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**DECLARATION AND GENERAL PROTECTIVE COVENANTS FOR
STONE CREEK AT EAGLE HARBOR**

THIS DECLARATION AND GENERAL PROTECTIVE COVENANTS FOR STONE CREEK AT EAGLE HARBOR ("Declaration") is made this 15th day of June, 2004 by **EAGLE HARBOR AT FLEMING ISLAND JOINT VENTURE**, a Florida joint venture, duly authorized to do business in the State of Florida, its successor or assigns ("Declarant").

WITNESSETH:

WHEREAS, Declarant desires to develop certain property located in Clay County, Florida and more particularly described on Exhibit "A" attached hereto and by this reference made a part hereof (the "Property," as also hereinafter defined) as a planned, multi-family residential community known as Stone Creek at Eagle Harbor ("Stone Creek," as also as hereinafter defined); and

WHEREAS, Declarant intends that the Property be made subject to and benefited and burdened by certain uniform covenants, conditions, restrictions, easements and reservations contained in this Declaration;

WHEREAS, Declarant may, in its sole discretion, from time to time, convey, lease or grant a license or other use right to lands within Stone Creek by deed, easement, or otherwise to the Association (which must accept the same), or Declarant may, in its sole discretion, cause additional parties to do so, for the purpose of maintenance, landscaping, drainage, recreation or other purposes that will be for the use and benefit of some or all of its "Members" (as that term is hereinafter defined) and of families, tenants and guests; and

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the values and amenities established as aforesaid to create a not-for-profit corporation pursuant to Chapter 720, Florida Statutes, known as the Stone Creek at Eagle Harbor Association, Inc., to which there has been and will be delegated and assigned certain powers and duties of operation, administration, maintenance and repair of portions of Stone Creek, including the collection and disbursement of the "Operating Expenses" (as that term is hereinafter defined), all as more particularly set forth herein;

NOW, THEREFORE, Declarant declares that the Property is and shall be owned, used, sold, conveyed, encumbered, demised, and occupied subject to the covenants, conditions, restrictions, easements, reservations, regulations, burdens, liens, and all other provisions of this

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Declaration, all as hereinafter set forth, which shall run with the Property and be binding on all parties having any right, title or interest in the Property, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each "Owner" (as that term is hereinafter defined) thereof.

Article I

Definitions

Section 1.1. The following words and phrases when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

- (a) "Access Area" shall mean and refer to that portion of each Improved Lot which surrounds the exterior of the Dwelling Unit.
- (b) "Adjacent Lot" shall mean and refer to that Lot or Lots immediately to either side of a Townhouse Lot.
- (c) "Articles" shall mean and refer to the Articles of Incorporation of Stone Creek at Eagle Harbor Association, Inc., a Florida corporation not for profit, attached hereto as Exhibit "B," as may be amended from time to time.
- (d) "Association" shall mean and refer to the Stone Creek at Eagle Harbor Association, Inc., a Florida corporation not for profit, its successors or assigns, which has its principal place of business in Clay County, Florida. The Association is NOT a condominium association.
- (e) "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.
- (f) "Building" shall mean and refer to a building in Stone Creek containing two or more attached Dwelling Units sharing party walls and a common roof.
- (g) "Bylaws" shall mean and refer to the Bylaws of the Association, attached hereto as Exhibit "C," as may be amended from time to time.
- (h) "County" shall mean and refer to Clay County, Florida.
- (i) "Declarant" shall mean and refer to Eagle Harbor at Fleming Island Joint Venture, a Florida joint venture, duly authorized to do business in the State of Florida, its designee, successors and assigns, and subsidiaries.
- (j) "Declaration" shall mean and refer to this Declaration and General Protective Covenants for Stone Creek at Eagle Harbor, as may be amended from time to time.
- (k) "Development" shall mean and refer to the development area commonly known as Stone Creek.

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(l) "Dwelling Unit" shall mean and refer to a residential townhouse unit in Stone Creek to be used as an abode for one family.

(m) "Improved Lot" shall mean and refer to any Townhouse Lot upon which a Dwelling Unit has been constructed.

(n) "Institutional Mortgagee" shall mean and refer to (a) a lending institution having a first mortgage lien upon a Lot including any of the following institutions: (a) Federal or State Savings and Loan or Building and Loan Association, a national or state bank or real estate investment trust, or mortgage banking company doing business in the State of Florida, or life insurance company; or (b) any "Secondary Mortgage Market Institution" including the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Administration and Veterans Administration and such other Secondary Mortgage Market Institution as the Board shall hereafter approve in writing which has acquired a first mortgage upon a Lot; or (c) any and all investors or lenders, or the successors and assigns of such investors or lenders which have loaned money to Declarant to acquire, or construct improvements upon the Property and who have a mortgage lien on all or a portion of the Property securing such loan; or (d) such other lenders as the Board shall hereafter approve in writing which have acquired a first mortgage upon a Lot.

(o) "Lot" or "Townhouse Lot" shall mean and refer to any platted lot, whether improved or unimproved, intended for the construction of a Dwelling Unit and located within the Property.

(p) "Master Association" shall mean and refer to the Towncenter and East of 17 at Eagle Harbor Association, Inc.

(q) "Master Declaration" shall mean and refer to Towncenter and East of 17 at Eagle Harbor Declaration of Covenants, Conditions, Restrictions, Limitations and Easements recorded December 5, 1997, in Official Records Book 1690, page 346, public records of Clay County, Florida, as amended from time to time.

(r) "Operating Expenses" shall mean and refer to the expenses for which Owners are liable to the Association as described in this Declaration and in any other document governing Stone Creek, and include, but are not limited to, the costs and expenses incurred by the Association in fulfilling its obligations hereunder and in administering, operating, owning, constructing, reconstructing, financing, maintaining, repairing and replacing improvements thereon, as well as expenses incurred by the Association in fulfilling its obligations under this Declaration and any other document governing Stone Creek, which mean and include the costs and expenses described in these documents as such and include regular and special assessments made by the Association in accordance with the terms hereof.

(s) "Owner" or "Lot Owner" shall mean and refer to the record owner (other than Declarant), whether one or more persons, firms or entities, who has acquired fee simple title to any Townhouse Lot.

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(t) "Party Wall" shall mean and refer to the entire wall, from front to rear, all or a portion of which is used for support of each adjoining structure, situate or intended to be situate on the boundary line between adjoining Lots.

(u) "Plat" shall mean and refer to the Subdivision Plat of Stone Creek at Eagle Harbor as recorded in Official Records Book 45, page 3 of the Public Records of Clay County, Florida.

(v) "Property Line" shall mean and refer to the perimeter boundary line of any Lot within the Property.

(w) "Property" shall mean and refer to the property described in Exhibit "A" attached hereto and made a part hereof or any additional property hereafter made subject to this Declaration by the Declarant in accordance with the provisions of this Declaration.

(x) "Rules and Regulations" shall mean and refer to the rules and regulations promulgated by the Board in accordance with the terms of this Declaration.

(y) "Site Plan" shall mean and refer to the graphic depiction of Stone Creek attached hereto as Exhibit "D" as may be amended from time to time.

(z) "Stone Creek" shall mean and refer to the townhome development to be located on the property described in attached Exhibit "A" or such additional property as Declarant may, from time to time designate in accordance with this Declaration.

(aa) "Supplemental Declaration" shall mean and refer to an instrument executed by Declarant for the purpose of subjecting additional real property to this Declaration, or for such other purposes as more fully described herein.

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

(cc) "Tract" shall mean those areas designated by Declarant as a tract pursuant to the Plat, including but not limited to Tracts A-K as shown on the Plat.

Article II

Description of the Project, Plans for Development and Declarant's Rights and Powers

Section 2.1. Stone Creek. The Project is located within The Crossings at Fleming Island Development of Regional Impact, which comprises a tract of land located Clay County, Florida, south of Bald Eagle Road and east of US Highway 17 ("Stone Creek Project"). The

Stone Creek Project also includes lake, landscape buffer, recreation and conservation Tracts and improvements thereon.

Section 2.2. The Development Order. The Project is part of a Development of Regional Impact (“DRI”) pursuant to Chapter 380, Florida Statutes and the terms of the Development Order. The Development Order establishes certain powers, restrictions and obligations applicable to the Property and its terms are specifically incorporated herein by reference. The Development Order primarily regulates the uses of the Property, including creation of certain development standards, establishment of open space, recreational areas, wildlife and wetland preserves and similar matters. It is not intended that this Declaration include all restrictions and conditions contained in the Development Order. Reference should be made to the Development Order for the full and complete text of its contents.

Section 2.3. The CDD. The Project is also part of The Crossing at Fleming Island Community Development District (“CDD”) which provides for the funding, construction and special maintenance of roads and utility lines, as well as the ownership and maintenance of Tracts, including the Surface and Stormwater System, within the Stone Creek Project. The CDD is empowered to issue bonds to finance construction and operation of the road improvements and utility lines, impose assessments against the Owners of the Property to provide funds for debt service on such bonds, fund CDD expenses, collect assessments and impose user fees for facilities owned, operated or maintained by the CDD.

Section 2.4. General Plan of Development. Declarant is the owner of Stone Creek and presently plans to develop Stone Creek as a single-phase multi-family townhouse development within the Stone Creek Project. The Development may consist of one hundred forty-six (146) Lots, together with improvements thereto as described in this Declaration.

Section 2.5. Property. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN CONTAINED OR CONTAINED IN ANY OTHER DOCUMENT, ONLY THAT PORTION OF STONE CREEK WHICH IS PROPERTY (AS THAT TERM IS DEFINED IN THIS DECLARATION) SHALL BE SUBJECT TO THE PROVISIONS OF THIS DECLARATION AND ANY OTHER DOCUMENT GOVERNING THE PROPERTY.

Section 2.6. Additions to Property; Certain Amendments. Declarant shall have the right, and hereby reserves the right, from time to time to bring other property not presently part of Stone Creek into the Property. Any additional properties brought within the scheme of this Declaration shall become part of the Association. The right of Declarant as provided for in the preceding sentence of this Section shall be for a period of twenty (20) years commencing with the recording of this Declaration in the Public Records of the County.

The additions and amendments authorized under this subsection shall only be made by Declarant, shall not require the consent or approval of the Association, Members or any other person or entity, and shall be made by the recording in the Public Records of the County a Supplemental Declaration with respect to the additional property, which shall extend the scheme of this Declaration to such property or modify the Declaration with respect to such additional properties as hereinafter set forth.

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Supplemental Declarations may contain such complementary additions and modifications of this Declaration as may be necessary to reflect the different character, if any, of that portion of Stone Creek or the additional properties which are the subject of such Supplemental Declaration as are not inconsistent with the scheme of this Declaration, as determined by Declarant. Further, such Supplemental Declarations may contain provisions relating to such portions of Stone Creek and/or such additional property, or any portions thereof, dealing with, among other things, assessments and the basis thereof, rules and regulations, architectural controls and other provisions consistent with the nature of the Development of such properties and pertaining to all or part of such portion and/or such additional properties to the exclusion of other portions of Stone Creek.

The provisions of this Article II, Section 2.6 cannot be amended without the written consent of Declarant, and any amendment of this Article II, Section 2.6 without the written consent of Declarant, shall be deemed null and void.

Section 2.7. Sprinkler System. Certain portions of the Property shall be encumbered by portions of a sprinkler system designed to serve as the irrigation system for the entire Development. No portion of the sprinkler system shall be conveyed to any Owner.

Article III

Membership and Voting Rights in the Association

Section 3.1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Townhouse Lot, which is or is at any time made subject to this Declaration shall be a "Member" of the Association. Membership shall be appurtenant to and inseparable from ownership of a Lot. Transfer of Lot ownership either voluntarily or by operation of law shall terminate membership in the Association, and said membership shall thereupon be vested in the transferee.

When any one Lot is owned by more than one person, firm, individual, corporation or other legal entity, the composite title holder shall be and constitute one member of the Association. Any person, firm, individual, corporation or legal entity owning more than one Lot shall be as many Members as the number of Lots owned.

Section 3.2. Classes of Memberships and Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all of those Owners as defined in Section 3.1, with the exception of Declarant. The Class A Members shall be entitled to one membership interest and one vote for each Lot in which they hold the interests required for membership by Section 3.1.

Class B. Class B Members shall be Declarant, including any of its subsidiaries to which Declarant may transfer title. The Class B Member shall be entitled to ten (10) membership interests and ten (10) votes for each Lot in which it holds the interest required for membership by Section 3.1, and the Class B Member shall be entitled to elect a majority of the Board of

Directors until such time that the last Lot owned by Declarant within Stone Creek has been sold and conveyed by the Declarant.

Upon the transfer of title of any Lot, which is held for sale by Declarant to an Owner other than to one of Declarant's subsidiaries, the Class B membership interest appurtenant to such Lot shall be automatically converted to a Class A membership interest.

NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, DECLARANT OR ITS DULY AUTHORIZED SUBSIDIARY SHALL HAVE THE RIGHT TO ELECT A MAJORITY OF THE BOARD OF DIRECTORS OF THE ASSOCIATION UNTIL SUCH TIME AS DECLARANT NO LONGER HOLDS THE TITLE TO ANY PORTION OF STONE CREEK.

Article IV

Grant and Reservation of Easements

Section 4.1. Access Easements. Declarant does hereby establish and create for the benefit of the Association and for the benefit of any and all Owners of Lots subject to this Declaration, their tenants, invitees and Institutional Mortgagees and does hereby give, grant and convey to each of the aforementioned, the following easements, licenses, rights and privileges:

(a) Right-of-way for ingress and egress for pedestrian traffic and for access, as necessary, over, under, and across the Access Areas for each Townhouse Lot, including, but not limited to, access to the lake shore abutting any Lot. This easement shall not be construed to permit the operation of any type of motorized vehicle on any portion of the Access Areas of a Lot, except as may be required or permitted by other easements providing for maintenance, construction or access by emergency vehicles.

Section 4.2. Public Easements. Fire, police, health, sanitation, and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Property as needed.

Section 4.3. Easement for Encroachments on Lots.

(a) If any portion of any roadway, walkway, gate, parking area, roof drainage system, roof, trellis, water lines, sewer lines, utility lines, sprinkler system or any other structure as originally constructed by Declarant or its designee, successor or assign encroaches on any Lot, it shall be deemed that the Owner of such Lot has granted a perpetual easement to the Owner of the adjoining Lot or the Association as the case may be, for continuing maintenance and use of such encroaching roadway, walkway, gates, parking area, roof drainage system, roof, trellis, water line, sewer line, utility line, sprinkler system or other structure originally constructed by Declarant or its designee. The foregoing shall also apply to any replacement of any such roadway, walkway, gate, parking area, roof drainage system, roof, trellis, water lines, sewer lines, utility lines, sprinkler system or other structure, if same are constructed in substantial conformance to the original. Other encroachments may hereafter be maintained as provided in a Supplemental Declaration. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of this Declaration.

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(b) There shall be an easement for encroachment in favor of the Association and all Townhouse Lot Owners in the event any Dwelling Unit now or hereafter encroaches upon any other Dwelling Unit as a result of minor 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. Any easement for encroachment shall include an easement for the maintenance and use of the encroaching improvement in favor of the Dwelling Unit Owners, their designees, mortgagees and the Association. If any portion of any Lot encroaches upon the Access Areas and Tracts as a result of the construction, reconstruction, repair, shifting settlement or moving of any portion of the Property, a valid easement for the encroachment and for the maintenance of same shall exist so long as the encroachment exists.

Section 4.4. Easement for Maintenance by Association. Declarant hereby grants to the Association, its employees, subcontractors, agents and designees, a non-exclusive, perpetual easement over, through, across and under each Lot to permit the Association, its employees, subcontractors, agents or designees to maintain and replace, as necessary, those portions of the Lot required to be maintained, replaced and repaired by the Association, as provided in this Declaration.

Section 4.5. Easement for Sprinkler System. Declarant hereby reserves to itself and grants to the Association, its employees, subcontractors, agents and designees, a non-exclusive, perpetual easement over, through, across and under each Lot for the installation, maintenance, operation, repair and replacement of sprinkler system lines and sprinkler heads, which lines and heads are hereby deemed to be the property of the Association; provided, however, no lines shall be located under a Dwelling Unit on a Lot. Should a sprinkler line(s) or sprinkler head(s) be required to be maintained, repaired or replaced as a result of the negligence by an Owner, his family, servants, guests or invitees, the applicable Owner shall be responsible for the costs thereof, and the Association shall have the right to levy an assessment against the Owner of said Lot for same, which assessment shall have the same force and effect as all other special assessments.

Section 4.6. Reservation of Easement by Declarant.

(a) Easements for Development and Sales.

(1) Declarant reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Property, including all Lots, for the purpose of constructing adjacent properties and completing its work in developing and providing for the development of the Property; and, toward this end, reserves the right to grant and reserve easements and rights-of-way, through, under, over and across the Property, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, electric and other utilities and for any other materials or services necessary for the completion of such work.

(2) Declarant also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers, and drainage lines which may from time to time be in or along the streets and roads of other areas of the Tracts.

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(3) Declarant also reserves the right for itself, its designees, successors and assigns, to continue to use the Property, and any roadways, sales offices, model homes, signs and parking spaces located on the Property, in its efforts to market or develop Dwelling Units or Lots in the Development.

(b) Amendment. This section may not be amended without the prior written consent of Declarant.

Article V

Maintenance

Section 5.1. Lot and Tract Maintenance.

(a) Association.

(1) The Association, through action of its Board of Directors, shall provide exterior maintenance at its expense upon each Lot as follows: paint, repair, replace and care for roofs and exterior building surfaces, including wood trim, all as originally installed. The Association shall be responsible for the painting or staining of any garage door as required but shall not be responsible for the maintenance of any mechanical component of any garage door or any garage door opener, such maintenance being the responsibility of the Lot Owner.

(2) In addition to the exterior maintenance referred to in the preceding sentence, the Association shall be obligated to maintain in good repair and replace as necessary that part of the gates, paving, drainage structures, landscaping, trees, shrubs, grass, walks, drives, sprinkler systems, street lighting fixtures, driveways, parking places and other exterior improvements situated on each Lot and outside each Dwelling Unit, all as originally installed by Declarant or its designee. The Association's maintenance responsibilities shall include the back yard of any Lot. The Association shall not be responsible for the repair of any paving on a Lot which has been damaged as a result of oil, transmission fluid or other substances leaking onto any paving through the neglect of the Owner or occupant of the Lot on which such paving is located. Such repairs, if undertaken by the Association, shall be billed as a special assessment against the Lot on which such repairs are performed.

(3) The Lot Owner shall contract for garbage removal, the Lot Owner shall comply with the regulations promulgated in such regard. The cost and expense of garbage removal shall not be an Operating Expense.

(4) The Tracts A-K as shown on the Plat are owned and maintained as necessary by the CDD. If the CDD does not properly maintain the tracts or does not maintain the Tracts to the desires of the Association, the Association may, with approval of the CDD, but shall not be obligated, maintain or supplement the CDD maintenance of such Tracts.

(b) Lot Owner. The Lot Owner shall be responsible for maintaining and repairing everything on the Lot, including but not limited to, the Dwelling Unit and any other improvements, except for items which the Association is required to maintain, as specifically provided in the paragraph above. Provided, however, Lot Owners shall be responsible for the

maintenance, repair and replacement, if applicable, of water and sanitary sewer lateral pipes servicing their Dwelling Units, which laterals extend from the applicable water and sewer main to the Dwelling Units, notwithstanding that a portion of such lateral may be located within any Tract. The Lot Owner is responsible to maintain, repair and replace the air-conditioning and heating system and appurtenances thereto, servicing the Dwelling Unit and improvements located on his Lot and any other portion of the air-conditioning and heating system or appurtenances thereto servicing his Dwelling Unit which may be located on the Tracts. The Lot Owner shall also maintain all screening, glass, and all doors, windows or other openings in the exterior of the Dwelling Unit, except for any periodic painting or staining required.

Section 5.2. Assessments. All maintenance performed by the Association pursuant to Sections 5.1(a)(1), 5.1(a)(2) and 5.1(a)(4) above and all expenses hereunder shall be paid for by the Association as Operating Expenses through assessments imposed by the Board of Directors in accordance with Article VI herein. Such assessments shall be against all Lots equally. No Owner may waive or otherwise escape liability for the assessments for such maintenance by non-use of any Tracts or abandonment of right to use any Tract.

Assessments shall include payment for insurance and taxes on any Tracts, if any.

The cost and expense of Association-provided maintenance shall be funded by an Association assessment against all Owners and shall be paid by the Association.

Section 5.3. Disrepair of Dwelling Units and Lots. If the Owner of any Lot shall fail to maintain his Lot, and the improvements situated thereon, as required by any provision of this Declaration, in a manner reasonably satisfactory to the Board of Directors or any committee established by such Board, except for such areas as the Association is required to maintain, upon direction of the Board of Directors, the Association shall have the right, through its agents and employees, to enter upon the Lot to maintain and restore the improvements erected on such Lot. The cost of any maintenance supplied by the Association pursuant to this Section shall be added to and become part of the assessment to which such Lot is subject.

Section 5.4. Access at Reasonable Hours. For the purpose solely of performing the maintenance required by this Article, the Association, through its duly authorized agents and employees, shall have the right without notice to enter upon any Owner's Lot at reasonable hours on any day except Sunday and legal holidays.

Section 5.5. Negligence of Owner. Should any portion of a Dwelling Unit which the Association is required to maintain pursuant to this Article be required to be maintained, repaired or replaced as a result of the negligence of the Owner, his family, lessee, guests, servants or invitees, the applicable Owner shall be responsible for the cost thereof and the Association shall have the right to levy an assessment against the Owner of said Lot for same, which assessment shall have the same force and effect as all other assessments.

Section 5.6. Management. The Association, through the action of its Board of Directors, shall have the right to employ a manager or management firm which employment may either be on the basis of an employee of the Association or as an independent contractor.

Article VI

Covenant for Maintenance Assessments

Section 6.1. Creation of the Lien and Personal Obligation of the Assessments. Each Owner of any Townhouse Lot by acceptance of a deed or instrument of conveyance, whether or not it shall be so expressed in such deed or other instrument of conveyance, including any purchaser at a judicial sale, or by the acquisition of title in any other manner, shall be deemed to covenant and agree to pay to the Association annual assessments or charges for the maintenance of the Lots as provided in this Declaration, including such reasonable reserves as the Association may deem necessary, special assessments as provided in this Article, and assessments for maintenance as provided herein. Assessments for Operating Expenses shall be fixed, established and collected from time to time as herein provided. The annual, special and other assessments, together with such interest and costs of collection as hereinafter provided, shall, upon the recordation of a claim of lien, be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest and costs of collection, shall also be the personal obligation of the person who is the Owner of such property at the time when the assessment became due. All assessments by the Association for Operating Expenses shall be assessed against all Lots equally. No Owner may waive or otherwise escape liability for the assessments provided herein by non-use or abandonment. Furthermore, the obligation of the Association and the Owners for assessments, and the obligation for maintenance shall commence upon conveyance of the Lot.

Section 6.2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Owners in Stone Creek and, in particular, for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Lots situated upon the Property, including, without limiting the foregoing, the payment of taxes (if any), insurance, repair, replacement, maintenance, additions, and the cost of labor, equipment, materials, utilities, services, management and supervision, as well as any other costs set forth in this Declaration for which the Association is responsible.

Section 6.3. Budget and Commencement of Payment.

(a) The Board of Directors shall, from time to time, but at least annually, fix and determine a budget representing the sum or sums necessary and adequate for the continued operation of the Association. The Board shall determine the total amount of Operating Expenses, including the operational items such as insurance, repairs, replacements, reserves, maintenance and other expenses, as well as charges to cover any deficits from prior years and capital improvements and reserves approved by the Board. The total annual assessments and any supplemental assessments shall be shared by all Lots based upon the formula and terms and provisions set forth herein and in the Articles and Bylaws.

(b) Each Lot shall commence paying its share of the Association assessments commencing with the day title of the Lot is conveyed by deed from Declarant to the first grantee thereof; provided, however, a conveyance by Declarant to a related or affiliated entity or subsidiary shall not be deemed a conveyance to the first grantee. Subject to the provisions of

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Section 6.4 immediately below (which provisions are only applicable during any guarantee period or any extension thereof), the assessment for Operating Expenses for each Lot shall be the quotient arrived at by dividing the total anticipated Operating Expenses reflected by the budget, other than those Operating Expenses which are properly the subject of a special assessment, by the total number of all Lots which have been conveyed by Declarant as of the date the budget was adopted. The total number of Lots responsible for payment of Operating Expenses will be adjusted from time to time in accordance with this Declaration. All questions regarding the number of Lots subject to assessments shall be determined by the Association.

(c) Additionally, each Lot shall pay a one-time initial assessment fee of \$150.00, due on the day title of the lot is conveyed by Deed unless waived by Declarant, whether such conveyance is the first conveyance or a subsequent conveyance; however, a conveyance by Declarant to a related or affiliated entity or subsidiary shall not be deemed a conveyance for this purpose.

Section 6.4. Interim Assessment Period. For a period of one year commencing with the date of the conveyance by Declarant of the first Lot within the Property, excluding conveyances by Declarant to an entity or subsidiary related to or affiliated with Declarant, the assessments of the Association shall be in the amount as specified in the initial estimated operating budget of the Association (the "Interim Assessment Period"). During the Interim Assessment Period, Declarant shall pay the amount of Operating Expenses of the Association incurred during that period and not produced by the assessments at the level stated in the initial estimated operating budget receivable from other Lot Owners, as provided herein, and during said period, Declarant shall not be required to pay any specific sum for its share of the Operating Expenses of the Association as to any Lots owned by it. Provided, however, Declarant shall pay the deficit during said period. During the Interim Assessment Period, however, Declarant's responsibility to fund deficits in the budget is not intended to include, and does not include and shall never be deemed to include, expenses or fees called for or occasioned by an action or decision of the Board of Directors when Lot Owners, other than Declarant, elect a majority of the Board of Directors, when such expenses or fees are inconsistent with expenses or fees preceding that time. In such event, Declarant, at its option, may pay the sums required to be paid by it; or, Declarant, at its option, may terminate the Interim Assessment Period. In such case, it shall pay the assessments of the Association as to the Lots owned by it.

Declarant hereby reserves the right, to be exercised in its sole discretion, to extend from time to time the termination date of the Interim Assessment Period for such period of time as Declarant determines. Should Declarant elect to extend the Interim Assessment Period, Declarant shall notify the Board of Directors of the Association of its election prior to the termination date of the original term or an extended term, and such notice shall set forth the new termination date of the Interim Assessment Period. Declarant reserves the right, in its sole discretion, to require the Board of Directors of the Association to increase the amount of the assessments due from Lot Owners other than Declarant for each extension by an amount not to exceed fifteen (15%) percent of the amount of assessment for the preceding period. Provided, however, in no event may Declarant require the Board of Directors to increase the assessment due from Lot Owners other than Declarant by more than fifteen (15%) percent for each year of extension of the guarantee. The Board of Directors of the Association agrees to comply with the requirements of Declarant, as provided herein, and increase the assessments payable from Lot

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Owners other than Declarant during any extension of the Interim Assessment Period. Should the Board of Directors of the Association fail to increase such assessments, as may be required by Declarant hereunder, Declarant shall have the unconditional right to terminate the Interim Assessment Period, as contained herein; or, Declarant shall have the right to specifically enforce its rights as provided herein.

Section 6.5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, re-construction, repair or replacement of a capital improvement upon any common area or Tract, including fixtures and personal property related thereto; provided that any such special assessment exceeding the sum of \$5,000.00 shall have the assent of two-thirds of the votes of members who are voting in person or by proxy at a meeting duly called for such purpose.

Section 6.6. Due Dates; Duties of the Board of Directors. All assessments shall be payable quarterly in advance or on such other basis as is ordered by the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot and shall prepare a roster of the Lots and assessments applicable, which shall be kept in the office of the Association and shall be open to inspection by any Member. Upon the written request of a Member or his Institutional Mortgagee, the Board shall promptly furnish such Member or his Institutional Mortgagee with a written statement of the unpaid charges due from such Member.

Section 6.7. Effect of Non-Payment of Assessment; The Personal Obligation of the Member; The Lien; Remedies of the Association. If an assessment is not paid on the date when due, then at the option of the Board, such assessment, together with the balance of the annual assessment established by the Board, shall become delinquent and shall, together with such interest thereon, late charges and the cost of collection thereof, including reasonable attorneys' fees and court costs, thereupon become a continuing lien on the Member's Lot which shall bind such property in the hands of the Member, his heirs, devisees, personal representatives and assigns. Such lien shall be prior to all other liens except: (a) tax or assessment liens of the taxing division of any governmental authority, including but not limited to, state, county and school district taxing agencies; and (b) all sums unpaid on any bona fide first mortgage held by an Institutional Mortgagee of record encumbering the Dwelling Unit. The personal obligation of the Member who was the Owner of the Lot when the assessment fell due, to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them, although the lien shall continue to encumber the Lot.

If the assessment is not paid within ten (10) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the maximum permissible rate in the State of Florida. A late charge of up to \$25.00 may be assessed by the Board and the Association through its Board. The Board may bring an action at law against the Member or former Member personally obligated to pay the same or it may bring an action to foreclose the lien against the property. There shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such

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judgment shall include interest on the assessment as above provided and reasonable attorneys' fees to be fixed by the court, together with the cost of the action and the aforesaid late charge.

Section 6.8. Selling, Leasing and Gifts of Lots, Etc.

(a) No Member shall convey, mortgage, pledge, hypothecate, sell or lease his Lot and the Dwelling Unit thereon unless and until all unpaid assessments assessed against such Lot shall have been paid as directed by the Board of Directors; such unpaid assessments, however, may be paid out of the proceeds from the sale of the Lot or by the purchaser of such Lot. Any sale or lease of the Lot in violation of this section shall be voidable at the election of the Board of Directors.

(b) Upon the written request of a Member or his Institutional Mortgagee, the Board or its designee shall furnish a written statement of the unpaid charges due from such Member which shall be conclusive evidence of the payment of amounts assessed prior to the date of the statement but unlisted thereon. A reasonable charge may be made by the Board for issuance of such statements.

(c) The provisions of this section shall continue to apply in the event of the acquisition of a Lot by an Institutional Mortgagee who shall acquire title to such by foreclosure or by deed in lieu of foreclosure. In such event the unpaid assessments against the Lot which were assessed for Operating Expenses and became due prior to the acquisition of title by such Institutional Mortgagee shall not be deemed waived by the Association. Additionally, such provisions shall also apply to any assessments which are assessed and become due after the acquisition of title by the Institutional Mortgagee and to any purchaser from such Institutional Mortgagee.

(d) Whenever the term Lot is referred to in this section, it shall include the Member's interest in the Association and the Member's interest in any property acquired by the Association. Any Member may convey or transfer his Lot by gift during his lifetime or devise the same by will or pass the same by intestacy.

(e) The provisions of this section shall not apply to Declarant. This section may not be amended without the prior written consent of Declarant.

Section 6.9. Subordination of Lien. The lien for assessments provided for in this Article shall be superior to all other liens, except tax liens, mortgage liens in favor of Institutional Mortgagees, and mortgage liens in favor of mortgagees under mortgages now existing or hereafter granted by Declarant, as mortgagor.

Section 6.10. Exterior Maintenance Assessment. The Association, through action of its Board of Directors, shall provide exterior maintenance upon each Lot as provided in Article V. The cost of the exterior maintenance referred to in Article V shall be an Operating Expense.

Section 6.11. Capital Improvements. Funds necessary for capital improvements, emergencies or non-recurring expenses may be levied by such Association as special assessments, upon approval of a majority of the Board of Directors of such Association and also, for such funds exceeding the sum of \$5,000.00, upon approval by two-thirds favorable vote of

the Members of such Association voting at a meeting or by ballot as may be provided in the Bylaws of such Association.

Section 6.12. Certificate of Assessment. The Association shall upon demand at any time furnish to any Owner liable for an assessment a certificate in writing signed by an officer of the Association, setting forth whether such assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment of any assessment to the Association therein stated to have been paid.

Article VII

Common Structural Elements

Section 7.1. Definition. Each Building contains or shall contain certain elements, features or parts, which are structural elements of the Building or of more than one Dwelling Unit (such elements, features, or parts being hereinafter referred to as "Common Structural Elements"). The Common Structural Elements of each Building shall include the following:

(a) Party Walls. All division walls between two townhomes beginning at the unfinished surface of each side of such wall (hereinafter referred to as "Party Walls") located upon a Property Line between two townhomes, provided that the mere fact such a division wall between two townhomes is found not to be on a Property Line shall not preclude such division wall from being a Party Wall.

(b) Roofing. The entire roof of the Building, any and all roof support structures, and any and all appurtenances to such roof and roof support structures, including, without limitation, the roof covering, roof trim and roof drainage fixtures, all of which are collectively referred to herein as the "Roofing." Should the Roofing or part thereof extend beyond the townhomes, same shall not be deemed to violate the provisions of this Declaration and such easements as may be necessary to accommodate and permit the Roofing as same shall be constructed or hereby imposed.

(c) Foundation. The entire concrete floor slab or wood floor system if used in lieu thereof and all foundational and support structures and appurtenances thereto, all of which are collectively referred to as the "Foundation." Should the Foundation or part thereof extend beyond the townhomes, same shall not be deemed to violate the provisions of this Declaration and such easements as may be necessary to accommodate and permit the Foundation as same shall be constructed or thereby imposed.

Section 7.2. General. Each Owner shall own that portion of the Party Wall which stands on his own Lot. To the extent not inconsistent with the provisions of this Article, the general rule of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to each Party Wall which is built by Declarant as part of the original construction of the Dwelling Units upon the Lots and any replacement thereof.

If any portion of any structure, as originally constructed by Declarant or its designee, including any Party Wall, shall protrude over two adjoining Lots, it shall be deemed that said Owners have granted perpetual easements to the adjoining Owner or Owners for continuing

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maintenance and use of the projection or Party Wall. The foregoing shall also apply to any replacements of any structures or Party Walls, if same are constructed in conformance with the original structure or Party Wall. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of this Declaration.

Section 7.3. Sharing Maintenance or Repair. The costs of reasonable repair and maintenance of Common Structural Elements shall be shared, in proportion to such use, by the Owners who make use of the Common Structural Element(s) in need of repair and maintenance, except as otherwise provided herein. Such costs shall not be an Operating Expense.

Section 7.4. Destruction by Fire or Other Casualty. In the event of damage or destruction of Common Structural Elements from any cause whatsoever, other than the negligence or willful misconduct of either Owner thereto, the Owners shall, at their joint expense, repair or rebuild said Common Structural Elements in accordance with the requirements of Article X, Section 10.7 of this Declaration, and each Owner, his successors and assigns, shall have the right to full use as herein contained of said Common Structural Elements so repaired or rebuilt. If damage or destruction is a result of one Owner's negligence or willful misconduct, that party shall be responsible for the total repair and replacement in a timely fashion. If either Owner fails to pay his share of repair or replacement, as aforesaid, then the other Owner shall have such Common Structural Elements repaired or reconstructed and shall be entitled to file in the Public Records of the County, a claim of lien on the premises of the Owner failing to pay for the amount of such defaulting Owner's share of the repair or replacement costs. Owner shall have the right to foreclose said claim of lien in accordance with the same procedural requirements as now provided for in Florida Statutes for foreclosure of a mechanic's lien; provided, however, said claim of lien shall be filed within ninety (90) days from date repairs or replacements were made to the party wall, and suit thereon shall be commenced one (1) year from date such lien is filed. If either or both Owners shall give or shall have given a mortgage or mortgages upon his property to an Institutional Mortgagee, then such Institutional Mortgagee shall have the full right, at its option, to exercise the rights of its mortgagor as an Owner hereunder and, in addition, the right to add to the outstanding balance of such mortgage any amounts paid by the Institutional Mortgagee for repairs hereunder and not reimbursed to said Institutional Mortgagee by the Owners.

Section 7.5. Easement for Repairs. If repairs or reconstruction to the Common Structural Elements shall be necessary, all necessary entries on or into the adjacent Dwelling Unit upon the Adjacent Lot shall not be deemed a trespass so long as the repairs and reconstruction shall be done in a timely and workmanlike manner. Consent is hereby given to enter on or into adjacent Dwelling Units to effect necessary repairs and reconstruction.

Section 7.6. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7.7. Weather Proofing. Notwithstanding other provisions of this Article, an Owner who by his negligent or willful act causes a Party Wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary repair and protection against such elements.

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Section 7.8. Arbitration. In the event of any dispute arising concerning Common Structural Elements, or under the provisions of this Article, each party shall choose one arbiter, and such arbiters shall choose one additional arbiter, and the decision of a majority of all of the arbiters shall be final and conclusive of the questions involved.

Section 7.9. Alterations. The Owner of a Dwelling Unit sharing a Party Wall with an adjoining Dwelling Unit shall not cut windows or other openings in the Party Wall, nor make any alterations, additions or structural changes in the Party Wall.

Section 7.10. Structural Cross Easements. Cross easements of support and use over, upon, across, under, through and into the Common Structural Elements shall exist in favor of the Association, the Owners or their designees for the continued use, benefit and enjoyment and continued support, service, maintenance, repair and design of all Dwelling Units and Common Structural Elements within any of the Buildings.

Article VIII

Insurance

Section 8.1. Dwelling Units, Lots.

(a) (1) Owner's Insurance Coverage. Each Owner shall be required to obtain and maintain adequate insurance on his Dwelling Unit which shall insure the property for its full replacement value, with no deductions for depreciation, against loss by fire, storm or other hazards or casualty. Such insurance shall name the Association as an additional insured and shall be sufficient to cover the full replacement value, or to cover necessary repair or reconstruction work. Such insurance shall be written in the manner acceptable to the Board of Directors and shall contain a clause which provides ten (10) days prior written notice to the Board of Directors before the policy can be cancelled. Each Owner shall be required, on an annual basis, concurrent with the payment of annual assessments pursuant to this Declaration, to supply the Board of Directors with evidence of insurance coverage on his Dwelling Unit which complies with the provisions of this Section. Each Owner shall also be responsible for the purchasing of liability insurance for accidents occurring on his or her Lot.

(2) Action by Board. If the insurance provided under this Section has not otherwise been adequately obtained by each Owner, as determined by the Board of Directors, then the Board shall obtain such insurance coverage. Insurance obtained by the Board of Directors shall be written in the name of the Association as Trustee for the benefit of the applicable Owner.

(3) Payment of Premium. Premiums for insurance obtained by the Board of Directors for the benefit of an individual Owner, as provided hereinabove, shall not be an Operating Expense, but shall be an individual assessment (special assessment) payable in accordance with the provisions of Article VI of this Declaration.

(4) Repair or Replacement of Damaged or Destroyed Property. Each Owner shall be required to reconstruct or repair any Dwelling Unit destroyed by fire or other casualty, covered by insurance written in the name of the Association as Trustee. The insurance

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proceeds shall be deposited in a bank or other financial institution, subject to withdrawal only by the signature(s) of an agent(s) duly authorized by the Board of Directors. If no repair or rebuilding has been contracted for, or otherwise substantially started by the Owner within thirty (30) days of the receipt of the insurance proceeds, the Board of Directors shall itself initiate the repair or rebuilding of the damaged or destroyed portions of the structure and/or exterior of the Dwelling Unit pursuant to subsection (b)(5) of this Section.

(b) Association Action. Notwithstanding the provisions of the above subsection (a) of this Section 8.1, the following provisions shall also apply to Dwelling Units which have Common Structural Elements:

(1) Association Approval. The insurance referred to in subsection (a) of this Section shall be written in a manner acceptable to the Association. The Association shall carry out the functions set forth hereafter.

(2) Insurance Trustee. Each policy shall contain a loss payment provision which provides that the proceeds of any loss shall be payable to the Association who shall hold such funds in trust to insure that repairs are made as hereinafter set forth. Each policy shall also contain a clause that it is non-cancelable without ten (10) days prior written notice to the Association. Each Owner shall be required to supply the Association with evidence of insurance coverage on his Dwelling Unit which complies with the provisions of this Section.

(3) Action by Board. If the insurance provided under this Section has not otherwise been adequately obtained by each Owner, as determined by the Board of the Directors, then the Board of Directors shall obtain such insurance coverage. The purpose of such insurance will be to protect, preserve and provide for the continued maintenance and support of separately owned Dwelling Units which shall include Common Structural Elements. Insurance obtained by the Board of Directors shall be written in the name of the Association, as Trustee, for the benefit of the applicable Owner.

(4) Payment of Premiums. Premiums for insurance obtained by the Board of Directors for the benefit of an individual Owner, as provided hereinabove, shall not be a part of the Operating Expenses, but shall be an individual assessment (special assessment) payable in accordance with the provisions of Article VI of this Declaration.

(5) Repair or Replacement of Damaged or Destroyed Property. Each Owner shall, with the concurrence of the Owner's Institutional Mortgagee, if any, and the Board of Directors of the Association, be required to reconstruct or repair any Dwelling Unit destroyed by fire, storm or other casualty in accordance with the requirements of Article X, Section 10.7 of this Declaration. Insurance proceeds issued for such repair shall be in the name of the Association, as Trustee. The insurance proceeds shall be deposited in a bank or other financial institution, subject to withdrawal only by the signature(s) of an agent(s) duly authorized by Board of Directors. If no repair or rebuilding has been contracted for or otherwise substantially started by the Owner within thirty (30) days after the Association receives the insurance proceeds, the Board of Directors is hereby irrevocably authorized by such Owner to initiate the repair or rebuilding of the damaged or destroyed portions of the structure and/or exterior of the Dwelling Unit. Repairs should be done in a good and workmanlike manner in conformance with

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the original plans and specifications. The Board of Directors may advertise for sealed bids from any licensed contractors and may then negotiate with said contractors. The contract or contracts selected to perform the work shall provide full performance and payment bonds for such repair or rebuilding, unless such requirement is waived by the Board of Directors. If the insurance proceeds are insufficient to fully pay the costs of repairing and/or rebuilding the damaged or destroyed portions in a good and workmanlike manner, the Board of Directors shall levy a special assessment against the Owner in whatever amount is required to make up the deficiency. If the insurance proceeds exceed the cost of repairing and/or rebuilding, such excess shall be paid over to the respective Owner and/or the Owner's mortgagee in such portions as shall be independently determined by those parties.

(c) Administrative Fee. Should the Association obtain the insurance coverage on a Dwelling Unit pursuant to this Article, then the Association may charge and the applicable Owner shall be responsible for, as a special assessment against the Lot, an administration fee of \$100.00. Said fee is in addition to the charge for the premium, for which Owner is also responsible.

(d) Notwithstanding anything to the contrary in this Article, the Association, its directors or officers, shall not be liable to any person should it fail for any reason whatsoever to obtain insurance coverage on a Dwelling Unit.

Article IX

The Association

The Association shall have all statutory and common law powers of a Florida corporation not for profit, to the extent they do not conflict with all powers provided in its Articles and Bylaws, and all powers granted in this Declaration.

Article X

Building and Use Covenants

Section 10.1. Land Use. The use of a Dwelling Unit by a Member or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the Articles and Bylaws and the rules and regulations ("Rules and Regulations") of the Board of Directors. A Dwelling Unit shall be used only for residential purposes for immediate members of a single family and their guests and invitees.

Section 10.2. Building Type. No building shall be erected, altered, placed or permitted to remain on any Lot other than the Townhouse Dwelling Unit of the type originally constructed by Declarant or its designee. All Building exteriors shall be completed within twelve (12) months from commencement of construction or issuance of a building permit, whichever comes first.

Section 10.3. Architectural Control. Architectural control is governed by the Master Declaration.

Section 10.4. Change in Buildings. Neither the Association nor any Owner shall make or permit any structural modification or alteration of any Building except with the prior written consent of the architectural review committee of the Master Association (the "Architectural Review Committee"), or its successor, and all Institutional Mortgagees holding a mortgage on a Dwelling Unit within said Building. Consent may be withheld if, in the sole discretion of the party requested to give the same, it appears that such structural modification or alteration would affect or in any manner endanger other Dwelling Units. No Building shall be demolished or removed without the prior written consent of all Owners of all other Dwelling Units within such Building and of all Institutional Mortgagees holding a mortgage on a Dwelling Unit within said Building, and also the prior written consent of Declarant or its successors. Declarant shall have the right, but shall not be obligated, to assign all of its rights and privileges under this Article to the Association.

Section 10.5. Regulations. Regulations promulgated by the Board of Directors, or any committee established by the Board of Directors, or any committee established by the Board concerning the use of Stone Creek shall be observed by the Members and their family, invitees, guests and tenants; provided, however, that copies of the regulations are furnished to each Member by personal delivery or by regular mail prior to the time the regulations become effective.

Section 10.6. Building Location. Buildings shall be located in conformance with this Declaration, the applicable ordinances of Clay County and any specific approvals thereunder, or as originally constructed by Declarant or its designee.

Section 10.7. Damage to Buildings. If a Dwelling Unit is damaged, through Act of God or other casualty, then the Owner shall promptly cause his Dwelling Unit to be repaired and rebuilt substantially in accordance with the architectural plans and specifications used by the Declarant for the original construction of such Dwelling Unit. It shall be the duty of the Association to enforce such repair or rebuilding of the Dwelling Unit to comply with this responsibility in accordance with Article VII hereinabove. To accomplish the requirements of this Section, each Owner shall insure his Dwelling Unit at the highest insurable value, including, but not limited to, full replacement value of the premises, in accordance with Article VIII, above.

Section 10.8. Exterior Appearances and Landscaping. The paint, coating, stain, and other exterior finishing colors on all buildings may be maintained as originally installed by the Declarant or its designee, without prior approval of the Architectural Review Committee. Prior approval by the Architectural Review Committee shall be necessary before any such exterior finish color is changed. Furthermore, prior approval shall be required if the Association or any Owner wishes to paint, varnish, stain or make any application to exterior trellises or wood treatment, if any. The landscaping, including, without limitation, the trees, shrubs, lawns, flower beds, walkways, and ground elevations, shall be maintained as originally installed by Declarant, unless the prior approval for any substantial change is obtained from the Association and the Architectural Review Committee. Neither aluminum foil, paper, nor anything which the Architectural Review Committee deems objectionable, may be placed on windows or glass doors. No Owner may place any furniture, equipment or objects of any kind or construct any structures, slabs or porches beyond the limits of any Building or patio wall or place any objects

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such as bicycles, toys, barbecues, etc., on the rear patio unless concealed from the view of the road frontage and other Dwelling Units, except, however, customary outdoor furniture.

All Lots shall be kept in a clean and sanitary manner and no rubbish, refuse or garbage shall be allowed to accumulate or any fire hazard allowed to exist.

Section 10.9. Grades and Elevations. To preserve and maintain proper drainage in Stone Creek, no changes in grades or elevations of any portion of a Lot (including the swale areas) or Tracts shall be made without the prior written approval of the Architectural Review Committee. Final floor elevations and all other applicable grades must be shown on the site plan and approved by both the Committee and the Association prior to construction.

Section 10.10. Fertilizers. To reduce the dissolution of nitrogen into the ground and surface waters in amounts injurious to the environment, only fertilizers which are capable of releasing nutrients at a controlled rate, such as organic fertilizer, are permissible.

Section 10.11. Sales and Rentals. No Lot or Dwelling Unit thereon may be sold, rented, or sublet without express written notice to the Board of Directors of the Association. This provision is for the purpose of making certain that subsequent owners and renters understand the rights and obligations of Members of the Association, including, but not necessarily limited to, the Declaration and the Rules and Regulations. In addition, the Board of Directors may authorize the use of a registration form to be completed by prospective purchasers or renters. No Dwelling Unit may be rented, leased or sublet for a period of less than thirty (30) days. All enforcement procedures applicable to this Declaration shall be equally applicable to enforcement of this section.

Section 10.12. Violations. In the event of a violation of this Declaration, or of any rule properly promulgated by the Board of Directors, the Association may, as an additional remedy, provide written notice of the violation to the Owner of record, and if said violation shall continue for a period of seven (7) days from the receipt of the written notice, the Owner may be assessed an amount up to \$25.00 per day, per violation. Fines shall be subject to reasonable Rules and Regulations adopted by the Board. This assessment shall be considered in the same manner as hereinbefore provided for regular assessments and those sections providing for the recording of the assessment lien, enforcement and collection shall also apply.

Section 10.13. Declarant Rights. Notwithstanding any other provision in this Declaration, Declarant is irrevocably empowered to sell, lease or rent Lots on any terms to any purchasers or lessees for as long as it owns any Lot. This section is intended to provide Declarant with the broadest authority and power to transact and implement its business, and such activities shall be free and clear of any restrictions contained in this Declaration which would impede such activities. Declarant shall have the right to transact any business necessary to consummate sales and leases of said Lots, temporary uses for model townhomes, parking lots and/or sales offices, maintain signs, have employees in the office, use the Tracts and show Lots. Sales office signs and all items pertaining to sales shall not be considered property of the Association and shall remain the property of Declarant.

Article XI

Additional Powers Reserved to Declarant

Section 11.1. Declarant Related Documents. So long as Declarant shall own any of the Property, no Declarant related amendment shall be made to the Declaration, to any Supplemental Declaration, to the Articles, Bylaws, Rules and Regulations, or any other similar Association document, nor shall any such Declarant related amendments or documents be executed, adopted or promulgated by the Association or the Board of Directors unless such Declarant related amendment or document shall be specifically approved in writing by Declarant in advance of such execution, adoption, promulgation and recording.

Section 11.2. Definitions. For the purposes of Section 11.1 of this Article, an amendment or document which does any of the following shall be considered to be a Declarant related amendment:

- (a) Discriminates or tends to discriminate against Declarant as an Owner or otherwise;
- (b) Directly or indirectly by its provisions or in practical application relates to Declarant in a manner different from the manner in which it relates to other Owners;
- (c) Modifies the definitions provided for by Article I of this Declaration in a manner which alters Declarant's rights or status;
- (d) Modifies or repeals any provision of Article II of this Declaration;
- (e) Alters the character and rights of membership as provided for by Article III of this Declaration or affects or modifies in any manner whatsoever the rights of Declarant as a Member of the Association;
- (f) Alters any previously recorded or written agreement with any public or quasi-public agencies, utility company, political subdivision, public authorities or other similar agencies or bodies, respecting zoning, streets, roads, drives, easements or facilities;
- (g) Denies the right of Declarant to record a Supplemental Declaration with respect to portions of Stone Creek or adding properties subject to this Declaration or otherwise making provisions in accordance with the powers granted to Declarant in this Declaration;
- (h) Modifies the basis or manner of Association assessments as applicable to Declarant or any Lots owned by Declarant as provided for by Article V and Article VI;
- (i) Modifies the provisions of Article X (architectural control) as applicable to Declarant or any Lots owned by Declarant;
- (j) Alters the provisions of any Supplemental Declaration; or

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(k) Denies the right to Declarant, its contractors and subcontractors, to maintain temporary construction trailers, sheds or other buildings upon the Property; or

(l) Alters or repeals any of Declarant's rights or any provision applicable to Declarant's rights as set forth in any provision of this Declaration or of any Supplemental Declaration or other document applicable to Declarant.

The decision to approve or not approve any Declarant related document or Amendment by Declarant in accordance with Section 11.1 of this Article shall be in the sole and absolute discretion of Declarant and Declarant shall not be liable to the Association, its Members or any party as a result of granting or refusing to grant such approval.

Section 11.3. Declarant Lands. So long as Declarant continues to own any Lots in the Development, no action may be taken by the Board or the Association applicable to the Declarant or any of the Lots or other land owned by Declarant unless such action shall be approved in writing by Declarant; or, unless the need therefor shall be waived by the Declarant in writing.

Article XII

General Provisions

Section 12.1. Beneficiaries of Easements, Rights and Privileges. The easements, licenses, rights and privileges established, created and granted by this Declaration shall be for the benefit of and restricted solely to, the Association, Declarant and its subsidiaries and assigns, the Owners of Lots, and to any other party to whom the Declarant or Association is entitled to grant such easements, licenses, rights and privileges under this Declaration; and any Owner may also grant the benefit of such easement, license, right or privilege to his tenants and guests and their immediate families for the duration of their tenancies or visits, subject to the Rules and Regulations of the Board of Directors; but, the same is not intended nor shall it be construed as creating any rights in or for the benefit of the general public.

Section 12.2. Duration. The covenants and restrictions of this Declaration shall run with and bind the land that has been made a part of the Association and shall inure to the benefit of and be enforceable by Declarant, the Association, or the Owner of any land subject to this Declaration, and their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the then Owners of two-thirds of the Lots and all Institutional Mortgagees of Lots has been recorded, agreeing to change said covenants and restrictions in whole or in part. Provided, however, that no such agreement to change shall be effective unless made and recorded one (1) year in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken.

Section 12.3. Notice. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally

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delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 12.4. Enforcement. Enforcement of these covenants and restrictions shall be by Declarant, its assigns, the Association or any Owner of five (5) or more Lots by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by Declarant, the Association, any Owner or other party to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. These covenants may also be enforced by the Architectural Review Committee. The prevailing party in any proceeding at law or in equity provided for in this Section shall be entitled to recover in said suit the cost of the action, including reasonable attorneys' fees as fixed by the court, including attorneys' fees in connection with appeal of any action.

Section 12.5. Disposition of Assets Upon Dissolution of Association. Upon dissolution of the Association, its real and personal assets, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the case of the Surface Water or Stormwater Management System which is maintained by the Association, the responsibility for the operation and maintenance of the System must be transferred to and accepted by an entity which would comply with § 40C-42.027, Florida Administrative Code and be approved by the St. Johns River Water Management District prior to any termination, dissolution or liquidation of the Association. If such dedication is refused acceptance, which refusal in the case of the County shall be by formal resolution of the Board of County Commissioners, such assets shall be granted, conveyed and assigned to any corporation not for profit, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. No such disposition of the Association properties shall be effective to divest or diminish any right or title to any Member vested in him under the licenses, covenants and easements of this Declaration, or under any subsequently recorded covenants and deeds applicable to Stone Creek, unless made in accordance with the provisions of this Declaration or said covenants and deeds.

Section 12.6. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order or otherwise shall in no way affect any other provisions which shall remain in full force and effect.

Section 12.7. Amendment. Excepting Supplemental Declarations and in addition to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges, and liens of this Declaration may be amended, changed, added to, derogated, or deleted at any time and from time to time, upon the execution and recordation of any instrument executed by: (1) Declarant, for so long as it holds title to any Lot affected by this Declaration and said amendment by Declarant shall not require the consent of any mortgagees, Owners of Lots nor of the Association, either now or in the future; or, alternatively, (2) by Owners holding not less than a majority vote of the membership in the Association or by an instrument signed by the President and Secretary of the Association attesting that such instrument was approved by Members entitled to vote a majority of the votes of the Association

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at a meeting of the Members called for such purpose; provided, that so long as Declarant is the owner of any Lot affected by this Declaration, Declarant's consent must be obtained.

Any amendment to this Declaration which alters the Surface Water or Stormwater Management System, beyond the maintenance in its original condition, including the water management portions of the Tracts, must have the prior approval of the St. Johns River Water Management District.

Section 12.8. Administration. The administration of the Association shall be in accordance with the provisions of this Declaration and the Articles of Incorporation and Bylaws which are made a part of this Declaration and attached hereto as Exhibits "C" and "D" respectively.

Section 12.9. Conflict. In case of any conflict between the Articles and Bylaws, the Articles shall control. In case of any conflict between the Articles or Bylaws and this Declaration, this Declaration shall control.

Section 12.10. Effective Date. This Declaration shall become effective upon its recordation in the Official Records of Clay County.

Section 12.11. 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 (3/4) of all Owners (at a duly called meeting of the Owners at which a quorum is present) prior to the payment of legal or other fees to persons or entities 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:

- (a) the collection of assessments;
- (b) the collection of other charges which Owners are obligated to pay pursuant to the Stone Creek governing documents;
- (c) the enforcement of the use and occupancy restrictions contained in the Stone Creek governing documents, including, but not limited to, those against tenants; or
- (d) in an emergency where waiting to obtain the approval of the Owners creates a substantial risk of irreparable injury to Stone Creek or any portion thereof.

**[The remainder of this page is intentionally blank
Signature page follows.]**

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IN WITNESS WHEREOF, Declarant has executed this Declaration as of the day and year first above written.

Signed, sealed and delivered in the presence of:

“Declarant”

EAGLE HARBOR AT FLEMING ISLAND JOINT VENTURE, a Florida joint venture

By: Northwest Crossings Corporation, a Delaware corporation, its general partner

Johanna Curry
Printed Name: JOHANNA CURRY
Collette J. Borrell
Printed Name: COLLETTE J. BORRELL

By: L.H. Ronnie, Jr.
Print Name: L. H. RONNIE, JR.
Its: PRESIDENT

STATE OF NEW JERSEY
COUNTY OF BERGEN

The foregoing instrument was acknowledged before me this 15th day of JUNE, 2004 by L.H. RONNIE, JR., the PRESIDENT of Northwest Crossings Corporation, a Delaware corporation, as General Partner of Eagle Harbor at Fleming Island Joint Venture, a Florida joint venture, on behalf of said corporation which is acting on behalf of said joint venture. Such person did not take an oath and: (notary must check applicable box)

- is/are personally known to me.
produced a current driver's license as identification.
produced as identification.

{Notary Seal must be affixed}

Minnie L. Green
Signature of Notary
MINNIE L. GREEN

Name of Notary (Typed, Printed or Stamped)
Commission Number (if not legible on seal):
My Commission Expires (if not legible on seal): AUGUST 12, 2006

MINNIE L. GREEN
Notary Public, State of New Jersey
My Commission Expires August 12, 2006

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Judy Barwig
Print Name: JUDY BARWIG

By: East West Partners of Jacksonville,
Limited Partnership, a Virginia limited
partnership, its general partner

[Signature]
Print Name: KIM G. JASON

By: East West Partners of Jacksonville,
Inc., a Virginia corporation, its sole
general partner

By: [Signature]
/ Roger S. Arrowsmith, President

STATE OF FLORIDA
COUNTY OF CLAY

The foregoing instrument was acknowledged before me this 15TH day of JUNE, 2004, by Roger S. Arrowsmith, President of East West Partners of Jacksonville, Inc., a Virginia corporation, as General Partner of East West Partners of Jacksonville, Limited Partnership, a Virginia limited partnership, as General Partner of Eagle Harbor at Fleming Island Joint Venture, a Florida joint venture, on behalf of said corporation which is acting on behalf of said limited partnership, which is acting on behalf of said joint venture. Such person did not take an oath and: *(notary must check applicable box)*

- is/are personally known to me.
- produced a current Florida driver's license as identification.
- produced _____ as identification.

{Notary Seal must be affixed}



Judy Barwig
Signature of Notary

Name of Notary (Typed, Printed or Stamped)
Commission Number (if not legible on seal): _____
My Commission Expires (if not legible on seal): _____

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EXHIBIT A

PARCEL 1:

A PART OF SECTIONS 4 AND 9, TOWNSHIP 5 SOUTH, RANGE 26 EAST, CLAY COUNTY, FLORIDA; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE NORTHWEST CORNER OF ISLAND FOREST, AS RECORDED IN PLAT BOOK 18, PAGES 5 THRU 11, OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE SOUTH 04 DEGREES 28 MINUTES 47 SECONDS WEST ALONG THE WESTERLY LINE OF SAID ISLAND FOREST, A DISTANCE OF 1884.03 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF ISLAND FOREST DRIVE AS SHOWN ON SAID PLAT OF ISLAND FOREST; THENCE ALONG THE NORTHERLY AND WESTERLY RIGHT-OF-WAY LINES OF SAID ISLAND FOREST DRIVE, THE FOLLOWING FOUR (4) COURSES: (1) NORTH 85 DEGREES 35 MINUTES 15 SECONDS WEST A DISTANCE OF 73.15 FEET TO THE POINT OF A CURVE TO THE LEFT, SAID CURVE BEING CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 260.00 FEET; (2) THENCE SOUTHWESTERLY ALONG AND AROUND SAID CURVE AN ARC DISTANCE OF 408.41 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 49 DEGREES 24 MINUTES 45 SECONDS WEST 367.70 FEET; (3) SOUTH 04 DEGREES 24 MINUTES 45 SECONDS WEST 335.64 FEET TO THE POINT OF A CURVE TO THE RIGHT, SAID CURVE BEING CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 32.17 FEET; (4) THENCE SOUTHWESTERLY ALONG AND AROUND SAID CURVE AN ARC DISTANCE OF 47.67 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID POINT BEING ON THE NORTHERLY RIGHT-OF-WAY LINE OF WATER OAK LANE, AS SHOWN ON SAID PLAT OF ISLAND FOREST, THE AFOREMENTIONED ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 46 DEGREES 51 MINUTES 46 SECONDS WEST 43.43 FEET; THENCE ALONG LAST SAID LINE SOUTH 89 DEGREES 18 MINUTES 47 SECONDS WEST 215.31 FEET TO THE POINT OF A CURVE TO THE RIGHT, SAID CURVE BEING CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 30.00 FEET; THENCE NORTHWESTERLY ALONG AND AROUND SAID CURVE AN ARC DISTANCE OF 49.07 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID POINT BEING ON THE EASTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 17 (STATE ROAD NO. 15), THE AFOREMENTIONED ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 43 DEGREES 49 MINUTES 47 SECONDS WEST 43.77 FEET; THENCE ALONG LAST SAID LINE NORTH 03 DEGREES 01 MINUTES 40 SECONDS EAST 2588.88 FEET; THENCE SOUTH 86 DEGREES 56 MINUTES 58 SECONDS EAST 101.81 FEET; THENCE SOUTH 66 DEGREES 48 MINUTES 04 SECONDS EAST 55.16 FEET; THENCE SOUTH 86 DEGREES 56 MINUTES 58 SECONDS EAST 520.60 FEET; THENCE SOUTH 04 DEGREES 29 MINUTES 07 SECONDS WEST 83.45 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH:

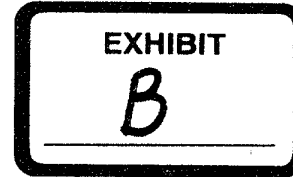
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PARCEL 2:

A PART OF SECTION 9, TOWNSHIP 5 SOUTH, RANGE 26 EAST, CLAY COUNTY, FLORIDA; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF ISLAND FOREST, AS RECORDED IN PLAT BOOK 18, PAGES 5 THRU 11, OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE SOUTH 04 DEGREES 28 MINUTES 47 SECONDS WEST ALONG THE WESTERLY LINE OF SAID ISLAND FOREST, A DISTANCE OF 1,944.03 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF ISLAND FOREST DRIVE, AS SHOWN ON SAID PLAT OF ISLAND FOREST AND THE POINT OF BEGINNING; THENCE CONTINUE ALONG SAID WESTERLY LINE OF ISLAND FOREST, SOUTH 04 DEGREES 28 MINUTES 47 SECONDS WEST 250.00 FEET TO THE SOUTHWESTERLY CORNER OF SAID ISLAND FOREST, BEING ALSO THE NORTHWESTERLY CORNER OF FLEMING OAKS UNIT 5, AS RECORDED IN PLAT BOOK 15, PAGES 15 THRU 17, OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE SOUTH 04 DEGREES 24 MINUTES 45 SECONDS WEST ALONG THE WESTERLY LINE OF SAID FLEMING OAKS UNIT 5, A DISTANCE OF 299.50 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF WATER OAK LANE, AS SHOWN ON SAID PLAT OF ISLAND FOREST; THENCE ON LAST SAID LINE THE FOLLOWING THREE (3) COURSES: (1) NORTH 85 DEGREES 35 MINUTES 15 SECONDS WEST 158.36 FEET; (2) THENCE SOUTH 89 DEGREES 18 MINUTES 46 SECONDS WEST 82.09 FEET TO THE POINT OF A CURVE TO THE RIGHT, SAID CURVE BEING CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 30.00 FEET; (3) THENCE NORTHWESTERLY ALONG AND AROUND SAID CURVE AN ARC DISTANCE OF 49.79 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID POINT BEING ON THE EASTERLY RIGHT-OF-WAY LINE OF SAID ISLAND FOREST DRIVE, THE AFOREMENTIONED ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 43 DEGREES 08 MINUTES 14 SECONDS WEST 44.27 FEET; THENCE ALONG THE EASTERLY AND SOUTHERLY RIGHT-OF-WAY LINES OF SAID ISLAND FOREST DRIVE THE FOLLOWING THREE (3) COURSES: (1) NORTH 04 DEGREES 24 MINUTES 45 SECONDS EAST 326.91 FEET TO THE POINT OF A CURVE TO THE RIGHT, SAID CURVE BEING CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 200.00 FEET; (2) THENCE NORTHEASTERLY ALONG AND AROUND SAID CURVE AN ARC DISTANCE OF 314.16 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 49 DEGREES 24 MINUTES 45 SECONDS EAST 282.84 FEET; (3) SOUTH 85 DEGREES 35 MINUTES 15 SECONDS EAST 73.08 FEET TO THE POINT OF BEGINNING.

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**ARTICLES OF INCORPORATION
OF
STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.**

The undersigned natural persons, all of whom are citizens of the State of Florida, acting as incorporators under the laws of the State of Florida, Chapter 617, Florida Statutes, applicable to corporations not for profit, do hereby adopt the following Articles of Incorporation for such corporation.

ARTICLE ONE

The name of the corporation shall be **STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.** ("Corporation").

ARTICLE TWO

The Corporation is a non-profit corporation.

ARTICLE THREE

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

ARTICLE FOUR

This Association is formed to be the corporate entity which is to be responsible for the performance of certain duties and the enforcement of certain rights as provided in the Declaration and General Protective Covenants for Stone Creek at Eagle Harbor recorded or to be recorded in Clay County, Florida ("Declaration"), for the planned, multi-family residential community to be known as Stone Creek at Eagle Harbor, located in Clay County, Florida ("Stone Creek").

The Association shall levy and collect adequate assessments against members of the Association for the costs of maintenance repairs and other costs to be incurred by the Association.

The assessments shall be used for the maintenance and repair of Stone Creek, for administrative costs incurred by the Association and for such other purposes as shall be determined by the Association.

ARTICLE FIVE

The members of the Corporation shall be all fee simple lot owners in Stone Creek. Upon the purchase of a lot, the lot owners shall automatically become Class A members as defined in

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the covenants and restrictions of Stone Creek to be recorded. Membership shall be appurtenant to, and inseparable from, ownership of a lot.

ARTICLE SIX

The street address of the initial principal business office of the Corporation is 1880 Eagle Harbor Parkway, Orange Park, Florida 32003. The address of the registered office and the name of the initial Registered Agent are: ROGER S. ARROWSMITH, 1880 Eagle Harbor Parkway, Orange Park, Florida 32003.

This Corporation shall never have less than THREE (3) Directors. The number of Directors constituting the initial Board of Directors of the Corporation is THREE (3) and the names and addresses of the persons who are to serve-as the initial Directors until the first election shall be as follows:

1. Roger S. Arrowsmith
1880 Eagle Harbor Parkway
Orange Park, Florida 32003
2. Beverly Dubis
1880 Eagle Harbor Parkway
Orange Park, Florida 32003
3. Marilyn Ayers
1880 Eagle Harbor Parkway
Orange Park, Florida 32003

Directors shall serve and be appointed as provided in the By-Laws of the Association.

ARTICLE SEVEN

The affairs of the Corporation are to be managed by the Officers of the Corporation who shall be appointed by the Board of Directors. The names, addresses and offices of the persons who are initially to serve as officers of the Corporation are as follows:

Roger S. Arrowsmith 1880 Eagle Harbor Parkway Orange Park, Florida 32003	President
Beverly Dubis 1880 Eagle Harbor Parkway Orange Park, Florida 32003	Vice President

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Marilyn Ayers
1880 Eagle Harbor Parkway
Orange Park, Florida 32003

Secretary/Treasurer


ARTICLE EIGHT

If the association is dissolved, the assets shall be dedicated to a public body, or conveyed to a nonprofit organization with similar purposes.

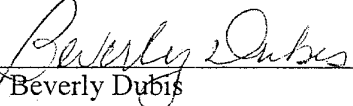
ARTICLE NINE

The power to alter, amend or repeal the By-Laws or Articles of Incorporation or to adopt new By-Laws shall be vested in the Board of Directors. The By-Laws may contain any provisions for the regulation and management of the affairs of the Corporation not inconsistent with the law or with the Articles of Incorporation.

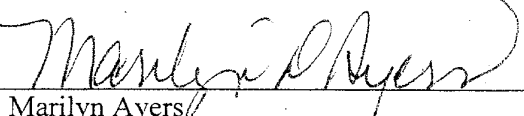
IN WITNESS WHEREOF, we have hereunto set our hands and seals this 15 day of June, 2004.



Roger S. Arrowsmith



Beverly Dubis



Marilyn Ayers

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**CERTIFICATE DESIGNATING PLACE OF BUSINESS
OR DOMICILE FOR THE SERVICE OF PROCESS
WITHIN THIS STATE, NAMING AGENT UPON WHOM
PROCESS MAY BE SERVED**

In compliance with Section 48.091, Florida Statutes the following is submitted:

FIRST, that STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC. desiring to organize under the laws of the State of Florida, with its principal place of business at 1880 Eagle Harbor Parkway, Orange Park, Florida 32003, has named Roger S. Arrowsmith, located at the registered office of the Corporation, to-wit, 1880 Eagle Harbor Parkway, Orange Park, Florida 32003, as its Agent to accept service of process within this state.

Having been named to accept service of process for the above stated Corporation at the place designated in this certificate, I hereby agree to act in this capacity, and I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I accept the duties and obligations of Section 607.0501 of the Florida Statutes.

REGISTERED AGENT



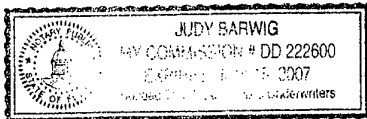
ROGER S. ARROWSMITH

STATE OF FLORIDA
COUNTY OF CLAY

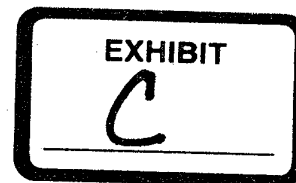
Sworn to and subscribed before me this 15 day of June, 2004, by Roger S. Arrowsmith, who is personally known to me.



Notary Public, State of Florida



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BYLAWS
OF
STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.

A corporation not for profit
under the laws of the State of Florida

ARTICLE I
IDENTITY

These are the Bylaws of **STONE CREEK AT EAGLE HARBOR ASSOCIATION, INC.**, hereinafter called the "Association", a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State on June 17, 2004.

The Association has been organized for the purpose of performing the functions outlined in the covenants, conditions and restrictions for **STONE CREEK AT EAGLE HARBOR**, a planned, multi-family residential community located in Clay County, Florida ("Stone Creek"), including any amendments thereto (the "Covenants").

The Members of the Association shall be all lot owners, as more particularly defined in the covenants.

Initially, the office of the Association shall be at 1880 Eagle Harbor Parkway, Orange Park, Florida, 32003, but may be changed from time to time, and meetings of Members and Directors may be held at such places within the State of Florida as may be designated by the Board of Directors.

The fiscal year of the Association shall be the calendar year.

ARTICLE II
MEMBERS MEETINGS

A. Annual meeting. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association and each subsequent regular annual meeting of the members shall be held in the same month of each year thereafter, on a day selected by the board.

At the termination of Class B membership, the members shall meet for the purpose of electing directors and transacting business and determining when subsequent annual meetings shall be held.

B. Special Meetings. Special meetings of the members shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officer's upon receipt of a written request from members entitled to cast one-third (1/3) of the votes of the/entire membership. At a special meeting of the Members, the Association may

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only conduct that business and address those matters that were stated in the notice of the special meeting to be the purpose thereof.

C. Notices. Notice of all members' meeting stating the time and place and the object for which the meeting is called shall be given by the President or Vice President or Secretary at least fifteen (15) days before such meeting unless waived in writing by all of the members. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed within the time frame as provided in the covenants. Proof of such mailing shall be given by the affidavit of the person giving the notice.

D. Quorum. The presence at the meeting, in person or by proxy, of twenty percent (20%) of the Members entitled to vote shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

E. Voting Rights. The voting rights of the members shall be as specified in the covenants.

F. Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

G. Adjourned meetings. Adjourned meetings may be rescheduled as provided in the covenants.

H. Written Consent and Joinder. In the event that any action is authorized to be taken by the Members at a meeting, it shall be permissible to approve such action by a written consent and joinder by the proportion of Members required to approve such action; provided, however, that notice of the Association's intent to seek written consent and joinder shall be sent to all Members in accordance with the notice provision herein. .

I. Proviso. Provided, however, that until the Declarant (as defined in the covenants) (Class B member) of Stone Creek has completed all of the contemplated improvements and closed the sales of all of the lots, or until the Declarant elects to terminate its control of the Association, whichever shall occur first, the proceedings of all meetings of members of the Association shall have no effect unless approved by the Board of Directors, which approval shall not be unreasonably withheld.

ARTICLE III DIRECTORS

A. Governing Body. The affairs of the Association shall be governed by a Board of Directors. Except as provided in paragraph B of this Article, the Directors must be owners and reside in Stone Creek.

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B. Directors Appointed by Declarant. The Directors shall be selected by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant, so long as the Class B membership exists as set forth in the Declaration, unless the Declarant shall earlier surrender this right to select Directors.

The Directors selected by the Declarant need not be Owners or residents in Stone Creek. The names of the initial Directors selected by the Declarant are set forth in the Articles of Incorporation of the Association.

C. Number. The Board shall initially consist of three (3) members. After the Class B membership ceases, the Board shall consist of no less than three members who shall be elected by the membership at large at the annual meetings.

D. Term. The Directors appointed by the Class B member shall serve at its pleasure. The term of office of Directors elected by Class A members shall be the calendar year following his election and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

E. Removal. Any Director elected by the Class A members may be removed from the Board, with or without cause, by a majority vote of the Class A members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Directors and shall serve until the next annual meeting of the members.

F. Compensation. No Director shall receive compensation for any service he may render to the Association. However, a Director may be reimbursed for his actual expenses incurred in the performance of his duties.

G. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the Class A members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

H. Proviso. The Declarant shall have veto power on any act of the Board of Directors' which affects the marketability of any units still owned by the Declarant.

ARTICLE IV MEETINGS OF DIRECTORS

Directors appointed by Class B member:

A. Directors Meeting. The Directors meetings shall be scheduled by the Directors at their discretion.

Directors elected by Class A members:

B. Organization Meeting. The first meeting of the members of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be

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fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

C. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors.

D. Special Meetings. Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

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

F. Quorum. A quorum at a Director's meeting shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a 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 required by the Articles of Incorporation or the Covenants or these By-laws.

G. Adjourned Meetings. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

H. Action Taken Without a Meeting. The Board of Directors may take any action without a meeting which it could take at a meeting by obtaining the written consent and joinder of all Directors. Any action so taken shall have the same effect as though taken at a meeting of the Directors.

I. Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such Director for the purpose of determining a quorum.

J. Presiding Officer. The presiding officer at a Directors' meeting shall be the Chairman of the Board if such an officer has been elected; and, if none, the President shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

ARTICLE V POWER AND DUTIES OF BOARD OF DIRECTORS

Subject to the provisions of the Covenants, the Board of Directors shall have the following powers and duties:

A. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions in the

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Covenants or Articles of Incorporation, and specifically comply with all requirements of the surface and stormwater management permits;

B. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

C. Employ a manager, an independent contractor, or such other employees as the Board deems necessary, and to prescribe the duties and compensation of any such employee, and to provide for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties;

D. Prepare and adopt an annual budget in which there shall be established the contribution of each Owner to the common expenses, subject to the provisions in the covenants;

E. Make assessments to defray the common expenses, establish the means and methods of collecting such assessments, and establish the period of the installment payments of the annual assessment, send written notice of each assessment to every owner subject thereto, and to file and foreclose liens against any property for which assessments are not paid, all as provided in the Covenants;

F. Provide for the operation, care, upkeep and maintenance of all areas which are the maintenance responsibility of the Association, as set forth in the covenants;

G. Collect the assessments, depositing the proceeds thereof in a bank depository which it shall approve and using the proceeds to administer the Association;

H. Open bank accounts on behalf of the Association and designate the signatories required;

I. Enforce by legal means the provisions of the Covenants and these Bylaws, and bring any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

J. Pay the cost of all services rendered to the Association or its members which are not directly chargeable to Owners;

K. Keep books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and specify the maintenance and repair expenses and any other expenses incurred, which books and records shall be open for inspection by any of the members at reasonable times and upon reasonable notice;

L. Contract with any person or entity for the performance of various duties and functions;

M. Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

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N. Cause any or all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate;

O. To present to the members at the annual meeting, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote, a statement of all acts and corporate affairs;

P. To oversee the common areas, enforce rules and regulations, and such other duties relating to the common areas as may be necessary from time to time.

ARTICLE VI OFFICERS AND THEIR DUTIES

A. Enumeration of Offices. The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create. The President and Treasurer shall be elected from among the members of the Board of Directors.

B. Election of Officers. Until termination of the Class B membership, officers shall be-appointed by the Board of Directors and shall serve at the pleasure of the Board of Directors. Thereafter, the election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

C. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless sooner removed or otherwise disqualified to serve.

D. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

E. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

F. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy; shall serve for the remainder of the term of the vacancy.

G. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to paragraph D of this Article.

H. Duties. The duties of the officers are as follows:

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President

The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the members from time to time as he, in his discretion, may determine appropriate to assist in the conduct of the affairs of the Association. He shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

The Vice President shall act in the place and stead of the President in the event of the President's absence or inability to act, shall assist the President generally, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and perform such other duties as required by the Board.

Treasurer

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of account; upon request of the Board of Directors, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

In addition, the Treasurer shall, when requested on behalf of any lot owner, furnish a certificate setting forth whether or not the assessments on a specified lot have been paid, which certificate shall be binding upon the Association as of the date of its issuance, as provided in the Covenants.

ARTICLE VII COMMITTEES

The Association may appoint committees as deemed appropriate in carrying out, its purpose.

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ARTICLE VIII
AMENDMENTS

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

ARTICLE IX
COMPLIANCE AND ENFORCEMENT

A. Every Owner and the Owner's tenants, guests, invitees, officers, employees, contractors, subcontractors and agents shall comply with any and all rules and regulations adopted by the Board of Directors of the Association as contemplated herein as well as the covenants, conditions and restrictions of the Declaration, as they may be amended from time to time.

B. Failure to comply with the Covenants, these Bylaws, and/or any of such rules or regulations shall be grounds for immediate action by the Association which may include, without limitation, an action to recover sums due for damages, injunctive relief or any combination thereof.

C. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of the Covenant Enforcement Committee (as hereinafter defined) of the Association, a fine or fines may be imposed upon an Owner for failure of an Owner or any of the other parties described hereinabove, to comply with their obligations under the Covenants, these Bylaws or with any rule or regulation of the Association, provided the following procedures are adhered to:

(i) The Association shall notify the Owner of the infraction or infractions. Included in the notice shall be the date and time of a meeting of a Covenant Enforcement Committee of at least three (3) members appointed by the Board who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother or sister of an officer, director or employee of the Association at which time the Owner shall present reasons why fines should not be imposed. At least fourteen (14) days written notice of such meeting shall be given;

(ii) The non-compliance shall be presented to the Covenant Enforcement Committee after which the Covenant Enforcement Committee shall hear reasons why a fine should not be imposed. A written decision of the Covenant Enforcement Committee shall be mailed to the Owner by not later than ten (10) days after the Covenant Enforcement Committee meeting. The Owner shall have a right to be represented by counsel and to cross-examine witnesses, although the proceeding shall not be subject to the Florida Rules of Evidence and Florida Rules of Civil Procedure;

(iii) The Board of Directors shall from time to time prescribe the amounts of fines in their reasonable discretion and shall establish a schedule of fines for first non-compliance or violation; second non-compliance or violation; and third and subsequent non-compliances or violations, which schedule shall be part of the Rules and Regulations of the Association as the same may be amended by the Board of Directors from time to time. Initially such fines shall not exceed \$100 per violation, against any Member or any tenant, guest, or invitee. A fine may be levied on the basis of each day of a continuing violation, with a single

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notice and opportunity for hearing, except that no such fine shall exceed \$1,000 in the aggregate unless otherwise provided in the Rules and Regulations of the Association.

(iv) Fines shall be paid not later than five (5) days after notice of the imposition or assessment of the penalties;

(v) As to Owners, the Association may take any available legal or equitable action necessary to collect fines. Fines are deemed assessments of the Owners which are fined by the Association and shall be secured by and enforced the same as regular assessments;

(vi) All monies received from fines shall only be expended for the improvement or beautification of Tracks as directed the Board of Directors; and

(vii) Fines as provided herein shall not be construed to be an exclusive remedy of the Association, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled.

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EXHIBIT D

PLAT BOOK

PAGE

SHEET 3 OF 10 SHEETS

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"TYPE 1 SUBDIVISION"

SECTION 4
SECTION 9

SECTION 4
SECTION 37

(NORTHWEST CORNER OF ISLAND FOREST)
POINT OF BEGINNING FOR PARCEL 1
& POINT OF COMMENCEMENT FOR PARCEL 2

HARVEST BEND UNIT TWO
PLAT BOOK 23, PAGES 64-66

ISLAND FOREST
PLAT BOOK 18, PAGES 3-11

FLEMING OAKS UNIT 5
PLAT BOOK 15, PAGES 15-17

5 = Sheet Number

TRACT AREAS	
TRACT "A"	- Acres ±
TRACT "B"	- Acres ±
TRACT "C"	- Acres ±
TRACT "D"	- Acres ±
TRACT "E"	- Acres ±
TRACT "F"	- Acres ±
TRACT "G"	- Acres ±
TRACT "H"	- Acres ±

POINT OF BEGINNING FOR PARCEL 2



PREPARED BY:
MCKEE, EILAND AND MULLIS

