and such other Assessments which are designated as Special Lot Assessments under this Declaration. Special Lot Assessments shall be in addition to the Individual Lot Assessment and shall be enforceable by the Association as other Assessments, provided that no Lot owned by Declarant shall be subject to any Special Lot Assessments without the prior written consent of Declarant. Any damage to any portion of the Property which is caused by an Owner or the Owner's family, tenants, guests, invitees or licensees shall be the responsibility of such Owner, and shall be charged against such Owner and such Owner's Lot as a Special Lot Assessment.

9.6. Liability of Owners for Individual Lot Assessments, Special Assessments and Special Lot Assessments. By the acceptance of a deed or other instrument of conveyance of a Contributing Lot, each Owner thereof, except for Declarant to the extent Declarant is an Owner, acknowledges that each Contributing Lot and the Owners thereof are jointly and severally liable for their own Individual Lot Assessment and their applicable portion of any Special Assessments (as to Special Assessments, subject to the limitations thereon relating to Lots owned by Declarant), as well as for all other Assessments for which they are liable as provided for herein. Such Owners further recognize and covenant that they are jointly and severally liable with the Owners of all Contributing Lots for the Common Costs (subject to any specific limitations provided for herein such as, but not limited to, the limitation with respect to matters of Special Assessments insofar as Declarant is concerned and the limitations on the liability of Institutional Mortgagees, their successors and assigns). Further, such Owners recognize and covenant that they are individually liable for Special Lot Assessments (subject to any specific limitations provided for herein). Subject to such specific limitations, it is recognized and agreed by each Owner, for himself and the Owner's heirs, personal representatives, successors and assigns, that if Owners fail or refuse to pay their Individual Lot Assessment or any portion thereof or their respective portions of any Special Assessments or any other Assessments, including Special Lot Assessments, then the other Owners may be responsible for increased Individual Lot Assessments or Special Assessments or other Assessments due to the nonpayment by such other Owners, and such increased Individual Lot Assessment or Special Assessments or other Assessments can and may be enforced by the Association in the same manner as all other Assessments hereunder as provided in this Declaration. The limitations applicable to Lots owned by Declarant also apply to any portion of an Assessment arising from the failure of any Owner to pay a Special Assessment or a Special Lot Assessment, or any portion thereof. Failure of an Owner to make use of the rights granted in this Declaration shall not terminate the Owner's obligation to pay any Assessments hereunder.

10. COMMON COSTS; CERTAIN ASSESSMENT CLASSIFICATIONS. The following expenses are hereby declared to be Common Costs which the Association shall assess and collect and which the Owners are obligated to pay as provided herein or as may be otherwise provided in Community Documents:

10.1. Taxes. Any taxes or special assessments levied or assessed at any and all times upon any Common Property or any improvements thereto or thereon by any and all taxing authorities, community development districts established by Chapter 190, Florida Statutes, and water drainage districts, including, without limitation, all taxes, charges, assessments and impositions, and liens for public improvements, special charges and assessments, and in general all taxes and tax liens which may be assessed against the Common Property and against any and all personal property and improvements, which are now or which hereafter may be placed thereon, including any interest, penalties and other charges which may accrue thereon, as opposed to any such levies or assessments against an individual Lot which shall be paid by the Owner thereof, shall be Common Costs.

10.2. Maintenance, Repair and Replacement.

10.2.1. Any and all expenses of the Association necessary to maintain, preserve, repair and replace the Common Property, and any improvements thereon under the terms of the Community Documents and in conformity with all applicable federal, state, County or municipal laws, statutes, local ordinances, orders, rulings and regulations shall be Common Costs.

10.2.2. Any and all expenses of the Association necessary to maintain, preserve, repair, and replace certain improvements or landscaping located on the Property, as provided in this Declaration, which under the terms of this Declaration the Association is obligated to maintain, preserve, repair and replace shall be Common Costs.

10.2.3. Any and all expenses of the Association for the repair, maintenance or replacement of any sprinkler system maintained by the Association.

10.3. Administrative Expenses. The costs of administration for the Association in the performance of its functions and duties under Community Documents including, but not limited to, costs for secretarial and bookkeeping services, salaries of employees, legal and accounting fees and contracting expenses shall be Common Costs. In addition, the Association may retain a management company or companies or contractors (any of which management companies or contractors may be, but are not required to be, a subsidiary, affiliate, or an otherwise related entity of Declarant) to assist in the operation of the Property and to perform or assist in the performance of certain obligations of the Association under Community Documents. The fees or costs of any management company or contractor so retained shall be deemed to be part of the Common Costs.

10.4. Compliance with Laws. The Association shall take such action as it determines to be necessary or appropriate in order for the Common Property and the improvements thereon to be in compliance with all applicable laws, statutes, ordinances and regulations of any governmental authority, whether federal, state or local, and the expenses of the Association hereunder shall be Common Costs.

10.5. Indemnification. The costs and expenses of fulfilling the covenant of indemnification set forth in Paragraph 13 shall be a Common Cost.

10.6. Failure or Refusal of Lot Owners to Pay Assessments. Funds needed for Common Costs due to the failure or refusal of Owners to pay Assessments levied shall, themselves, be deemed to be Common Costs and properly the subject of an Assessment, provided, however, that any Assessment for any such sums so needed to make up a deficiency due to the failure of Owners to pay a Special Assessment or a Special Lot Assessment shall, itself, be deemed to be a Special Assessment subject to the limitations thereon with respect to Lots owned by Declarant.

10.7. Utility Charges. Any charges levied for utilities providing services for the Common Property, whether supplied by a private or public firm, including without limitation all charges for water, gas, electricity, telephone, sewer and any other type of utility or service charge, shall be Common Costs.

10.8. Extraordinary Items. Extraordinary items of expense under Community Documents such as expenses due to casualty losses and other extraordinary circumstances shall be the subject of a Special Assessment, subject to the limitations thereon with respect to Lots owned by Declarant, shall be Common Costs.

10.9. Costs of Reserves. The funds necessary to establish an adequate reserve fund (the "Reserves") for depreciation or deferred maintenance of Common Property and improvements thereto or with respect to other improvements, landscaping or equipment which the Association may elect to maintain, repair and replace pursuant to this Declaration, in amounts determined sufficient and appropriate by the Association from time to time shall be Common Costs. The monies collected by the Association on account of Reserves shall be and shall remain the exclusive property of the Association, and no Owner shall have any interest, claim or right to such Reserves or any fund composed of same. No Reserves shall be imposed as Common Costs or otherwise collected from Lot Owners as long as the Declarant owns a Lot, unless Declarant gives its prior written consent thereto.

10.10. Matters of Special Assessments Generally. Amounts needed for capital improvements or for other purposes or reasons as determined by the Board to be the subject of a Special Assessment which are not inconsistent with the terms of any of Community Documents must also be approved by the affirmative vote of a majority of all Members (at any meeting thereof having a quorum) when the total amount of the Special Assessment for any one item or purpose is in excess of \$5,000.00, except that no approval need be obtained for a Special Assessment for the replacement or repair of presently existing improvements or personal property on the Common Property. Declarant shall not be obligated for Special Assessments as to Lots owned by Declarant.

10.11. Insurance. The premiums for all insurance of any type maintained by the Association shall be Common Costs.

10.12. Miscellaneous Expenses. The cost or expense of all items pertaining to or for the benefit of the Association or any Common Property, or any part thereof, not herein specifically enumerated and which is determined to be an appropriate item of Common Costs by the Board shall be a part of the Common Costs.

10.13. The foregoing provisions regarding Common Costs shall apply to such costs incurred with respect to the Common Property at any time, regardless of whether the Common Property has been conveyed to the Association as provided in Paragraph 3.

11. INSURANCE.

11.1. The Association. The Association shall purchase the following insurance coverages subject to the following provisions, and the cost of the premiums therefore shall be a part of the Common Costs:

11.1.1. Public Liability Insurance. A comprehensive policy or policies of public liability insurance naming the Association and Declarant, until the end of the Developers Control Period as provided in the Articles, or until Declarant no longer owns any Lots, whichever is later, as named insured's thereof and including, if appropriate, the Owners as insureds thereunder, as insuring against any and all claims or demands made by any Person or Persons whomsoever for injuries received in connection with, or arising from, the operation, maintenance and use of the Common Property, or by the Association in performing its duties and obligations under this Declaration, and legal liability arising out of lawsuits related to contracts to which the Association is a party, including without limitation, injuries resulting from the use of improvements made to the Common Property, and for any other risks insured against by such policies, with limits of not less than \$1,000,000.00 for damages incurred or claimed for personal injury for any one occurrence (with no separate limit stated for the number of claims) and not less than \$100,000.00 for property damage incurred or claimed for any one occurrence (with no separate limit stated for the number of claims). Such coverage shall include as appropriate and if reasonably available, without limitation, protection against water damage liability, liability for owned and non-owned and hired automobiles and liability for property of others. The insurance purchased shall contain, if obtainable, a "Severability of Interest Endorsement," or equivalent coverage, which would preclude the insurer from denying the claim of an Owner because of the negligent acts of either the Association, Declarant, or any other Owners or deny the claim of either the Declarant or Association because of negligent acts of the other or the negligent acts of an Owner.

11.1.2. Casualty Insurance. To the extent determined by the Board, if at all, casualty property insurance for all improvements, if any, now or hereafter located upon the Common Property, including fixtures, personal property and equipment thereon, in amount equal to the current full replacement cost, exclusive of land, foundation, excavation and other items normally excluded from such coverage. Such insurance is to afford protection against (I) such risks as shall customarily be covered with respect to areas similar to the Common Property in developments similar to the Property in construction, location and use; and (ii) at least loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage. If the improvements to the Common Property are not the type of improvement for which casualty insurance is customarily obtained, the Board shall have no obligation to obtain casualty insurance for such improvement to the Common Property.

11.1.3. Fidelity Coverage. At the Board's sole discretion, adequate fidelity coverage to protect against dishonest acts of the officers and employees of the Association and the Directors and all others who handle and are responsible for handling funds of the Association. Such coverage is to be in the form of fidelity bonds which meet the following requirements to the extent same are reasonably obtainable at a reasonable cost in the judgment of the Board:

11.1.3.1. Such bonds shall name the Association as an obligee;

11.1.3.2. Such bonds shall be written in an amount equal to at least the sum of three (3) months' Assessments on all Lots, plus the reserves, if any; and

11.1.3.3. Such bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

11.1.4. Directors' and Officers' Liability Coverage: At the Board's sole discretion, policies of Directors' and Officers' liability insurance in an amount determined by the Board to be adequate to insure the Directors and Officers of the Association against personal liability arising in connection with the performance of their duties not covered by the coverage maintained pursuant to subparagraph 3 above.

11.1.5. Other Insurance. The Association may procure such other Insurance as the Board of Directors may determine.

11.2. Owners' Responsibility. The Association shall not procure insurance on any Lot or the Dwelling Unit constructed thereon, or personalty contained therein. Accordingly, Owners of Lots shall purchase their own insurance for their Lot and Dwelling Unit and personalty located therein, and for any risk they may incur by ownership of a Lot, and for the use of Common Property. Each Lot and the improvements thereon shall be insured by the Owner thereof with fire and extended coverage insurance for loss by fire or other hazards, and such insurance shall be for the maximum insurable value of the Lot and improvements thereto, without deduction for depreciation. The Association shall have the right, but not the obligation, to require Owners to provide to the Association, proof of the insurance required by this Paragraph as well as proof of payment of the premiums for such insurance. In the event of damage or destruction by fire, flood or other casualty to any Dwelling Unit or other portion of the Lot, the Owner shall be obligated to rebuild and/or repair, as necessary, the Dwelling Unit thereon, subject to the terms, provisions and requirements of this Declaration and the Directors. The repair and building of the Dwelling Unit shall be done in a good and workmanlike manner and such repairs and rebuilding shall be performed expeditiously. Notwithstanding anything herein to the contrary, in the event that a Dwelling Unit or any other improvements to a Lot are damaged or destroyed and Assessments have commenced as to such Lot, in no event shall the Assessments with respect to such Lot be reduced, canceled or abated.

12. LEASING OF LOTS AND DWELLING UNITS. Every lease shall be subordinate to any lien filed by the Association under this Declaration, whether such lien was filed before or after the commencement of the lease. If an Owner leases the Owner's Lot or Dwelling Unit, a lease together with the names of the lessees shall be delivered to the Association prior to the occupancy by the lessee. No portions of a Lot or Dwelling Unit, including without limitation a room or parking space, may be leased; only the entire Unit and appurtenances may be leased as specifically permitted herein. No Lot and Dwelling Unit may be leased for a term of less than twelve (12) months per lease. The Association shall have the right to establish a procedure for screening tenants; accordingly, the Association may then have the right to disapprove tenants. Such lease shall contain a covenant that the lessee acknowledges that the Lot and Dwelling Unit are subject to Community Documents and is familiar with the provisions hereof, and the uses and restrictions contained therein, and agrees to abide by all such provisions. If a lease does not contain such a covenant, then such lease shall nonetheless be deemed to include such covenant. This paragraph shall also apply in the event of subleasing of a Lot and Dwelling Unit to the same extent as to the leasing of a Lot and Dwelling Unit. Each Owner hereby assigns to the Association on a non-exclusive basis the rights, but not the obligations, of a landlord as set forth in Chapter 83, Part II, Florida Statutes, as may be amended, including without limitation the right to pursue the remedies set forth therein; provided, however, that nothing shall require that the Association exercise such rights.

13. RIGHTS OF INSTITUTIONAL MORTGAGEES.

13.1. General Lender Rights. Upon written request to the Association by an Institutional Mortgagee, or the insurer or guarantor of any Institutional Mortgage encumbering a Lot or residence on a Lot, such Institutional Mortgagee, insurer or guarantor, if its request specifies the name, address and factual basis of entitlement of the requesting party, shall be entitled to prompt written notice of:

13.1.1. any condemnation or casualty loss that affects either a material portion of the Property or any Lot or Dwelling Unit on a Lot encumbered by its Institutional Mortgage;

13.1.2. any 60 day delinquency in the payment of Assessments or charges owed by the Owner of any Lot or Dwelling Unit on a Lot on which it holds the Institutional Mortgage;

13.1.3. a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and

13.1.4. any proposed action which requires the consent of a specified percentage of Institutional Mortgagees.

13.2. Financial Statement. Any Institutional Mortgagee, upon written request, shall be entitled to receive from the Association a financial report for the immediately preceding fiscal year.

13.3. Amendments. Any Institutional Mortgagee who has registered its name with the Association shall be provided with written notice prior to the effective date of any proposed, material amendment to this Declaration, or the Articles or Bylaws, or prior to the effective date of any termination of an agreement with a management company.

13.4. Additional Lender Rights. In the event that any party which has financed the Construction of the Improvements (as hereinafter defined) (the "Acquiring Party") acquires title to any Lot(s) owned by Declarant (or on which Declarant held a mortgage which was assigned to the Acquiring Party) as a result of the foreclosure of a mortgage(s) thereon or the giving of a deed in lieu of foreclosure or in satisfaction of debt, such party shall automatically succeed to all rights, benefits and privileges of Declarant hereunder (and under the Articles, Bylaws and Rules and Regulations of the Association), except to the extent the Acquiring Party specifically disclaims any of such rights, benefits or privileges in a written notice to the Association. Notwithstanding the foregoing or anything to the contrary contained in this Declaration (or in the aforesaid

Articles, Bylaws or Rules and Regulations), the Acquiring Party shall in no manner be obligated or liable for any duties, obligations, warranties, liabilities, acts or omissions of Declarant (i) occurring or arising from facts existing (regardless of when same became known or should have become known) prior to the date the Acquiring Party succeeds to the rights, benefits and privileges of Declarant or (ii) otherwise not directly attributable to the Acquiring Party solely in its own right. The foregoing shall be in addition to, and not in derogation of, the Acquiring Party's rights, benefits and privileges as same may exist elsewhere in, under or in connection with this Declaration (or the aforesaid Articles, Bylaws or Rules and Regulations). The Construction of the Improvements shall mean and refer to all of the improvements constructed upon the Property except for the construction of the dwelling units and improvements made or constructed for the exclusive benefit of any one Lot.

14. DEVELOPMENT STANDARDS. Construction upon the Lots shall comply with the following Development Standards:

No Townhome or other structure shall be constructed on a Lot which fails to meet the applicable zoning requirements of the Property. Only the Declarant shall be entitled to revise, amend, or rezone any portion of the Property.

15. SURFACE WATER MANAGEMENT SYSTEM.

15.1. Association Responsibilities The Association shall be responsible for operating and maintaining the Property in a manner consistent with the requirements of all Environmental Regulatory Agencies with regard to the flowage, drainage and retention of surface water. The system, procedures, improvements and facilities to be employed for such purposes, as set forth in any such governmental requirements and as may be amended from time to time, shall be referred to herein as the "Surface Water Management System". The Association shall be responsible for operating and maintaining the Surface Water Management System in accordance with the foregoing requirements and any requirements imposed in connection with any surface water management permit issued by the SJRWMD. Maintenance of the Surface Water Management System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the SJRWMD. For purposes of responsibility to the SJRWMD, the Association shall be responsible to the SJRWMD for the maintenance, operation and repair of the Surface Water Management System to the extent that an Owner fails to adequately maintain its part of the Surface Water Management System as may be required herein. If the Declarant or an Owner has constructed a drainage swale upon a Lot for the purpose of managing and containing the flow of excess surface water, if any, found upon such Lot from time to time, then each Owner, including builders, shall be responsible for the maintenance, operation and repair of the swales on the Lot. 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 or other stormwater management capabilities as permitted by the SJRWMD. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in the swales is prohibited. No alteration of the drainage swales shall be authorized and any damage to any drainage swale, whether caused by natural or human-induced phenomena, shall be repaired and the drainage swale returned to its former condition as soon as possible by the Owner(s) of the Building Site(s) upon which the drainage swale is located.

15.2. Part of Common Property Assessments. The Surface Water Management System shall form part of the Common Property. The expense of operating and maintaining same shall be an item of Common Costs for which Members may be assessed by the Association. In addition to an assessment as provided herein, the Association may recover from a Member funds necessary for maintenance or repairs, or both maintenance and repair to the Surface Water Management System caused by the acts or neglect of that Member or Members, their agents, tenants, or invitees.

15.3. Maintenance of Conservation Areas, if any. The Association shall be responsible for complying with the requirements of the any agreement, plan or requirement relating to wetland mitigation, and shall meet all conditions associated with wetland mitigation, maintenance and monitoring.

15.4. Permit Records. The Association shall be responsible for maintaining, as a part of the Official Records of the Association, a copy of the surface water management permit, together with any additional permits issued in connection with the maintenance, monitoring and operation of the Surface Water Management System or of any conservation or wetlands mitigation areas.

15.5. Amendments. Any proposed amendment to any provisions of this Declaration, the Bylaws or the Articles of Incorporation of the Association, which amendment would affect the Surface Water Management System or the maintenance, operation and monitoring of any wetland mitigation areas shall be first submitted to the SJRWMD for a determination by said agency of whether the amendment necessitates a modification of the surface water management permit.

15.6. Enforcement by SJRWMD. SJRWMD has the right to take enforcement action, including a civil action for an injunction and penalties against the Association to compel it to correct any outstanding problems with the surface water management system facilities or in mitigation or conservation areas under the responsibility or control of the Association.

15.7. Dissolution of Association. In the event that the Association is permanently dissolved for any reason, then the property consisting of the surface Water Management System shall be conveyed to an appropriate agency of local government. If such agency will not accept such property, then same shall be conveyed and dedicated to a similar non-profit corporation.

16. INTENTIONALLY LEFT BLANK.

17. GENERAL PROVISIONS.

17.1. Notices. Any notice or other communication required or permitted to be given or delivered hereunder shall be properly given and delivered upon the mailing thereof by United States mail, postage prepaid, to: (1) any Owner, at the address of the Person whose name appears as the Owner on the records of the Association at the time of such mailing and, in the absence of any specific address, at the address of the Lot owned by such Owner; and (2) the Association, certified mail, return receipt requested, at the address of record for the Association per the State of Florida Division of Corporation, or such other address as the Association shall hereinafter notify Declarant and the Owners of in writing; and (3) Declarant, certified mail, return receipt requested, at 830-13 A1A North, Suite 120, Ponte Vedra Beach, Florida 32082, or such other address or addresses as Declarant shall hereafter notify the Association of in writing, any such notice to the Association of a change in Declarant's address being deemed notice to the Owners. Upon request of an Owner, the Association shall furnish to such Owner then current address of Declarant as reflected by the Association records. Notwithstanding the foregoing, notices of meetings of members of the Association, the Board of Directors and the Directors shall be affected in the manner provided in the By-Laws.

17.1.1. Right to Notice. The Association shall make available for inspection upon request, during normal business hours or under reasonable circumstances, Community Documents and the books, records and financial statements of the Association to Owners and to Institutional Mortgagees or the insurers or guarantors of any mortgages encumbering Lots, which mortgages are held by Institutional Mortgagees.

17.1.2. Rights of Listed Mortgagee. Upon receipt by the Association, identifying the name and address of the Institutional Mortgagee holding a mortgage on a Lot or the insurer or guarantor thereof (such holder, insurer, or guarantor is herein referred to as a "Listed Mortgagee"), together with written request therefor from such Listed Mortgagee specifying the address to which the following items are to be sent, the Association shall timely send to such Listed Mortgagee the following (until the Association receives a written request from such Listed Mortgagee to discontinue sending the following items or until the mortgage is discharged of record):

17.1.2.1. A copy of any notice of a meeting of the Association or of the Board which is thereafter sent to the Owner of such Lot; and

17.1.2.2. A copy of any financial statement of the Association which is thereafter sent to the Owner of such Lot; and

17.1.2.3. 30 days' prior written notice of the cancellation or termination by the Association of any policies of insurance covering the Common Property or any improvements thereon, or any fidelity bonds of the Association, as well as copies of any notices of cancellation by others received by the Association with respect thereto; and

17.1.2.4. Written notice of any condemnation or eminent domain proceeding or proposed acquisition arising therefrom with respect to the Common Property; and

17.1.2.5. Written notice of any material amendment to, or the abandonment or termination of, this Declaration in accordance with the terms hereof or of any proposed action which would require the consent of Institutional Mortgagees; and

17.1.2.6. Written notice of any failure by an Owner of a Lot encumbered by a first mortgage held by such Listed Mortgagee to perform the Owner's obligations under Community Documents, including, but not limited to, any delinquency in the payment of any Assessments where such failure or delinquency has continued for a period of 90 days.

17.1.3. Failure to Send. The failure of the Association to send any such notice to any such Listed Mortgagees shall have no effect on any meeting, act or thing which was to have been the subject of such notice nor affect the validity thereof, nor shall the Association have any liability for any damage or costs which results or arises from the failure to send such notice.

17.2. Protecting Legal Title to Common Property.

17.2.1. No one may grant, lease, convey, pledge, encumber, assign, hypothecate or mortgage any interest in the Common Property without the Association's prior written consent.

17.2.2. The Association may incur indebtedness giving a right to a lien of any kind on the Common Property, which liens shall be subject to Community Documents, provided that such indebtedness receives the prior affirmative vote of two-thirds of Members.

17.2.3. All Persons contracting with the Association or Owners, or Persons furnishing materials or labor thereto, as well as all Persons whomsoever, shall be bound by the provisions of this Article.

17.3. Rules. The Board shall have the power and authority from time to time to enact Rules and Regulations ("Rules") governing the use, enjoyment, safety, maintenance, repair and preservation of the Common Property. Rules shall be adopted only at duly constituted meetings of the Board after giving notice as required in Community Documents. Rules may include, without limitation, provisions for the use, enjoyment, operation, maintenance, repair and preservation of the Common Property, the Property, provisions governing the number of guests occupying dwelling units, and parking. No Rule may conflict with any term or provision of Community Documents or constitute an amendment of any material term thereof unless same shall be adopted in the manner provided herein for the amendment of this Declaration.

17.4. Enforcement.

17.4.1. The covenants and restrictions contained herein, the Community Documents and Other Instruments of Record (as hereinafter defined) may be enforced by Declarant, the Association, any Owner or any Institutional Mortgagee holding a mortgage on any portion of the Property in any judicial proceeding seeking any remedy recognizable at law or in equity, including damages, injunction or any other form of relief against any Person, violating or attempting to violate any covenant, restriction or provision hereunder. The failure by any party to enforce any such covenant, restriction or provision herein contained shall in no event be deemed a waiver of such covenant, restriction or provision or of the right of such party to thereafter enforce such covenant, restriction or provision. The prevailing party in any such litigation shall be entitled to all costs thereof including, but not limited to, reasonable attorneys' fees.

17.4.2. Notwithstanding the availability of any other remedies set forth herein the Association shall also have the power to assess reasonable fines to enforce any of the provisions of Community Documents and any Rules adopted thereunder and shall enforce such fines in accordance with the laws of the State of Florida.

17.4.3. The Association shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to easements.

17.4.4. In the event of a violation by any Owner (other than the nonpayment of any Assessment or other moneys) of any of the provisions of this Declaration, or of the Articles or Bylaws, the Association shall notify the Owner of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after such written Notice, or if the violation is not capable of being cured within such seven (7) day period, if the Owner fails to commence and diligently proceed to completely cure as soon as practicable such violation within seven (7) days after written notice by the Association, the Association may, at its option:

17.4.4.1 Impose a fine as provided in Paragraph 17.4.5; and/or

17.4.4.2 Commence an action to enforce the performance on the part of the Owner, or for such equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

17.4.4.3 Commence an action to recover damages; and/or

17.4.4.4 Take any and all action reasonably necessary to correct such failure, which action may include, but is not limited to, removing any building or improvement for which architectural approval has not been obtained, or performing any maintenance required to be performed by this Declaration.

All expenses incurred by the Association in connection with the enforcement of this Declaration action against any Owner, including reasonable attorneys' fees whether or not incurred in legal proceedings, shall be assessed against the applicable Owner, and shall be due upon written demand by the Association.

17.4.5. The amount of any fine shall be determined by the Directors in accordance with the laws of the State of Florida. Prior to imposing any fine, the Owner shall be afforded an opportunity for a hearing after reasonable notice to the Owner of not less than 14 days, which notice shall include (i) a statement of the date, time and place of the hearing, (ii) a statement of the provisions of the Declaration, Bylaws or Rules and Regulations which have allegedly been violated, and (iii) a short and plain statement of the matters asserted by the Association. The Owner shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association. At the hearing, the Directors shall

conduct a reasonable inquiry to determine whether the alleged violation in fact occurred, and if the Directors so determine, they may impose such fine as it deems appropriate by written notice to the Owner. If the Owner fails to attend the hearing as set by the Directors, the Owner shall be deemed to have admitted the allegations contained in the notice to the Owner. Any fine imposed by the Directors shall be due and payable within ten (10) days after written notice of the imposition of the fine, or if a hearing is timely requested within ten (10) days after written notice of the Directors' decision at the hearing. Notwithstanding the foregoing, the Association shall not have the right to impose any fine against Declarant or against any other developer of any portion of the Property.

17.5. Captions, Headings and Titles. Article and Paragraph captions, headings and titles inserted throughout this Declaration are intended as a matter of convenience only, and in no way shall such captions, headings or titles define, limit or in any way affect the subject matter or any of the terms and provisions thereunder or the terms and provisions of this Declaration.

17.6. Context. Whenever the context so requires or admits, any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof, and the singular form of any nouns and pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

17.7. Attorneys' Fees. Any provisions herein for the collection or recovery of attorneys' fees shall be deemed to include, but not be limited to attorneys' fees for the attorneys' services at all trial and appellate levels, unless the context clearly indicates a contrary intention, whether or not suit is instituted.

17.8. Severability. If any of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect, and any provisions of this Declaration deemed invalid by a court of competent jurisdiction by virtue of the term or scope thereof shall be deemed limited to the maximum term and scope permitted by law. Further, the invalidation of any of the covenants or restrictions or terms and conditions of this Declaration or reduction in the scope or term of the same by reason of judicial application of the legal rules against perpetuities or otherwise, shall in no way affect any other provision which shall remain in full force and effect for such period of time and to such extent as may be permitted by law.

17.9. Certain Rights of Declarant. Notwithstanding anything to the contrary herein contained, no improvements constructed by Declarant shall be subject to the approval of the Board. Furthermore, notwithstanding anything to the contrary contained in this Declaration, nothing herein contained shall, or shall be construed to, limit, or in any way affect the rights of Declarant and its successors and assigns to use all portions of the Property in conjunction with, and as part of, its program of sale, leasing, construction and development of and within the Property including, without limitation, the right to use portions of the Property owned by Declarant or the Association to store construction materials, assemble construction components, park vehicles, transact business, maintain models and a sales office, place signs, employ sales personnel, and show Lots, without any cost to Declarant and its successors, nominees and assigns for such rights and privileges. Declarant and its successors, nominees, and assigns shall have the right to construct, maintain, and repair such structures or improvements including the carrying on of all activities appurtenant thereto or associated therewith as Declarant deems necessary or appropriate for the development of the Property. Declarant may, pursuant to its programs of construction, temporarily suspend or interrupt the use of Common Property. Further, the provisions and covenants set forth in Paragraph 5 of this Declaration shall not apply to Declarant or Declarant's designees, successors or assigns to the extent Paragraph 5 conflicts with the rights of Declarant contained in this Paragraph 17.10. The rights and privileges of Declarant as set forth in this Paragraph, which are in addition to and are in no way a limit on any other rights or privileges of Declarant under any of Community Documents, shall terminate upon Declarant's no longer owning any portion of the Property, or upon such earlier date as Declarant shall notify the Association in writing of Declarant's voluntary election to relinquish the aforesaid rights and privileges. This paragraph may not be suspended, superseded, or modified in any manner by any amendment to this Declaration unless such amendment is first consented to in writing by Declarant. For the purposes of this Paragraph, the term "Declarant" shall include any "Lender" which has loaned money to Declarant to acquire or construct improvements upon the Property, or its successors and assigns, if such Lender, its successors or assigns, acquires title to any portion of the Property as a result of the foreclosure of any mortgage encumbering any portion of the Property securing any such loan to Declarant, or acquires title thereto by deed in lieu of foreclosure.

17.10. Declarant reserves the right to record, modify, amend, revise and add to, at any time and from time to time, one or more subdivision plats or resubdivision plats setting forth such information as Declarant may deem necessary with regard to the Property, including without limitation the locations and dimensions of the Lots, Dwelling Units, Common Property, roads, utility systems, drainage systems, utility easements, drainage easements, access easements and set-back line restrictions without the joinder or permission of any Owner, the Association or any other person.

17.11. Disputes as to Use. If there is any dispute as to whether the use of the Property or any portion or portions thereof complies with the covenants, restrictions, easements or other provisions contained in this Declaration, such dispute shall be referred to the Board, and the determination rendered with respect to such dispute shall be final and binding on all parties concerned therewith. Notwithstanding anything to the contrary herein contained, any use by Declarant of the Property or any parts thereof in accordance with

Paragraph 17.10 shall be deemed a use which complies with this Declaration and shall not be subject to a contrary determination by the Association.

17.12. Term, Amendment, Termination and Modification.

17.12.1. The covenants and restrictions of this Declaration shall run with the and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of 30 years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten years, unless an instrument in writing, signed by at least two thirds (2/3) of the then Members, has been recorded within the year preceding the beginning of each successive period of ten years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

17.12.2. In addition to any other right of amendment or modification provided for in this Declaration, in which case those provisions shall apply, Declarant shall have the right, until the termination of the Developer Control Period, in its sole discretion and by its sole act without the joinder or consent of any Person, unless provided otherwise herein, by an instrument filed of record, to modify, enlarge, amend, delete, waive or add to provisions of this Declaration; provided, however, that the Association shall, forthwith but not more than ten days after request of Declarant, join in any such amendments or modifications and execute such instruments to evidence such joinder and consent as Declarant shall, from time to time, request. Failure to so join and consent to an amendment or modification, if any, shall not be cause to prevent such modification or amendment from being made by Declarant or to affect the validity thereof.

17.12.3. Except as otherwise set forth herein, the process of amending or modifying this Declaration shall be as follows:

17.12.3.1. Until the termination of the Developer Control Period, all amendments or modifications shall be first approved in writing and joined by Declarant which joinder and approval may be withheld in the sole discretion of Declarant.

17.12.3.2. By the vote of two-thirds of all Members, together with the approval or ratification of a majority of the Board. The aforementioned vote of Members may be evidenced by an instrument of writing signed by the required number thereof or by the affirmative vote of the required number thereof at any regular or special meeting of the Association called and held in accordance with the Bylaws, evidenced by a certificate of the Secretary of the Association. Amendments for correction of scrivener's errors or other defects in this Declaration may be made by Declarant alone until the termination of the Developer Control Period, and thereafter by the Board alone without the need of consent of the Owners or any other Person.

17.12.3.3. After the termination of the Developer Control Period, a true copy of any amendment to this Declaration shall be sent via certified mail by the Association to Declarant within five days of its adoption.

17.12.3.4. Further, Declarant may, in its sole discretion, with the approval of no other Person, including without limitation any mortgagees, being required, amend this Declaration if necessary to do so for purposes of fulfilling the requirements of any governmental entity or quasi-governmental entity, including, but not limited to, the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD), the Veterans Administration (VA), and the Federal Housing Administration (FHA). Nothing contained herein, however, shall require Declarant to make an amendment to this Declaration for any purpose whatsoever. Declarant may, but need not, obtain the joinder of HUD on any such amendment.

17.12.4. Notwithstanding the other provisions of Paragraph 17.12, no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of Declarant, the Association or any Institutional Mortgagee, under this Declaration or any other of Community Documents without the specific written approval of Declarant, the Association or Institutional Mortgagee affected thereby. Notwithstanding any other provision of this Paragraph 17.13, Declarant shall have the right, power and authority to make any amendment to this Declaration without the joinder of any other person, entity or agency, within ninety days of the date this Declaration is recorded in the Public Records of Duval County, Florida.

17.12.5. A true copy of any amendment to this Declaration shall be sent certified mail (herein called the "Mailing") by the Association to the Declarant and to all Institutional Mortgagees holding a mortgage on any portion of the Property requesting notice as provided herein. The amendment shall become effective upon the recording of a Certificate of Amendment to this Declaration setting forth the amendment or modification among the Public Records of the County, but the certificate shall not be recorded until 30 days after the Mailing, unless such 30 day period is waived in writing by Declarant and all Institutional Mortgagees holding mortgages on any portion of the Property.

17.12.6. Supplements are not amendments and need only be executed as set forth in Paragraph 2.2.

17.12.7. No amendment that withdraws property from the terms of this Declaration shall be recorded unless approved in writing by the County Attorney's office.

17.13. Delegation and Enforcement. The Association, pursuant to a resolution duly adopted by the Board, shall have the continuing authority to delegate all or any portion of its responsibilities for maintenance, operation and administration, as provided herein, to any managing agency or entity selected by the Board or community development district established pursuant to Chapter 190, Florida Statutes, from time to time and whether or not related to Declarant.

17.14. Dissolution of Association. Any Owner may petition the Circuit Court for the appointment of a receiver in the event of dissolution of the Association.

17.15. Condemnation. The Association shall represent the Owners in any condemnation proceedings or in negotiation settlement and agreements with a condemning authority for acquisition of the Common Property or a part thereof by any condemning authority. If the Association receives any award or payment arising from any taking of Common Property or any improvements thereon as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of the remaining Common Property and improvements thereon to the extent deemed advisable by the Association, and the remaining balance of such net proceeds, if any, shall be retained by the Association, and used as determined by the Association.

17.16. Approval of Association Lawsuits by Owners. Notwithstanding anything contained herein to the contrary, the Association shall be required to obtain the approval of three-fourths of all Owners prior to the payment of legal or other fees to Persons engaged by the Association for the purpose of suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit other than for the following purposes:

- 17.16.1. the collection of Assessments;
- 17.16.2. the collection of other charges which Owners are obligated to pay, pursuant to Community Documents;
- 17.16.3. the enforcement of the covenants and restrictions contained in Community Documents, including but not limited to those regarding tenants;
- 17.16.4. in an emergency, when waiting to obtain the approval of the Owners creates a substantial risk of irreparable injury to the Common Property or to Owners; or
- 17.16.5. defending any condemnation proceeding.
- 17.16.6. the enforcement of any contract duly entered by the Association.
- 17.16.7. seeking compensation for physical damage to any portion of the Common Property due to the intentional or negligent acts of any third party.

17.17. Non-Liability of Declarant. Declarant shall not in any way or manner be held liable or responsible for any violation of this Declaration by any Person other than Declarant. ALL AHERN TOWNHOMES OWNERS OR MEMBERS AGREE TO HOLD DECLARANT AND THE ASSOCIATION HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY. ALL AHERN TOWNHOMES MEMBERS, OWNERS AND OCCUPANTS OF ANY DWELLING UNIT, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD OF DIRECTORS, DECLARANT, OR ANY SUCCESSOR DECLARANT AND THE BOARD DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM, IF ANY, DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DECLARANT OR THE BOARD MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH AHERN TOWNHOMES MEMBER, OWNER AND OCCUPANT OF ANY LOT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT

THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY LOT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO DWELLING UNITS AND TO THE CONTENTS OF DWELLING UNITS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED, IF ANY, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY, IF ANY. THE CURRENT CONCEPTUAL PLANS AND/OR REPRESENTATION, IF ANY REGARDING THE COMPOSITION OF THE COMMON PROPERTY ARE NOT A GUARANTEE OF THE FINAL COMPOSITION OF THE COMMON PROPERTY. DECLARANT HAS NO OBLIGATION OR RESPONSIBILITY TO CONSTRUCT OR SUPPLY ANY SUCH COMMON PROPERTY OF THE ASSOCIATION AND NO PARTY SHALL BE ENTITLED TO RELY UPON ANY STATEMENT CONTAINED HEREIN AS A REPRESENTATION OR WARRANTY AS TO THE EXTENT OF THE COMMON PROPERTY TO BE OWNED, LEASED BY, OR DEDICATED TO THE ASSOCIATION. DECLARANT, SO LONG AS IT CONTROLS THE ASSOCIATION, FURTHER SPECIFICALLY RETAINS THE RIGHT TO ADD TO, DELETE FROM, OR MODIFY ANY OF THE COMMON PROPERTY REFERRED TO HEREIN. NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THE DEFINITION OF "COMMON PROPERTY" AS SET FORTH IN THIS DECLARATION ARE FOR DESCRIPTIVE PURPOSES ONLY AND SHALL IN NO WAY BIND OR OBLIGATE DECLARANT TO CONSTRUCT OR SUPPLY ANY ITEM AS SET FORTH IN SUCH DESCRIPTION. FURTHER, NO PARTY SHALL BE ENTITLED TO RELY UPON SUCH DESCRIPTION AS A REPRESENTATION OR WARRANTY AS TO THE EXTENT OF THE COMMON PROPERTY TO BE OWNED, LEASED BY OR DEDICATED TO THE ASSOCIATION, EXCEPT AFTER CONSTRUCTION AND DEDICATION OR CONVEYANCE OF ANY SUCH ITEM. THE CURRENT CONCEPTUAL PLANS AND/OR REPRESENTATION, IF ANY, REGARDING THE NUMBER OR LOCATION OF THE ENTRANCES TO THE PROPERTY ARE NOT A GUARANTEE OF THE FINAL LOCATION OR NUMBER OF THE ENTRANCES. DECLARANT HAS NO OBLIGATION OR RESPONSIBILITY TO CONSTRUCT OR SUPPLY ANY SUCH ENTRANCES AND NO PARTY SHALL BE ENTITLED TO RELY UPON ANY STATEMENT CONTAINED HEREIN AS A REPRESENTATION OR WARRANTY AS TO THE EXTENT OF THE ENTRANCES. THE ASSOCIATION FURTHER SPECIFICALLY RETAINS THE RIGHT TO ADD TO, DELETE FROM, OR MODIFY ANY OF ENTRANCES REFERRED TO HEREIN.

17.18. Indemnification and Exculpation.

17.18.1. Indemnification.

17.18.1.1. The Association shall defend, indemnify and hold Declarant, its directors, officers, agents and employees and the Association's directors, officers, agents and employees (collectively the "Indemnified Parties") harmless from and against any and all claims, suits, actions, threatened actions, injury, loss, liability, damages, causes of action and expenses of any nature (including but not limited to any derivative action brought by the Association on behalf of any Owner) ("Indemnified Loss") which may be incurred by the Indemnified Parties in connection with or arising directly or indirectly from any personal injury, loss of life and/or damage or encroachment to property in, about or abutting the Common Property, the Lot, or the Property, or any part thereof, directly or indirectly from any act or omission of the Indemnified Parties. The Indemnification provided in this Section shall apply whether or not any Indemnified Party is acting in the Owner's capacity as Declarant, director, officer, or agent at the time any Indemnified Loss is incurred. Indemnified Losses pursuant to this Paragraph shall include, but not be limited to, all costs, attorneys' fees (including all appellate levels), expenses, and liabilities.

17.18.1.2. The indemnification pursuant to this Paragraph shall include any and all expenses that any Indemnified Party incurs to enforce its rights pursuant to this Declaration, including pursuant of an order for specific enforcement of any of the provisions, conditions, covenants or restrictions contained herein.

17.18.2. Exculpation.

17.18.2.1. Any liability of Declarant arising out of or in connection with this Declaration or the agreement for the purchase of any Lot, whether relating to a Lot, the Property or the Common Property, shall be limited solely to the cost of correcting defects in work, equipment or components furnished that were warranted in specific written warranties given by Declarant to Owners.

17.18.2.2. No Person shall be liable for special or consequential damages including, but not limited to, loss of profits or revenue, loss of use, loss of capital, cost of substitute housing or equipment, facilities or services, or claims by third parties. Repairs or replacements shall not interrupt or prolong the term or any written warranty or extend the obligation of Declarant to replace or repair the property warranted.

17.18.2.3. Any rights, privileges, or warranties contained herein shall not be assigned or assignable but are personal between the original Owners, or the Association and Declarant.

17.18.2.4. Each Owner by acceptance of conveyance of a Lot acknowledges that there have been no oral or implied warranties by any Declarant or any other Person affecting the Lot, the Property or the Common Property.

17.18.2.5. A conveyance of a Lot to an Owner shall supersede and render null and void any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, except for specific written warranties made by Declarant.

17.18.2.6. The directors, officers, agents and employees of Declarant or the Association shall not be subject to personal liability of any nature arising or by reason of the construction, use or sale of the Lot, the Property or the Common Property. Each Owner by acceptance of a deed to any Lot waives, on behalf of such Owner and such Owner's family, tenants, guests and invitees, any claim or right that it may have against such Person and agrees that any and all claims for liability or loss arising by reason of this Declaration, or the construction, use or sale of the Lot, the Property or the Common Property shall be against Declarant only and shall be limited by and subject to the provisions of this Declaration.

IN WITNESS WHEREOF, this Declaration has been signed by the Declarant and the Association, on the day and year first above written.

Signed, sealed and delivered in the presence of:

DECLARANT:

AHERN TH PROJECT, LLC, a Florida limited liability company

Print Name: _____

By: _____

Print Name: _____

Its: _____

Print Name: _____

ASSOCIATION:

AHERN TOWNHOME ASSOCIATION, INC., a Florida not for profit corporation

Print Name: _____

By: _____

Print Name: _____

Its: _____

Print Name: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____, as _____ of AHERN TH PROJECT, LLC, a Florida limited liability company, who is personally known to me or has produced _____ as identification.

Print Name: _____
Notary Public, State of Florida at Large
Commission No.: _____
My Commission Expires: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____, as _____ of AHERN TOWNHOME ASSOCIATION, INC., a Florida not for profit corporation, who is personally known to me or has produced _____ as identification.

Print Name: _____
Notary Public, State of Florida at Large
Commission No.: _____
My Commission Expires: _____

EXHIBIT "A"

LEGAL DESCRIPTION

EXHIBIT "B"

ARTICLES OF INCORPORATION

**ARTICLES OF INCORPORATION
OF
AHERN TOWNHOME ASSOCIATION, INC.
(A CORPORATION NOT FOR PROFIT)**

In compliance with the requirements of the laws of the State of Florida, and for the purpose of forming a corporation not for profit, the undersigned does hereby acknowledge:

1. **Name of Corporation.** The name of the corporation is AHERN TOWNHOME ASSOCIATION, INC. (the "Association")
2. **Principal Office.** The principal office of the Association is 830-13 A1A North, Suite 130, Ponte Vedra Beach, Florida 32082.
3. **Registered Office – Registered Agent.** The street address of the Registered Office of Association is 830-13 A1A North, Suite 130, Ponte Vedra Beach, Florida 32082. The name of the Registered Agent of Association is _____.
4. **Definitions.** A declaration entitled Declaration of Conditions, Covenants, Easements and Restrictions for Ahern Townhome Association (the "Declaration") will be recorded in the Public Records of Duval County, Florida, and shall govern all of the operations of a community to be known as Ahern. All initially capitalized terms not defined herein shall have the meanings set forth in the Declaration.
5. **Purpose of Association.** Association is formed to: (a) provide for ownership, operation, maintenance and preservation of the Common Areas, and improvements thereon; (b) perform the duties delegated to it in the Declaration; (c) administer the interests of the Association and the Owners; (d) promote the health, safety and welfare of the Owners.
6. **Not for Profit.** Association is a not-for-profit Florida corporation and does not contemplate pecuniary gain to, or profit for, its members.
7. **Powers of Association.** Association shall, subject to the limitations and reservations set forth in the Declaration, have all the powers, privileges and duties reasonably necessary to discharge its obligations , including, but not limited to, the following:
 - 7.1 To perform all the duties and obligations of Association set forth in the Declaration and By-Laws, as herein provided.
 - 7.2 To enforce, by legal action or otherwise, the provisions of the Declaration and By-Laws and all of the rules, regulations, covenants, restrictions and agreements governing or binding Association and Ahern.
 - 7.3 To fix, levy, collect and enforce payment, by any lawful means, of all Assessments pursuant to the terms of the Declaration, these Articles and By-laws.
 - 7.4 To pay all Operating Costs, including, but not limited to, all licenses, taxes or governmental charges levied or imposed against the property of the Association.
 - 7.5 To acquire (by gift, purchase or otherwise), annex, own, hold, improve, build upon, operate, maintain, convey, grant rights and easements, sell, dedicate, lease, transfer or otherwise dispose of real property (including the Common Areas) in connection with the functions of Association except as limited by the Declaration.
 - 7.6 To borrow money, and to mortgage, pledge or hypothecate any or all of its real or personal property as security for money or debts incurred.

7.7 To dedicate, grant, license, lease, concession, create easements upon, sell or transfer all or any part of Ahern to any public agency, entity, authority, utility or other person or entity for such purpose and subject to such conditions as it determines and as provided in the Declaration.

7.8 To participate in mergers and consolidations with other non-profit corporations organized for the same purposes.

7.9 To adopt, publish, promulgate or enforce rules, regulations, covenants, restrictions or agreements governing Association, Ahern, the Common Areas, Lots and, as provided in the Declaration, to effectuate all of the purposes for which Association is organized.

7.10 To have and to exercise any and all powers, rights and privileges which a not-for-profit corporation organized under the laws of the State of Florida may now, or hereafter, have or exercise.

7.11 To employ, personnel and retain independent contractors to contract for management of Association, Ahern, and the Common Areas as provide in the Declaration and to delegate in such contract all or any part of the powers and duties of Association.

7.12 To contract for services to be provided to, or for the benefit of, Association, Owners, the Common Areas, and Ahern as provided in the Declaration, such as, but not limited to, Telecommunications Services, maintenance, garbage pick-up, and utility services.

7.13 To establish committees and delegate certain of its functions to those committees.

7.14 The Association shall operate, maintain, and manage the surface water or stormwater management system(s) in a manner consistent with all permits therefor and all requirements and applicable District rules, and shall assist in the enforcement of the Declaration of Conditions, Covenants, Easements, and Restrictions which relate to the surface water or stormwater management system.

7.15 The Association shall levy and collect adequate assessments against members of the Association for the cost of maintenance and operation of the surface water or stormwater management system.

8. Surface Water Management System. With respect to the Surface Water Management System within Ahern, the Association shall have the following duties:

8.1 Each Owner shall be responsible for his or her pro rata share of the maintenance, operation and repair of the Surface Water Management System.

8.2 The Association shall be responsible for the maintenance, operation and repair of the Surface Water Management System within Ahern. Maintenance of the Surface Water Management System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the District. The Association shall be responsible for such maintenance and operation. Any repair or reconstruction of the Surface Water Management System shall be as permitted, or if modified, as approved by the District.

8.3 Any amendment to the Declaration which alters the Surface Water Management System, beyond maintenance in its original condition, including the water management portions of the Common Areas, must have the prior approval of the District.

8.4 The District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained herein which relate to the maintenance, operation, and repair of the Surface Water Management System.

8.5 To the extent it is impractical for an Owner to maintain, operate and repair the portion of the Surface Water Management System within such Owner's Lot, or in any circumstance wherein the Association determines it to be in the best interest of the Association, the Association shall have all responsibility for maintenance, repair and operation of the Surface Water Management System.

9. **Voting Rights.** Owners and Declarant shall have the voting rights set forth in the By-Laws.

10. **Board of Directors.** The affairs of Association shall be managed by a Board of odd number with not less than three (3) nor more than nine (9) members. The initial number of directors shall be three (3). Board members shall be appointed and/or elected as stated in the By-Laws. The election of Directors shall be held at the annual meeting. Directors shall be elected for a term expiring on the date of the next annual meeting. The names and addresses of the members of the first Board who shall hold office until their successors are appointed or elected, or until removed, are as follows:

NAME	ADDRESS
_____	830-13 A1A North, Suite 130 Ponte Vedra Beach, Florida 32082
_____	830-13 A1A North, Suite 130 Ponte Vedra Beach, Florida 32082
_____	830-13 A1A North, Suite 130 Ponte Vedra Beach, Florida 32082

11. **Dissolution.** In the event of the dissolution of Association other than incident to a merger or consolidation, any member may petition the Circuit Court having jurisdiction of the Judicial Circuit Court of the State of Florida for the appointment of a receiver to manage its affairs of the dissolved Association and to manage the Common Areas, in the place and stead of Association, and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and its properties. In addition, in the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or storm water management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C, and be approved by the South Florida Water Management District prior to such termination, dissolution or liquidation.

12. **Duration.** Association shall have perpetual existence.

13. **Amendments.**

13.1 **General Restrictions on Amendments.** Notwithstanding any other provision herein the contrary, no amendment to these Articles shall affect the rights of Declarant unless such amendment receives the prior written consent of Declarant, as applicable, which may be withheld for any reason whatsoever. If the prior written approval of any governmental entity or agency having jurisdiction is required by applicable law or governmental regulation for any amendment to these Articles, then the prior written consent of such entity or agency must also be obtained. No amendment shall be effective until it is recorded in the Public Records.

13.2 **Amendments Prior to and Including the Turnover Date.** Prior to and including the Turnover Date, Declarant shall have the right to amend these Articles, as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Declarant's right to amend under this Section is to be construed as broadly as possible. In the event that Association shall desire to amend these Articles prior to and including the Turnover Date, Association must first obtain Declarant's prior written consent to any proposed amendment. Thereafter, an amendment identical to that approved by Declarant may be adopted by Association pursuant to the requirements for

amendments after the Turnover Date. Thereafter, Declarant shall join in such identical amendments so that its consent to the same will be reflected in the Public Records.

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

14. **Limitations.**

14.1 Declaration is Paramount. No amendment may be made to these Articles which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in the Declaration.

14.2 Rights of Declarant. There shall be no amendment to these Articles which shall abridge, reduce, amend, effect or modify the rights of Declarant.

14.3 By-Laws. These Articles shall not be amended in a manner that conflicts with the By-Laws.

15. **Incorporator.** The name and address of the Incorporator of this corporation is:

Ahern TH Partners, LLC
830-13 A1A North, Suite 130
Ponte Vedra Beach, Florida 32082

16. **Officers.** The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall from time to time determine. The names and addresses of the Officers who shall serve until their successors are elected by the Board are as follows:

President _____
830-13 A1A North, Suite 130
Ponte Vedra Beach, Florida 32082

Vice President _____
830-13 A1A North, Suite 130
Ponte Vedra Beach, Florida 32082

Secretary/Treasurer _____
830-13 A1A North, Suite 130
Ponte Vedra Beach, Florida 32082

Following Turnover, the Board shall consist of five (5) Members, three (3) of which are Owners of single family detached lots, and the President and Vice President of the Neighborhood Association serving the townhome residences. Notwithstanding the foregoing, nothing shall interfere with Declarant's rights as described in the Declaration.

17. **Indemnification of Officers and Directors.** Association shall and does hereby indemnify and hold harmless every Director and every Officer, their heirs, executors and administrators, against all loss, cost and expenses reasonably incurred in connection with any action, suit or proceeding to which such Director or Officer may be made a party by reason of being or having been a Director or Officer of Association, including reasonable counsel fees and paraprofessional fees at all levels of proceeding. This indemnification shall not apply to matters wherein the Director or Officer shall be finally adjudged

in such action, suit or proceeding to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to, and not exclusive of, all other rights to which such Director or Officers may be entitled.

18. **Transactions in Which Directors or Officers are Interested.** No contract or transaction between Association and one (1) or more of its Directors or Officers or Declarant, or between Association and any other corporation, partnership, association, or other organization in which one (1) or more of its Officers or Directors are officers, directors, or employees or otherwise interested shall be invalid, void or voidable solely for this reason, or solely because the Officer or Director is present at, or participates in, meetings of the Board thereof which authorized the contract or transaction, or solely because said Officer of Association shall incur liability by reason of the fact that such Director or Officer may be interested in any such contract or transaction. Interested Directors shall disclose the general nature of their interest and may be counted in determining the presence of a quorum at a meeting of the Board which authorized the contract or transaction.

- Signatures to Follow on Next Page -

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Florida, the undersigned, being the Incorporator of this Association, has executed these Articles of Incorporation as of this ____ day of _____, 2017.

WITNESSES:

Print name: _____

Print name: _____

Name: _____
Title: _____
Incorporator

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this ____ day of _____, 2017
by _____, who is personally known to me.

My commission expires:

NOTARY PUBLIC
State of Florida
Print name: _____

ACCEPTANCE BY REGISTERED AGENT

The undersigned, having been named to accept service of process for the above-stated corporation at the place designated in this certificate, hereby agrees to act in this capacity, and is familiar with, and accepts, the obligations of this position and further agrees to comply with the provisions of all statutes relative to the proper and complete performance of its duties.

Dated this ____ day of _____, 2017.

Print Name: _____

EXHIBIT "C"

BYLAWS
BYLAWS
OF
AHERN TOWNHOME ASSOCIATION, INC.

ARTICLE I

IDENTITY AND LOCATION

These are the Bylaws of AHERN TOWNHOME ASSOCIATION, INC. (hereinafter called the "Association"), a corporation not for profit organized and existing under the applicable provisions of the Florida Statutes, for the purpose of administering the Property and the Common Area, in accordance with the Declaration of Conditions, Covenants, Easements and Restrictions for Ahern (the "Declaration") recorded or to be recorded in the Public Records of Duval County, Florida. The principal office of the Association shall be located at 830-13 A1A North, Suite 130, Ponte Vedra Beach, Florida 32082, but meetings of the Association's Board of Directors may be held at such places within the State of Florida as may be designated from time to time by the Board of Directors.

ARTICLE II

GENERAL

Section 1. Incorporation of Declaration. As supplemented herein, the regulation of the business, operation, powers, duties and affairs of the Association shall be governed by the Declaration, as it may be amended and/or supplemented from time to time, the terms and provisions of which are incorporated herein by reference as though it had been set forth in its entirety.

Section 2. Fiscal Year. The Fiscal Year of the Association shall be the time period beginning on January 1 though and including December 31 of each calendar year, or such other period of time as may subsequently be determined by the Board.

Section 3. Corporate Seal. The corporate seal of the Association shall include the following: "Ahern Townhome Association, Inc.", "Florida" and "corporation not for profit".

Section 4. Definitions. Unless otherwise specifically provided in these Bylaws, all terms used in these Bylaws shall have the same definitions and meanings as those set forth in the Declaration, as it may be amended and/or supplemented from time to time.

ARTICLE III

PURPOSE AND POWERS OF THE ASSOCIATION

Section 1. Purpose. The purposes for which the Association is organized are as follows:

(a) To operate as a corporation not for profit pursuant to Chapter 617 and any other applicable provisions of the Florida Statutes, as they may be amended and/or renumbered from time to time. The Association does not contemplate pecuniary gain or profit. The Association shall not pay dividends and no part of any income of the Association shall be distributed to its Members, Directors or officers.

(b) To operate as a homeowners' association pursuant to Chapter 720 and any other applicable provisions of the Florida Statutes, as they may be amended and/or renumbered from time to time, and to administer, enforce and carry out the terms, conditions, restrictions and provisions of the Declaration as it may be amended and/or supplemented from time to time.

(c) To administer, enforce and carry out the terms and provisions of any other Declaration of Covenants, Conditions and Restrictions or similar document, submitting property to the jurisdiction of or assigning responsibilities, rights or duties to the Association.

Section 2. Powers. The Association shall have the following powers:

(a) All of the common law and statutory powers of a not for profit corporation organized under the laws of the State of Florida, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles of Incorporation, these Bylaws or the Declaration.

(b) To enter into, make, establish, amend and enforce, rules, regulations, Bylaws, covenants, restrictions and agreements to carry out the purposes of the Association. The Association may use any enforcement method authorized by the Declaration and/or Florida law, including but not limited to, fines, suspensions of use rights to the Common Area, actions for damages, equitable actions, injunctive relief, administrative actions, self-help, or any combination of those. The prevailing party in any action at law, action for damages, equitable action, action for injunctive relief and/or administrative action shall be entitled to recover all of its attorneys' fees, paralegal fees, costs, expenses, appellate attorneys' fees and appellate costs.

(c) To fix, levy and collect Assessments (Annual Assessments, Special Assessments, Initiation Assessments and/or Individual Assessments) for the Common Expense from Members to defray the costs, expenses, reserves and losses incurred or to be incurred by the Association and to use the proceeds thereof in the exercise of the Association's powers and duties, including without limitation, the maintenance, repair and operation of the Drainage System.

(d) To fix, levy and collect Special Assessments for Common Expense from Members to defray the costs, expenses, reserves, losses, damages and budget shortfalls incurred or to be incurred by the Association and to use the proceeds thereof in the exercise of the Association's powers and duties.

(e) To make, adopt, establish, amend and enforce rules and regulations regarding the use, appearance and/or condition of any portion of the Property bound by the terms, covenants, conditions and restrictions of the Declaration, including but not limited to, Common Area, Lots, Members, structures, improvements, Residences, landscaping and maintenance.

(f) To own, purchase, sell, mortgage, lease, administer, manage, operate, maintain, improve, repair and/or replace real property and personal property.

(g) To borrow and to hold funds, select depositories, administer bank accounts of the Association, and to pay all expenses, including licenses, public assessments, taxes or government charges, incident to the purposes and powers of the Association, as set forth in the Articles of Incorporation and as may be provided in the Declaration and these Bylaws.

(h) To purchase insurance for the protection of the Association, its officers, Directors, Members and such other parties as the Association may determine to be in the best interests of the Association. To require Members to purchase insurance for the protection of their Lots and any structures, landscaping, Residences and/or any other improvements on that Member's Lot.

(i) To operate, maintain, manage, repair, control, regulate, replace and/or improve the Common Area and such other portions of the Property as may be determined by the Association from time to time.

(j) To enter into contracts and agreements between third parties and the Association.

(k) To exercise architectural control, either directly or through appointed committees, over all buildings, structures, Residences, landscaping and/or improvements of any type to be placed, built, erected, installed and/or constructed upon any portion of the Property. Such architectural control shall be exercised pursuant to the Declaration.

(l) To provide for any functions and services within the Property as the Board of Directors in its sole discretion determines necessary or appropriate.

(m) To provide, purchase, sell, lease, acquire, replace, improve, maintain and/or repair such buildings, structures, pathways, landscaping, paving, equipment and property, both real and personal, as the Association, through its Board of Directors, in its discretion determines necessary or appropriate.

(n) To employ any personnel necessary to perform the obligations, services and/or duties required of or to be performed by the Association and/or to contract with others for the performance of such obligations, services and/or duties and to pay the costs thereof in accordance with whatever contractual arrangement the Board of Directors of the Association shall enter in its sole discretion.

(o) To establish, maintain, operate and use reserve funds for capital improvements, repairs and replacements. To establish, maintain, operate and use reserve funds for items, services,

property and/or any other purpose as the Board of Directors of the Association may determine in its sole discretion to be in the best interest of the Association.

(p) To enter into a management contract with a third party for the maintenance and repair of any Common Area and for the operation of the Association. The Board of Directors will carry out this power on behalf of the Association. The management contract may provide a management fee to the management agent and the delegation of certain duties, as may be determined by the Board of Directors of the Association.

(q) To enter into agreements and/or contracts with professionals, including but not limited to attorneys, engineers, architects and accountants, to assist the Association in its performance of the obligations, services and duties required of or to be performed by the Association. The Board of Directors will carry out this power on behalf of the Association.

(r) To create, appoint, remove and/or dissolve any committees that the Board of Directors of the Association may deem appropriate.

(s) To collect delinquent Assessments by fine, claim of lien, suit or otherwise and to file and defend any suit or other proceeding in pursuit of all legal, equitable and/or administrative remedies or defense of all claims relating to the Declaration, these Bylaws, the Articles of Incorporation and/or Florida law.

(t) To adopt, change, repeal and/or amend the Bylaws.

(u) To adopt, change, repeal and/or amend Bylaws that would be effective only in an emergency.

Section 3. Power to be Exercised by Board of Directors. Except where approval by the Association's membership is specifically required by Florida law, the Declaration, the Articles of Incorporation and/or these Bylaws, all powers, duties, affairs, authority, and/or purposes of the Association shall be exercised and/or carried out exclusively by the Association's Board of Directors.

ARTICLE IV

OFFICIAL RECORDS OF THE ASSOCIATION

The Association shall maintain each of the following items, if applicable, which shall constitute the official records of the Association:

(1) Copies of any plans, specifications, permits and warranties related to improvements constructed on the Common Area or any other property that the Association is obligated to maintain, repair and/or replace.

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

(3) A copy of the Articles of Incorporation of the Association and a copy of each amendment to the Articles of Incorporation.

(4) A copy of the Declaration and a copy of each amendment to the Declaration.

(5) A copy of the current Rules and Regulations of the Association.

(6) The minutes of all meetings of the Board of Directors, and the minutes must be retained for a minimum of seven (7) years.

(7) The minutes of all Annual Meetings of the Association's membership, and the minutes must be retained for a minimum of seven (7) years.

(8) The minutes of all Special Meetings of the Association's membership, and the minutes must be retained for a minimum of seven (7) years.

(9) A current roster of all Owners and their mailing addresses and parcel identifications. The Association shall not be obligated to recognize a transfer or conveyance of ownership of any Lot until such time as the Association receives a true copy of the recorded deed or other written instrument establishing the transfer or conveyance of ownership of the Lot, and it shall be the responsibility and obligation of the new Owner(s) of the Lot to provide such true copy of said recorded instrument to the Association.

(10) For those Owners consenting to receive notice by electronic transmission, the Association shall maintain the electronic mailing addresses and the numbers designated by those Owners. The electronic mailing address and number provided by an Owner to receive notice by electronic transmission shall be removed from the Association's records when consent to receive notice by electronic transmission has been revoked by that Owner. The Association shall not be liable for an erroneous disclosure of an Owner's electronic mail address or the number for receiving electronic transmission of notices.

(11) All of the Association's insurance policies or a copy of those insurance policies. These must be retained for a minimum of seven years (7) from the effective date of each policy.

(12) A current copy of all contracts to which the Association is a party, including any management agreement, lease or other contract under which the Association has any obligation or responsibility.

(13) Any bids received by the Association for work to be performed, and these must be retained for a minimum of one (1) year.

(14) The financial and accounting records of the Association, kept according to good accounting practices, including the following:

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

(b) A current account and a periodic statement of the account of each Owner, designated the name and current address of each Owner who is obligated to pay assessments, the due date and amount of each assessment or other charge against the Owner, the date and amount of each payment on the account, and any balance due.

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

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

All financial and accounting records of the Association must be retained for a minimum of seven (7) years.

(15) A copy of the disclosure summary currently described in Section 720.401(1) of the Florida Statutes, as it may be amended and/or renumbered from time to time.

(16) All other written records of the Association which are related to the operation of the Association.

ARTICLE V

ACCESS TO OFFICIAL RECORDS OF THE ASSOCIATION

Section 1. Access to Records Generally. The official records of the Association shall be maintained at a location within the State of Florida. The official records of the Association shall be open to inspection and available for photocopying by Members or an authorized agent of a Member, except for the official records contained in Article V, Section 2 of these Bylaws. In order to inspect and/or photocopy the official records of the Association, a Member or a Member's authorized agent must first provide a written request to the Association or any person or entity designated by the Association to receive such written requests. The Association shall then make available the requested records for inspection and/or photocopying no later than ten (10) business days following receipt of the written request. Notwithstanding the foregoing, a Member and/or any authorized agent of that Member shall not be permitted to inspect the official records of the Association for more than eight (8) hours per month. The Association, through the Board of Directors, has the right to adopt additional reasonable rules in writing governing the frequency, time, location, notice, records to be inspected and manner of the inspections. However, the Association and/or the Association's agent shall not at any time impose a requirement that a Member or an authorized agent of a Member specify a purpose for the inspection of the Association's official records or provide a reason for the inspection of the Association's official records.

The Association and/or its authorized agent are not required to provide a prospective purchaser and/or a lienholder with information about the Property, including without limitation, any Lot and the Association, other than the information and/or documents under Florida law required to be made

available and/or disclosed. The Association and/or its authorized agent may charge a reasonable fee of up to One Hundred Fifty and No/100 Dollars (\$150.00) plus the reasonable cost of photocopying and any attorneys' fees incurred by the Association in connection with the response to the prospective purchaser, a lienholder, the current Member and/or the current Owner of the Lot for providing good faith responses to requests for information by and/or on behalf of a prospective purchaser and/or a lienholder, other than that required by law.

Section 2. Records Not Open for Inspection. The following official records of the Association shall not be accessible, open for inspection and/or photocopied by any Member or any authorized agent of any Member:

- (a) Any record of the Association protected by the attorney-client privilege.
- (b) Any record of the Association protected by the work-product privilege.
- (c) Any record of the Association prepared by an attorney for the Association or prepared at that attorney's express direction which reflects a mental impression, conclusion, litigation strategy and/or legal theory of that attorney or the Association, and the record was prepared exclusively for civil litigation, criminal litigation and/or adversarial administrative proceedings, or the record was prepared in anticipation of imminent civil litigation, criminal litigation and/or adversarial administrative proceedings. Once the civil litigation, criminal litigation and/or adversarial administrative proceedings completely conclude, including any and all appeals, enforcement and/or contempt proceedings, the records shall be open to, accessible to, and available for photocopying by any Member or any authorized agent of any Member.
- (d) Any information and record obtained by the Association in connection with the approval of a lease, sale and/or any other transfer of a Lot.
- (e) Any and all disciplinary records of the Association's employees.
- (f) Any and all health records of the Association's employees.
- (g) Any and all insurance records of the Association's employees.
- (h) Any and all personnel records of the Association's employees.
- (i) Any and all medical records of Members and/or residents of the Property.

Section 3. Cost of Photocopies. If the Association or the Association's agent have a photocopy machine available at the location where the Association's official records are maintained, the Association must provide Members or a Member's authorized agent with photocopies of requested documents during the inspection by those Members or authorized agents, if the entire photocopy request is limited to no more than twenty-five (25) pages. The Association may impose fees to cover the costs of providing any copies of the official records, including, without limitation, the costs of photocopying. The Association may charge a maximum of Fifty Cents (\$0.50) per page for any copies of the official records made on the Association's or the agent of the Association's photocopy machine.

If the Association or the Association's agent do not have a photocopy machine available at the location where the official records of the Association are kept, or if the records requested to be copied exceed a total of twenty-five (25) pages, the Association may have the requested copies made by an outside vendor and the Association may charge the Member requesting the copies the actual cost of the copying by the outside vendor.

ARTICLE VI

MEETINGS OF MEMBERS

Section 1. Members of the Association. Each Owner (including Declarant) shall be a Member of the Association. Membership in the Association shall be appurtenant to and inseparable from the Lot giving rise to such membership, and any transfer of record title to a Lot shall operate automatically to transfer to the new Owner the membership in the Association appurtenant to that Lot. The interest, if any, of an Owner in the funds and assets of the Association may not be assigned, hypothecated or transferred in any manner, except as an appurtenance to that Owner's Lot. Membership in the Association is mandatory for all Owners and membership shall continue, as to each Owner, until such time as that Owner transfers or conveys that Owner's fee simple interest in the Lot upon which that Owner's membership is based or until such fee simple interest is transferred or conveyed by operation of law, at which time the membership in the Association will automatically pass to the grantee or

transferee. Notwithstanding the foregoing, the Association shall not be obligated to recognize such a transfer or conveyance of membership until such time as the Association receives a true copy of the recorded deed or other written instrument establishing the transfer or conveyance of ownership of the Lot, and it shall be the responsibility and obligation of the new Owner(s) of the Lot to provide such true copy of said recorded instrument to the Association.

Section 2. Annual Meetings. An Annual Meeting of the Members of the Association shall be held during the calendar year at a date, time and location as determined by the Board of Directors. The election of Directors, if such an election is required to take place, shall take place at the Annual Meeting of the Members, except for the first election of Directors by Class A Members which shall take place at a Special Meeting of the Members called when the Class B membership terminates and is automatically converted to Class A membership.

Section 3. Special Meetings. A Special Meeting of the Members of the Association may be called at any time by the President or the Board of Directors. A Special Meeting of the Members may also be called upon written request of at least sixty percent (60%) of the Association's Members. A Special Meeting of the Members may be called upon written request of the Declarant for so long as Declarant owns any Lot. Business conducted at any Special Meeting of the Members is limited to the specific purposes and issues described in the notice of the Special Meeting.

A Special Meeting of the Members shall be called and properly noticed when the Class B membership terminates pursuant to the Declaration for the purpose of the Class A Members electing Directors and any additional business that the Association will consider at that Special Meeting.

Section 4. Notice of Meetings. Notice of Meetings shall be as follows:

(a) Annual Meetings. The notice of the Annual Meeting shall include the time, date and location of the Annual Meeting. The notice of the Annual Meeting of the Members does not need to include a description of the purpose, business and/or items to be discussed or for which the Annual Meeting is called. The notice of the Annual Meeting of the Members shall be mailed, hand delivered or electronically transmitted to all Members at least fourteen (14) days prior to the date of the Annual Meeting and no more than sixty (60) days prior to the date of the Annual Meeting. Proof of compliance with this notice requirement shall be made by an affidavit executed by the person providing the notice, and this affidavit shall immediately be filed in the official records of the Association after it is executed.

The notice of the Annual Meeting of the Members shall also be posted in a conspicuous place within the community at least fourteen (14) days prior to the date of the Annual Meeting.

(b) Special Meetings. The notice for any Special Meeting of the Members shall include the time, date and location of that Special Meeting. In addition, the notice must contain a description of the purpose, business and/or items to be discussed or for which the Special Meeting is called. The notice for any Special Meeting of the Members shall be mailed, hand delivered or electronically transmitted to all Members at least fourteen (14) days prior to the date of that Special Meeting and no more than sixty (60) days prior to the date of that Special Meeting. Proof of compliance with this notice requirement shall be made by an affidavit executed by the person providing the notice, and this affidavit shall immediately be filed in the official records of the Association after it is executed.

The notice for any Special Meeting of the Members shall also be posted in a conspicuous place within the community at least fourteen (14) days prior to the date of that Special Meeting.

(c) Notice by Electronic Transmission. The Association shall not send any notice of the Annual Meeting or a Special Meeting of the Members by electronic transmission to a Member, unless that Member has first consented to receive notice by electronic transmission. A Member may revoke his or her consent to receive notice by electronic transmission at any time, but must provide that revocation in writing to the Association or any person designated by the Association to receive such revocations.

(d) Notice Timing. Any notice required to be sent to any Member under these Bylaws shall be deemed to have been properly sent when personally delivered or mailed, postage prepaid, to the last known address of the person who appears as a Member in the official records of the Association at the time of such delivery or mailing. If any Member has consented to receive notice by electronic transmission, any notice required to be sent to that Member or Owner shall be deemed to have been properly given when sent and/or forwarded to the electronic mailing address(es) designated by that Member.

Section 5. Attendance at Meetings. All Members of the Association shall have a right to attend each Annual Meeting and any Special Meeting of the Members. In addition, all Members of the

Association shall have the right to speak for at three (3) minutes on any item opened for discussion or included on the agenda of the Annual Meeting or any Special Meeting. However, if a Member wishes to exercise this right to speak, that Member must submit a written request to speak at least one (1) hour prior to the start of the Annual Meeting or Special Meeting at which that Member wishes to speak. This written request to speak must be submitted to the Association or any person designated by the Association to receive such written requests. The Board of Directors may adopt additional reasonable rules regarding the frequency, duration and manner Members are permitted to speak at the Annual Meeting and any Special Meeting.

Section 6. Adjournment of Meetings.

(a) **Annual Meetings.** The Annual Meeting of the Members may be adjourned to a different date, time and/or place. Notice of the new date, time and/or place shall be mailed, hand delivered or electronically transmitted to all Members at least fourteen (14) days prior to the new date of the adjourned Annual Meeting. Proof of compliance with this notice requirement shall be made by an affidavit executed by the person providing the notice, and this affidavit shall immediately be filed in the official records of the Association after it is executed.

The notice of the new date, time and/or place shall also be posted in a conspicuous place within the community at least fourteen (14) days prior to the new date of the adjourned Annual Meeting.

(b) **Special Meetings.** A Special Meeting of the Members may be adjourned to a different date, time and/or place. Notice of the new date, time and/or place shall be mailed, hand delivered or electronically transmitted to all Members at least fourteen (14) days prior to the new date of the adjourned Special Meeting. Proof of compliance with this notice requirement shall be made by an affidavit executed by the person providing the notice, and this affidavit shall immediately be filed in the official records of the Association after it is executed.

The notice for the new date, time and/or place shall also be posted in a conspicuous place within the community at least fourteen (14) days prior to the new date of the adjourned Special Meeting.

Section 7. Minutes of Meetings. Minutes of all Annual Meetings and all Special Meetings of the Members must be maintained in written form or in another form that can be converted into written form within a reasonable time. These minutes must be retained by the Association for a period of not less than seven (7) years.

Section 8. Quorum for Meetings. The presence, either in person or by proxy, at any Meeting of the Members of the Association, whether it is an Annual Meeting or a Special Meeting, of at least thirty percent (30%) of the Association's Members shall constitute a quorum for that Meeting. If a quorum is not attained at any Meeting of the Members of the Association, that Meeting may be adjourned from time to time pursuant to Article VI, Section 6 of these Bylaws until such time as a quorum is attained.

Section 9. Voting. If a quorum has been attained at any Meeting of the Members of the Association and unless otherwise provided by Florida law, the Declaration, the Articles of Incorporation or these Bylaws, any decisions or matters that require a vote of the Members must be approved by at least a majority of the Members present at that Meeting, either in person or by proxy.

The Association shall have two (2) classes of membership with the voting rights as follows:

(a) **Class A.** Class A Members shall be all the Owners of Lots, with the exception of Declarant for so long as Declarant retains Class B membership. Each Class A Member shall have one (1) vote for each Lot owned by that Member. When more than one person or entity is an Owner of any Lot, all such persons or entities shall be Members, but the vote for that Lot shall be exercised only by that one (1) Member Entitled To Vote. In no event shall there be more than one (1) Class A vote cast for each Lot.

(b) **Class B.** The Class B Member shall be the Declarant or Declarant's express assigns or successors in interest. Until conversion of the Class B membership to Class A membership as set forth in Article VI, Section 9(c) of these Bylaws, Declarant shall have fifteen (15) votes for each Lot owned by Declarant. As each Lot in the Property is conveyed by Declarant to a Class A Member, Declarant's votes for that Lot shall automatically terminate.

(c) **Conversion of Class B Membership.** Declarant's Class B membership shall continue in effect during the period from the date of the Declaration until the earlier of the following events:

(1) Three (3) months after ninety percent (90%) of all Lots in the Property have been conveyed or transferred to Owners other than Declarant, excluding conveyances and/or transfers to builders, contractors, and/or any others who purchase a Lot for the purpose of constructing improvements thereon for resale; or

(2) Ten (10) years after the date on which the Declaration is recorded in the Public Records of Duval County, Florida; or

(3) At such earlier time as Declarant, in its sole discretion, may so elect by recording a notice of such election in the Public Records of Duval County, Florida.

When the earlier of the preceding events occurs, the Class B Members shall call a Special Meeting of the Association's membership to advise of the termination of Class B membership. When Declarant's Class B membership terminates, Declarant will automatically be converted to Class A membership. Declarant shall then retain one (1) vote for each Lot still owned by Declarant. When the Class B membership converts to Class A membership in the Association, Declarant may exercise the right to vote any Lot(s) still owned by Declarant in the same manner as any other Class A Member, except Declarant cannot exercise its respective vote(s) for the purposes of reacquiring control of the Association or selecting a majority of the members of the Board of Directors.

(d) No Split Votes. The vote for each Lot must be cast as a single vote, and fractional votes shall not be allowed. If a Lot is owned by more than one (1) Owner, and the Owners of that Lot are unable to agree among themselves as to how the vote is to be cast, or if more than one (1) Class A vote is cast for any Lot, the vote for that Lot shall not be counted for any purpose except for establishing a quorum. If any Owner casts a vote on behalf of a Lot, it shall be conclusively presumed that Owner was acting with the authority and consent of all other Owners of that Lot.

(e) No Cumulative Voting. There shall be no cumulative voting on any issue, matter or candidate that is the subject of a vote by the Association's membership.

(f) Percentage of Members. When any reference is made in these Bylaws to a majority, specific percentage or fraction of Members, such reference shall be deemed to be a reference to a majority, specific percentage or fraction of the Members Entitled To Vote and not of the Members themselves. As an illustration, but not as a limitation, if there are twenty-four (24) Lots and all the Lots are owned by Class A Members, then there is a total of twenty-four (24) Members Entitled To Vote.

(g) Voting Qualifications. To be qualified to vote, a Class A Member must be current in payment of all Assessments and any liens which may have been levied against that Member and/or any Lot owned by that Member as of the date of the Meeting where the vote is to take place. Any person designated in writing by the Class B Member shall be qualified to cast the votes for each respective Lot owned by the Class B Member.

Section 10. Proxies. All Members entitled to vote by do so either in person or by proxy at any Meeting of the Members of the Association, whether it is an Annual Meeting or a Special Meeting. The proxy must be mailed or hand delivered to the Secretary of the Association's Board of Directors or another authorized person so designated to receive the proxy by the Board of Directors, so that the proxy is received prior to the date of the Meeting for which the proxy is being given. All proxies must contain the date, time and place of the Meeting of the Members for which the proxy is being given. The proxy must be signed and dated by the authorized Member who executed the proxy. Any proxy will be effective only for the specific Meeting for which that proxy was originally given, and any reconvening of that Meeting that may have been adjourned. Notwithstanding the foregoing, a proxy shall automatically expire ninety (90) days after the date of the Meeting for which it was originally given, even if that Meeting is adjourned and reconvened at a later date, time and/or place. A proxy is revocable at any time at the pleasure of the Member who executes that proxy. If a proxy submitted by a Member does not provide a name of a proxy holder, the Secretary of the Board of Directors of the Association or another person designated by the Board of Directors, shall automatically become the proxy holder of that proxy.

Section 11. Recording of Meetings. Any Member may tape record and/or videotape any Meetings of the Members of the Association, whether it is an Annual Meeting or a Special Meeting, subject to the following and such further reasonable rules and restrictions that the Board of Directors may adopt from time to time:

- (a) The only audio equipment, video equipment and/or other devices which Members are authorized to utilize at any such Meeting is equipment which does not produce distracting sound, light and/or heat emissions;

- (b) All audio equipment and/or video equipment shall be assembled and placed in position in advance of the scheduled time for the start of the meeting;
- (c) Any Member videotaping, audiotaping and/or recording a meeting shall not be permitted to move about the meeting room in order to facilitate the videotaping, audiotaping and/or recording; and
- (d) At least twenty-four (24) hours prior written notice shall be given to the Secretary of the Association's Board of Directors by any Member desiring to audiotape, record and/or videotape the Meeting.

Section 12. Conduct of Meetings. The President of the Board of Directors shall preside at all Meetings of the Members of the Association. If the President is unable to preside at a Meeting, or if the office of President is vacant when that Meeting occurs, the Board of Directors may designate another person to preside at that Meeting of the Members.

ARTICLE VII

BOARD OF DIRECTORS

Section 1. Board of Directors; Selection; Terms of Office. The affairs of the Association shall be managed and administered by a Board of Directors consisting of three (3), five (5) or seven (7) members, as may be determined from time to time by the Association's membership. While Declarant's Class B membership exists and until changed by a vote of the Association's membership, the Board of Directors shall consist of three (3) members. Each member of the Board of Directors shall have one (1) equal vote.

All Directors, except those designated or appointed by the Declarant, shall be Members of the Association. A Member must be current in the payment of all Association Assessments to be eligible to run for and hold the position of Director. Directors must be natural persons who are eighteen (18) years of age or older.

In the event a Member is not a natural person (including but not limited to, corporations, partnerships, limited liability companies, limited liability partnerships and trusts), any person appointed by or who is an officer, director, partner, manager or trust officer of that Member shall be eligible to serve as a Director of the Association unless specific written notice to the contrary is signed and provided to the Association by that Member.

The Declarant shall have the sole right to appoint and remove any member(s) of the Board of Directors of the Association while Class B membership exists. When Class B membership terminates, the Class A Members shall elect Directors by written ballot at a Special Meeting of the Association's membership. Each Member shall be entitled to cast that Member's vote(s) for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting for any Director(s). All Directors elected by the Class A Members at this Special Meeting shall serve until the first Annual Meeting of the Association to be held after that Special Meeting, unless the Director resigns, dies, is recalled or is otherwise removed prior to the Annual Meeting of the Association, in which case the vacancy will be filled pursuant to these Bylaws.

All subsequent elections of Directors shall occur at the Annual Meeting of the Association's Members. Each Member shall be entitled to cast that Member's vote(s) for each of as many nominees as there are vacancies to be filled on the Board of Directors at the Annual Meeting. There shall be no cumulative voting for any Director(s). All Directors elected by the Class A Members at an Annual Meeting of the Association shall serve until the date of the next Annual Meeting of the Association, unless the Director resigns, dies, is recalled or is otherwise removed prior to the next Annual Meeting of the Association, in which case the vacancy will be filled pursuant to these Bylaws.

Section 2. Vacancies in the Board of Directors. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members ("recall") shall be filled by a majority vote of the remaining Directors, even though they may constitute less than a quorum of the Board. Each person elected to fill a vacancy on the Board of Directors shall serve until a successor is elected at the next Annual Meeting of the Association. A vacancy or vacancies shall be deemed to exist in the case of death, resignation, removal of any Director, judicial adjudication of mental incompetence of any Director, increases in the size of the Board, or in the event the Members fail to elect the full number of authorized Directors at any meeting at which such election is to take place.

Section 3. Recall of Directors. Any one (1) or more of the Directors (other than those appointed by Declarant) may be recalled with or without cause by a majority vote of the Members, provided the following procedures are followed:

(a) Directors may be recalled by an agreement in writing or by written ballot without a meeting of the Association's membership. The agreement in writing, the written ballots, a copy of the agreement in writing or a copy of the written ballots must be served on the Association by certified mail or by personal service by a process server. When at least a majority of the Board of Directors is sought to be recalled, the agreement in writing or written ballots shall list at least as many possible replacement Directors as there are Directors subject to the recall. The Members may vote for as many replacement candidates as there are Directors subject to the recall. When the recall of more than one (1) Director is sought, the agreement in writing or written ballots shall provide the Members a separate vote for each Director sought to be recalled. The agreement in writing and all written ballots must comply with the requirements of Florida law.

(b) The Board of Directors shall duly notice and hold a meeting of the Board no later than five (5) full business days after receipt of the agreement in writing or written ballots. At this Board meeting, the Board shall either:

(1) Certify the written ballots or written agreement to recall a Director or Directors of the Board. If so certified, the Director or Directors shall be recalled effective immediately and the recalled Director(s) shall turn over to the Board within five (5) full business days any and all records and property of the Association in the possession of the Director(s); or

(2) Not certify the written ballots or written agreement to recall a Director or Directors of the Board. The Board shall then, within five (5) full business days after the Board meeting, file a petition for arbitration with the appropriate agency of the State of Florida. The Members who executed the agreement in writing or written ballots shall constitute one party under the petition for arbitration. If, as a result of the arbitration, the arbitrator certifies the recall as to any Director or Directors of the Board, the recall of the Director or Directors will be effective upon mailing of the final order of arbitration to the Association. The Director or Directors so recalled shall deliver to the Board any and all records and property of the Association in the possession of the recalled Director(s) within five (5) full business days after the effective date of the recall.

(c) At the Board meeting held pursuant to Article VII, Section 3(b) of these Bylaws, minutes must be taken and those minutes must: record the date and time of the meeting; record the decision of the Board whether or not to certify the recall; and the vote count taken on each Director subject to the recall. If the Board of Directors decides not to certify the recall, in addition to the other requirements, the minutes must also identify each vote that was rejected, the parcel number of each rejected vote and the specific reason that each vote was rejected. The minutes of this Board meeting are an official record of the Association.

(d) If the Board of Directors fails to duly notice and hold a Board meeting within five (5) full business days after service of an agreement in writing or written ballots on the Association, the recall shall be deemed effective and the Director(s) so recalled shall immediately turn over to the Board all records and property of the Association in the possession of the Director(s).

(e) If it is determined by the applicable agency of the State of Florida, during the arbitration process described in Article VII, Section 3(b)(2) of these Bylaws, that a first recall effort was defective for any reason, the written agreements or written ballots used in that first recall effort which were not found to be defective may be reused in one (1) subsequent recall effort. In no event shall a written agreement or written ballot be valid for more than one hundred twenty (120) days after it has been signed by the Member.

(f) A Member can revoke or rescind that Member's written ballot or written agreement. The revocation or rescission must be in writing and delivered to the Association before the Association is served with the written agreement or written ballots.

(g) If any vacancy occurs on the Board as a result of a recall, and less than a majority of the Directors are removed, the vacancy may be filled by a majority vote of the remaining Directors. If any vacancy occurs on the Board as a result of a recall and a majority or more of the

Directors are removed, those vacancies shall be filled by the Members who voted in favor of the recall. The Members may vote for replacement Directors in the written agreement or written ballots. The written agreement and all written ballots must comply with the requirements of Florida law. Any person elected to fill a vacancy on the Board that results from a recall shall serve until a successor is elected at the next Annual Meeting of the Association.

(h) Following Turnover, the Board shall consist of five (5) Members, three (3) of which are Owners of single family detached lots, and the President and Vice President of the Neighborhood Association serving the townhome residences. Notwithstanding the foregoing, nothing shall interfere with Declarant's rights as described in the Declaration.

Section 4. Meetings. Meetings of the Board of Directors may be held at such times and places as shall be determined, from time to time, by a majority of the Directors. Special meetings of the Board may be called by the President of the Board, and must be called by the President or Secretary of the Board at the written request of one-third (1/3) of the Directors. Notice of all Board meetings shall be given to each Director, personally or by mail, telephone, facsimile or by electronic transmission, and shall be provided at least three (3) days prior to the meeting. Notice of Board meetings, which notice shall specifically include an identification of agenda items, shall be posted in a conspicuous place in the community at least forty-eight (48) hours preceding the date and time of the Board meeting, except in the event of an emergency as defined in Article VII, Section 15 of these Bylaws. A meeting of the Board of Directors occurs whenever a quorum of the Board gathers to conduct Association business. Board meetings shall be open to all Members, except for: meetings between the Board and the Association's attorney with respect to proposed or pending litigation where the content of the discussion would be protected by the attorney-client privilege; and meetings between the Board and the Association's attorney held for the purpose of discussing personnel matters. The right of Members to attend Board meetings includes the right to speak for three (3) minutes at such meetings with respect to all designated agenda items. The Association may adopt additional reasonable rules governing the frequency, duration and manner of Member statements. The Board shall adopt by rule, and give notice to the Members of, a specific location in the community upon which all notices of Board and/or Committee meetings shall be posted. Directors may not vote at Board meetings by proxy or by secret ballot, except a secret ballot may be used by Directors only for the election of officers. All meetings of the Board of Directors shall be conducted, to the extent practicable, in accordance with the latest published edition of Robert's Rules of Order (Revised). However, Robert's Rules of Order shall not be used in such a way to frustrate the proceedings or to unnecessarily delay the proceedings.

Section 5. Notice of Certain Board Meetings.

(a) Notwithstanding the notice requirement contained in Article VII, Section 4 of these Bylaws, if any meeting of the Board of Directors includes:

(1) Consideration of Assessments (Annual Assessments, Special Assessments, Initiation Assessments or Individual Assessments); or

(2) Levy or adoption of Assessments (Annual Assessments, Special Assessments, Initiation Assessments, or Individual Assessments).

then notice of that Board meeting must be mailed or personally delivered to all Members not less than thirty (30) days before that Board meeting and no more than sixty (60) days before that Board meeting. In addition, the notice of that Board meeting must be posted in a conspicuous place in the community not less than fourteen (14) days before that Board meeting. The notice of that Board meeting must include a statement that assessments will be considered at the Board meeting and the notice must describe the nature of the assessments.

(b) Notwithstanding the notice requirement contained in Article VII, Section 4 of these Bylaws, if any meeting of the Board of Directors includes:

(1) Adoption of, Amendments to and/or Revocations of the Governing Documents regarding use of Lots; or

(2) Adoption of, Amendments to and/or Revocation of the Association Rules and Regulations regarding use of Lots.

then notice of that Board meeting must be mailed or personally delivered to all Members not less than fourteen (14) days before that Board meeting. In addition, the notice of that Board meeting must be posted in a conspicuous place in the community not less than fourteen (14) days before that Board meeting. The notice of that Board meeting must include a statement that changes to the Governing Documents (and/or Association rules and regulations) will be considered at the Board meeting.

(c) Notwithstanding the notice requirement contained in Article VII, Section 4 of these Bylaws, if any meeting of the Board of Directors includes an item of business which is placed on the Board's agenda upon petition by Members pursuant to Article VII, Section 6 of these Bylaws, then notice of that Board meeting must be mailed or personally delivered to all Members no less than fourteen (14) days before that Board meeting. In addition, the notice of that Board meeting must be posted in a conspicuous place in the community not less than fourteen (14) days before that Board meeting.

Section 6. Agenda Items Through Member Petition. If at least twenty percent (20%) of the Members petition the Board of Directors in writing to take up or address an item of business, the Board shall place that item of business on an agenda of the Board for the next regular meeting of the Board, but no later than sixty (60) days after the Association receives the petition with the required percentage of Members. Other than addressing the item(s) of business placed on the Board's agenda through the written petition, the Board is not obligated or required to take any other action on the item(s) at that Board meeting. Each Member of the Association shall have the right to speak for three (3) minutes on each item of business placed on the Board's agenda through written petition, and will be subject to any other reasonable rules that have been adopted by the Board governing the frequency, duration and manner of Member statements. In order to speak on any item, a Member must either sign a sign-up sheet if one is provided at the Board meeting or submit to the Association a written request to speak before that Board meeting begins.

Section 7. Waiver of Notice. Any Director may waive notice of a Board meeting before or after the Board meeting and that waiver shall be deemed equivalent to the due receipt by that Director of notice. Attendance by any Director at a Board meeting shall constitute a waiver of notice of such Board meeting, and a waiver of any and all objections to the place of the meeting, to the time of the meeting or the manner in which it has been called or convened, except when a Director states at the beginning of the meeting, or promptly upon arrival at the meeting, any objection to the transaction of affairs because the meeting has not been lawfully called or convened. The transactions at any meeting of the Board, however called and noticed or wherever held, shall be as valid as though they were made at a Board meeting duly held after regular call and notice, if a quorum is present, and if, either before or after the Board meeting, each of the Directors not present signs such written waiver of notice, a consent to holding such Board meeting, or an approval of the minutes of that Board meeting. All such waivers, consents and approvals shall be filed with the official records of the Association or made a part of the minutes of the Board meeting.

Section 8. Quorum. A quorum for any meeting of the Board of Directors shall consist of a majority of the entire Board. The acts approved by a majority of those Directors present at a Board meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is specifically required by the Governing Documents.

Section 9. Adjourned Meetings. If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required by Article VII, Section 4 or Article VII, Section 5 of these Bylaws. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted as long as notice of such business to be conducted at the rescheduled meeting is given.

Section 10. Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a Board meeting by signing and concurring in the minutes of that Board meeting shall constitute the approval of that Director of the business conducted at the Board meeting, but such joinder shall not allow the applicable Director to be counted as being present for purposes of quorum.

Section 11. Presiding Officer. The presiding officer at any meeting of the Board of Directors shall be the President (who may, however, designate any other officer to preside). If the President is absent or if the office of President is vacant, the Vice President shall preside at that Board meeting.

Section 12. Action Without Meeting. The Directors shall have the right to take any action in the absence of a Board meeting which they could take at a Board meeting by obtaining the vote or written consent of all Directors. Any action so approved shall have the same effect as though taken at a duly constituted meeting of the Directors.

Section 13. Committees. The Board may by resolution create Committees, appoint persons to such Committees, and vest in such Committees such powers and responsibilities as the Board shall deem advisable. The resolution establishing a Committee may also appoint its members, as well as a chair, state the purposes of the Committee, and provide for reports and other administrative matters as deemed appropriate by the Board. The Board may at any time dissolve, terminate or expand any Committee that has been created. All persons appointed to serve on any Committee (including, without limitation, the

Architectural Review Board) serve at the pleasure of the Board of Directors and may be removed at any time by the Board with or without cause. Meetings of any Committee established by the Board of Directors at which a quorum of the members of that Committee is present shall be open to all Members, except for: meetings between any Committee and the Association's attorney with respect to proposed or pending litigation and/or adversarial administrative proceedings where the content of the discussion would be protected by the attorney-client privilege; and meetings between any Committee and the Association's attorney held for the purpose of discussing personnel matters.

If any Committee created by the Board of Directors meets to make a final decision regarding any expenditure of Association funds, notice of that Committee meeting must be posted in a conspicuous place within the Property at least forty-eight (48) hours preceding the date and time of the Committee meeting. Any Committee created by the Board of Directors and/or the Association that will make a final decision regarding the expenditure of any funds of the Association shall have the same meeting and notice requirements as the Board of Directors set forth in these Bylaws.

Notice of any meeting of the Association's Architectural Review Board must be posted in a conspicuous place within the Property at least forty-eight (48) hours preceding the date and time of the Architectural Review Board meeting. The Association's Architectural Review Board shall have the same meeting and notice requirements as the Board of Directors set forth in these Bylaws.

Section 14. Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in written form or in another form that can be converted into written form within a reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

Section 15. Emergency Bylaws and Powers . In the event of an "emergency" as defined in Article VII, Section 15(a) of these Bylaws, the Board of Directors of the Association may exercise the emergency powers described in this Section, and any other emergency powers granted to a not for profit corporation under then-existing Florida law.

(a) An "emergency" exists for purposes of this Section 15 during the time a quorum of the Association's Directors cannot readily be assembled because of a catastrophic event, which includes without limitation, a hurricane, earthquake, act of war, civil unrest, domestic terrorism, or other similar occurrence. An "emergency" also exists during any period of time that local civil authorities have declared that a state of emergency exists in, or have ordered the mandatory evacuation of, the area in which the Property is located. A determination by any two (2) Directors that an emergency exists shall have presumptive validity.

(b) The Board of Directors may name as assistant officers persons who are not Directors, and these assistant officers shall have the same authority as the executive officers of whom they are the designated assistant during the period of the emergency, in the event of the incapacity of any officer of the Association.

(c) The Board of Directors may relocate the principal office during the period of the emergency, or designate alternative principal offices, or authorize the officers to do so.

(d) During any emergency the Board of Directors may hold Board meetings with notice given only to those Directors with whom it is practicable to communicate, and the notice of that Board meeting may be given in any reasonable manner, including but not limited to, publication, radio and television. The Director or Directors in attendance at such a Board meeting shall constitute a quorum of the Board.

(e) Corporate action taken in good faith during the period of an emergency under this Section 15 to further the ordinary affairs of the Association shall bind the Association, and that corporate action shall have the rebuttable presumption of being reasonable and necessary.

(f) Any officer, Director, agent of the Association and/or employee of the Association acting with a reasonable belief that his or her actions are lawful in accordance with these emergency Bylaws shall incur no liability for doing so, except in the case of willful misconduct and/or gross negligence.

(g) The provisions of these emergency Bylaws shall supersede any inconsistent or contrary provisions of the Bylaws during the period of an emergency. However, all provisions of the Bylaws that do not conflict with the emergency Bylaws remain effective during the period of an emergency.

(h) The provisions of these emergency Bylaws shall cease to be effective once the reason for the emergency ends.

Section 16. Execution of Documents. The Board of Directors, except as otherwise provided in these Bylaws, hereby authorizes the President or, if the President is unavailable for a period greater than two (2) full business days, the Vice President to enter into any contract or agreement and/or to execute any instrument in the name and on behalf of the Association.

Section 17. Recording of Board Meetings. Any Member may tape record and/or videotape any meeting of the Board of Directors of the Association, subject to the following and such further reasonable rules and restrictions that the Board of Directors may adopt from time to time:

- (a) The only audio equipment, video equipment and/or other devices which Members are authorized to utilize at any such Meeting is equipment which does not produce distracting sound, light and/or heat emissions;
- (b) All audio equipment and/or video equipment shall be assembled and placed in position in advance of the scheduled time for the start of the meeting;
- (c) Anyone videotaping, audiotaping and/or recording a meeting shall not be permitted to move about the meeting room in order to facilitate the videotaping, audiotaping and/or recording; and
- (d) At least twenty-four (24) hours prior written notice shall be given to the Secretary of the Association's Board of Directors by any Member desiring to audiotape, record and/or videotape the Board Meeting.

ARTICLE VIII

POWERS AND AUTHORITY OF THE BOARD OF DIRECTORS

All of the duties, power and authority of the Association existing under Florida law or the Governing Documents shall be exercised exclusively by the Board of Directors, subject to approval by the Members only when specifically required. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:

- (a) Operating and maintaining all Common Area and Association property.
- (b) Determining the Common Expense, Assessments, and any other financial obligations of the Association.
- (c) Maintaining bank accounts on behalf of the Association and designating the signatories required therefore.
- (d) Creation and maintenance of reserve accounts on behalf of the Association.
- (e) Purchasing, leasing or otherwise acquiring title to, or an interest in, property in the name of the Association, or its designee, for the use and benefit of its members. The power to acquire personal property shall be exercised by the Board and the power to acquire real property shall also be exercised by the Board.
- (f) Purchasing, leasing or otherwise acquiring property, including, without limitation, Lots, Residences or other property within the Property at foreclosure or other judicial sales, all in the name of the Association, or its designee.
- (g) Making repairs, replacements, additions and improvements to, or alterations of, Common Area and/or Association property in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or otherwise.
- (h) Allocating income and expenses and taking such other actions as shall be deemed necessary and proper for the sound management of the Association.
- (i) Levying fines against Members, any family members, any tenants, any lessees, any guests, any licensees, any employees, any contractors, and subcontractors and/or any invitees of a Member for any violation(s) of the Governing Documents and/or the rules and regulations established by the Association to govern the conduct of Members, family members, tenants, lessees, guests, licensees,

employees, contractors, subcontractors and/or invitees of a Member. No fine shall be levied except after giving reasonable notice and opportunity for a hearing to the affected Member and, if applicable, that Member's tenant(s), guest(s), lessee(s), licensee(s), family member(s), employee(s), contractor(s), subcontractor(s) and/or invitee(s).

(j) Suspending, for a reasonable period of time, the rights of any Member, any family member, any tenant, any lessee, any guest, any licensee, any employee, any contractor, any subcontractor and/or any invitee of a Member to use the Common Area, any recreational facilities and any amenities located on the Common Area for any violation(s) of the Governing Documents and/or the rules and regulations established by the Association to govern the conduct of Members, family members, tenants, lessees, guests, licensees, employees, contractors, subcontractors and/or invitees of a Member. No suspension shall be imposed except after giving reasonable notice of at least fourteen (14) days and an opportunity for a hearing to the affected Member and, if applicable, that Member's family member(s), tenant(s), guest(s), lessee(s), licensee(s), employee(s), contractor(s), subcontractor(s) and/or invitee(s).

(k) Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep and maintenance of Common Area and/or Association property or the acquisition of real property, and granting mortgages on and/or security interests in Association-owned property or the Association's assessment authority.

(l) Contracting and paying for the management, maintenance, repair and replacement of the Common Area and Association property (to the extent required) and authorizing a management agent (who may be an affiliate of the Declarant) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, preparation of financial records, maintenance of financial records, maintenance of the Association's official records, enforcement of the Governing Documents and maintenance, repair, and replacement of the Common Area and/or Association property with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Governing Documents, including, but not limited to, the making of any Assessments, promulgation of rules, amendment of the Governing Documents and execution of contracts on behalf of the Association.

(m) At its discretion, authorizing Members or other persons to use portions of the Common Area for private parties and gatherings and imposing reasonable charges for such private use.

(n) Exercising: (1) all powers specifically set forth in the Governing Documents; (2) all powers incidental thereto; and (3) all other powers not prohibited to a Florida not for profit corporation or a Florida "homeowners' association" as defined under Florida law.

(o) Contracting with and creating or joining in the creation of special taxing districts, joint councils and the like.

(p) Selecting, appointing and removing all officers, Committee members, agents, contractors, vendors and/or employees of the Association, prescribing such powers and duties for them as may be consistent with law and the Governing Documents, and fixing their compensation, if any.

(q) Changing the principal office for the transaction of the business of the Association; designating any place for the holding of any Annual or Special Meeting of the Association's Members consistent with the provisions of the Governing Documents; and designating any place for the holding of any Board meeting consistent with the provisions of the Governing Documents.

(r) Fixing and levying from time to time Assessments upon the Owners, as provided in the Governing Documents; setting the due date for the payment of such Assessments and the date upon which the same shall become delinquent. Assessments shall be fixed and levied to provide for the payment of the expenses of the Association, for the operation, maintenance, repair and replacement of the Common Area (including, without limitation, any facilities and/or amenities constructed on the Common Area), Drainage System and Association property, to pay any service provider, for the costs of cable television that may be uniformly provided to all Lots, and for taxes and/or governmental assessments upon real or personal property owned, leased, controlled and/or occupied by the Association, or for the payment of expenses for labor rendered or materials or supplies used and consumed, or equipment and appliances furnished for the maintenance, improvement or development of such property or for the payment of any and all obligations in relation thereto, or in performing or causing to be performed any of the purposes of the Association for the general benefit and welfare of its Members, all in accordance with the provisions of the Governing Documents. Should any Owner fail to pay such Assessments before delinquency, the Board of Directors in its discretion is authorized to enforce the payment of such delinquent Assessments as provided in the Governing Documents.

(s) Enforcing the provisions of the Governing Documents and other agreements of the Association. To enforce any provision of the Governing Documents, the Board may take and/or seek any remedy at law, equitable remedy, administrative remedy, self-help, or any combination of these available to the Board.

(t) Contracting and paying for fire, casualty, errors and omissions, blanket liability, malicious mischief, vandalism, and any other insurance, insuring the Members, the Association, the Board of Directors and other interested parties, in accordance with the provisions of the Governing Documents, covering and protecting against such damages or injuries as the Board deems advisable, which may include, without limitation, medical expenses of persons injured on the Common Area and/or Association property and to bond the agents and employees of any management body, if deemed advisable by the Board. The Board of Directors shall review at least once each calendar year all insurance policies and bonds obtained by the Board on behalf of the Association.

(u) Employing personnel and/or professional services necessary for the operation of the Common Area, Association property, and the Association, including legal and accounting services, and contracting and paying for improvements to the Common Area and/or Association property.

(v) Contracting and paying for maintenance, gardening, landscaping, materials, supplies and services relating to the Common Area and/or Association property.

(w) Delegating its powers according to law and the Governing Documents.

(x) Granting easements where necessary for utilities, telecommunications, cable television, water facilities, sewer facilities and any other services or utilities over the Common Area or any other portion of the Property.

(y) Fixing, determining and naming from time to time, if necessary or advisable, the public agency, fund, foundation or not for profit corporation or association, which is then organized, to which the Assessments of this Association shall be distributed upon liquidation or dissolution, according to the Association's Governing Documents. The assets so distributed shall be those remaining after satisfaction of all just debts and obligations of the Association, and after distribution of all property held or acquired by the Association under the terms of a specific trust or trusts.

(z) Adopting such rules and regulations as the Board may deem necessary for the operation and/or management of the Property, Residences, Lots, Common Area and/or Association property, which rules and regulations shall become effective and binding after (1) they are adopted by a majority of the Board at a duly noticed Board meeting held pursuant to these Bylaws, and (2) the rules and regulations are mailed or personally delivered to all Members of the Association within ten (10) business days following the adoption of the rules and regulations. Such rules and regulations shall not materially adversely affect the rights, privileges or preferences of Declarant as established by the Governing Documents without the prior written approval of Declarant. Such rules and regulations may concern, without limitation, use of the Common Area, use of Association property, signs, parking restrictions, use of Lots, maintenance of Lots, appearance of Lots, use of Residences, maintenance of Residences, appearance of Residences, and any other matter within the jurisdiction of the Association as provided in the Governing Documents. However, any rules and regulations shall be enforceable only to the extent that they are consistent with the Governing Documents.

ARTICLE IX

OFFICERS

Section 1. Designation. The principal officers of the Association may be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in the Board's judgment may be necessary. Officers must be Directors. Any two offices may be held by the same person, however the offices of President and Secretary may not be held by the same person.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the Annual Meeting, following the election of Directors. Notwithstanding the foregoing, officers shall be elected at the Special Meeting of the Association held when Directors are to be elected by the Class A Members for the first time following termination of the Class B membership. Each officer shall hold his or her office at the pleasure of the Board of Directors, until he or she has resigned, is removed, is recalled or is otherwise disqualified to serve.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the entire Board of Directors, any officer may be removed, with or without cause, and his or her successor elected at any duly noticed meeting of the Board of Directors.

Section 4. President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of a corporation. The President shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business of the Association. The President shall be ex officio a member of all standing committees established by the Board, and he or she shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 5. Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent, disabled, refuses to act or is unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Members of the Association at the principal office of the Association or at such other place as the Board of Directors may order. The Secretary shall keep the seal of the Association in safe custody and shall have charge of such books and papers as the Board of Directors may direct; and the Secretary shall, in general, perform all of the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notices of meetings of the Members of the Association and of the Board of Directors required by the Governing Documents, these Bylaws or by law to be given. The Secretary shall maintain a list of Members, listing the names and addresses of the Members as furnished to the Association, and such list shall be changed only at such time as satisfactory evidence of a change in ownership is presented to the Secretary. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 7. Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, financial statements, financial records, tax records and other records of business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors in accordance with the Governing Documents, shall render to the President and Directors, upon request, an account of all of his or her transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

ARTICLE X

COMPENSATION AND RESIGNATION

Section 1. Compensation. No Director or officer shall receive compensation for their services as such, but this provision shall not preclude the Board of Directors from employing a Director or officer as an employee of the Association, or from contracting with a Director or officer for any other service to be supplied by such Director or officer. Directors and officers shall be compensated for all actual and proper out-of-pocket expenses relating to the proper discharge of their respective duties.

Section 2. Resignation. Any Director or officer may resign his or her post at any time by written resignation delivered to the Board, to the President of the Association, or to the Secretary of the Association. Any such resignation shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless the resignation is withdrawn prior to that later date. The acceptance of a resignation shall not be required to make it effective. The conveyance, sale or transfer of all Lots owned by any Director (other than appointees of the Declarant) shall constitute an immediate written resignation of that Director, and that Director's position on the Board may then be filled pursuant to these Bylaws.

ARTICLE XI

BUDGET AND ASSESSMENTS

Section 1. Budgeting and Allocating Common Expense. The Association's budget and Common Expense shall be determined, calculated, assessed, imposed, adopted and collected as set forth in the Declaration.

Section 2. Reserve Accounts.

The Board may establish reserve accounts which the Board, in its sole and absolute discretion, determines are necessary and/or desirable. Any reserve account established by the Board shall be part of the Common Expense and included as part of the Annual Assessment for each Fiscal Year.

Section 3. Initiation Assessment.

The Association hereby establishes an Initiation Assessment (the "Initiation Assessment") applicable to each Lot, in an amount not to exceed one-half of the Operating Budget amount determined by the Board of Directors for the year in which the Initiation Assessment is due and payable. The Initiation Assessment shall become due and payable upon first occupancy of such Lot as a place of residence by a Class A Member or upon the first conveyance of the Lot with a completed dwelling, whichever occurs first. Declarant shall not be required to pay the Initiation Assessment but the third party purchaser of any Lot from Declarant shall be liable for the Initiation Assessment. Such Initiation Assessment may be used to fund the Association's initial start up costs and other operating expenses or to help fund reserves, in the Board's discretion. The Initiation Assessment may be referred to by another name, such as Working Capital Contribution, Working Fund Contribution or some other name, in any marketing, sales, promotional and/or disclosure materials.

No further Initiation Assessment shall be due for any subsequent transfer of ownership of any Lot from one Class "A" Member to a successor Class "A" Member.

Section 4. Use and Consumption Fees; Licenses and Royalties.

The Board may charge use and consumption fees to any person and/or entity using Association services or facilities and may, in its discretion, determine the amount and method of determining such fees. Different fees may be charged to different classes of users (for example, Owners and non-Owners). Any such fees charged to Owners shall be considered an Individual Assessment against the Lots of such Owners under Article XI, Section 4(a) of these Bylaws.

As set forth in the Governing Documents, the Association may enter into license agreements with Declarant or other parties to permit the Association's use of trade names or service marks, such as the use of the name "**Ahern**". To the extent permitted by such license agreements, the Board may enter into sub-license agreements, under negotiated terms, which permit others within the Property to use such trade names and/or service marks. The Association may charge fees and collect royalties in connection with such sub-license agreements; provided, Declarant and any Declarant Affiliate shall retain the absolute right to use such trade names and service marks without payment of any license fees. Any such fees and royalties shall be considered an Individual Assessment under Article XI, Section 4 of these Bylaws.

Section 5. Depository. The depository of the Association shall be such bank or banks in the State of Florida as shall be designated from time to time by the Board of Directors and in which the monies of the Association shall be deposited. Any and all banks utilized by the Board of Directors and the Association shall be federally insured. Withdrawal of monies from those accounts may be made by either: (a) checks signed by such person or persons as are authorized by the Board of Directors; or (b) electronic fund transfers by such person or persons as are authorized or under the direction of the Board of Directors. All reserve and operating funds collected by the Association from Assessments or otherwise shall not be commingled in a single account and shall be divided into more than one (1) account as determined by a majority of the Board of Directors. In addition, a separate reserve account may be established for the Association in such a depository for monies specifically designated as reserves for capital expenditures, deferred maintenance and/or any other item or expense in the sole discretion of the Board of Directors.

Section 6. Fidelity Bonds. Fidelity bonds may be required, in the discretion of the Board of Directors, for all persons handling or responsible for Association funds in such amounts as shall be determined by a majority of the Board, but in no event less than the greater of One Hundred Thousand Dollars (\$100,000) or the maximum amount that will be in the custody or control of the Association or any persons handling or responsible for Association funds at any one time. The premiums on such bonds shall be paid by the Association as a Common Expense.

Section 7. Accounting Records and Reports. The Association shall maintain accounting records in the State of Florida, according to accounting practices normally used by similar associations.

All financial and accounting records must be kept by the Association for a period of at least seven (7) years. The records shall include, but not be limited to: (a) accurate, itemized and detailed records of all receipts and expenditures; (b) a current account and periodic statement of the account of each Member, designating the name and current mailing address of each Member, the amount of each Assessment, the dates and amounts in which the Assessments come due, the amount paid upon the account and the dates so paid, and the balance due; (c) all tax returns, financial statements and financial reports of the Association; and (d) any other Association records that identify, measure, record or communicate financial information.

Within ninety (90) days following the end of each Fiscal Year, the Association shall prepare, or contract with a third party to have prepared, a complete annual financial report. The annual financial report will consist of a complete set of financial statements that were prepared in accordance with generally accepted accounting principles, and with such other requirements established by Florida law for a homeowners' association with total annual revenue of the Association. When the Board of Directors completes or receives this annual financial report, the Association shall within twenty-one (21) calendar days, but no later than August 1 of each calendar year either: mail or deliver a copy of the annual financial report to each Member; or mail or deliver a written notice to each Member that a copy of the annual financial report is available upon request at no charge to the Member.

ARTICLE XII

AMENDMENTS TO THE BYLAWS

These Bylaws may be amended, altered, modified, repealed and/or rescinded in the following manner:

Section 1. Notice. Notice of the subject matter of a proposed amendment, alteration, rescission, and/or modification to these Bylaws shall be included in the notice of the meeting of the Association's Board of Directors at which a proposed amendment, alteration, rescission and/or modification to these Bylaws is to be considered.

Section 2. Adoption. An amendment, alteration, modification and/or rescission of these Bylaws may be made upon the approval of a majority of the entire Board of Directors at a duly noticed meeting of the Board.

Section 3. Effective Date. The effective date for any amendment, alteration, modification and/or rescission of these Bylaws shall be when a Certificate of Amendment is signed by an officer of the Association and filed in the Public Records of Duval County, Florida along with a copy of the text of the amendment, alteration, modification and/or rescission.

ARTICLE XIII

CONFLICTING PROVISIONS

Section 1. Conflicting Provisions. In case any of these Bylaws conflict with any provisions of the laws of the State of Florida, such conflicting Bylaws shall be null and void, but all other provisions of these Bylaws shall remain in full force and effect. In case of any conflict between the Articles and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 2. Waiver. No provision of these Bylaws or any regulation promulgated by the Board of Directors pursuant hereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Section 3. Severability. The provisions of these Bylaws are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder.

Section 4. Captions. Captions and headings are inserted herein only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision.

Section 5. Gender and Number. All nouns and pronouns used herein shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall include the plural and the plural shall include the singular whenever the context requires or permits.

IN WITNESS WHEREOF, the members of the Board of Directors have adopted these Bylaws of Ahern Townhome Association, Inc. effective as of this _____ day of _____, 2017.

Print Name: _____

Title: President

Attested by: _____

Print Name: _____

Title: Secretary