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Pensacola, FL 32501

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**DECLARATION OF MASTER COVENANTS, CONDITIONS
AND RESTRICTIONS FOR HERNANDO OAKS,
A RESIDENTIAL GOLF COMMUNITY**

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TABLE OF CONTENTS

**DECLARATION OF MASTER COVENANTS, CONDITIONS AND RESTRICTIONS
FOR HERNANDO OAKS, A RESIDENTIAL GOLF COMMUNITY**

Article I: Declaration 2

Article II: Definitions. 2

Article III: Master Plan for Development of Hernando Oaks 7

Article IV: Property Subject to this Declaration. 7

Article V: Land Use Classification and Restrictions of Committed Property. 9

Article VI: Use and Development Restrictions. 10

Article VII: Easements. 15

Article VIII: Provisions Relating to Use of Common Area. 16

Article IX: Approval Required for Improvements. 19

Article X: Membership and Voting Rights in the Master Association; Board of
Directors of the Master Association 20

Article XI: Functions of Master Association 20

Article XII: Covenant to Pay Assessments for Operating Expenses and Special
Assessments 22

Article XIII: Insurance and Casualty Loss 32

Article XIV: Method of Determining Assessments and Date of
Commencement Assessments. 34

Article XV: Establishment of Liens and Collection of Assessments 35

Article XVI: Provisions Relating to Resort Residential and Maintenance
Free Dwelling Units. 37

Article XVII: Provisions Relating to Golf Course38

Article XVIII: General Provisions.41

**DECLARATION OF MASTER COVENANTS CONDITIONS AND RESTRICTIONS
FOR
HERNANDO OAKS
A RESIDENTIAL GOLF COMMUNITY**

THIS DECLARATION OF MASTER COVENANTS CONDITIONS AND RESTRICTIONS (herein referred to as the "Declaration") is made this 19th day of September 2002 by **HERNANDO OAKS, LLC, a Florida Limited Liability Company**, (the "Developer"), who is the Declarant herein, and is joined by **HERNANDO OAKS MASTER ASSOCIATION, INC., a Florida corporation not-for-profit** (The "Master Association").

RECITALS

WHEREAS, Developer is the owner in fee simple of certain real property located in Hernando County, Florida, described on Exhibit 1 attached hereto and made a part hereof ("Total Property"), and intends to develop portions of the Total Property, once committed to use pursuant to this Declaration, as part of the multiphased, integrated planned community to be known as **HERNANDO OAKS, a Residential Golf Community** (and herein referred to as "**HERNANDO OAKS**" or "**THE COMMUNITY**".)

WHEREAS, Developer will develop, on the Committed Property, entranceways, roads, open greenspace areas and recreation facilities and other common properties for the use and benefit of all of the residents of the community.

WHEREAS, Developer desires to provide for the preservation of the values and amenities in the community and to provide the means whereby all owners of property in the community contribute to the cost of constructing and maintaining the open space, green areas, recreational facilities, and other common properties; and for this purpose will subject the Committed Properties, and other properties that may be added to the Committed Properties, to this declaration and to the covenants, conditions, restrictions, easements, charges and things hereinafter set forth, all for the benefit of the properties and each owner thereof.

WHEREAS, Developer has caused the Master Association to be formed, which Corporation has joined in this Declaration and to which there will be delegated and assigned certain powers and duties of ownership, operation, administration, maintenance and repair of portions of the Committed Property; the enforcement of the covenants, conditions and restrictions contained herein; and the collection and disbursement of the Assessments.

**ARTICLE I
DECLARATION**

Section 1. **Declaration.** Developer hereby creates a master planned development named "HERNANDO OAKS A Residential Golf Community" on the Committed Property, and declares that the Committed Property shall be held, sold and conveyed subject to the covenants, conditions, restrictions, reservations, easements, assessments, charges, liens, and other provisions of this Declaration.

Section 2. **Covenants Running with the Land.** All covenants, restrictions, easements, charges, liens and other provisions of this Declaration are covenants running with the land, or equitable servitudes, as the case may be. The obligations, burdens and benefits created by this Declaration shall bind and inure to the benefit of Developer, the Owners, all other parties having any right, title or interest in the Committed Property or any portion thereof and their respective successors, assigns, heirs, devisees, executors, administrators, and personal representatives.

Section 3. **Duration.** The Covenants and Restrictions of this Declaration shall run with and bind the Committed Property, and shall inure to the benefit of and be enforceable by the Master Association, the Developer or the Owner of any Committed Property, their respective legal representatives, heirs, successors, and assigns, for a period of thirty (30) years from the date that this Declaration is recorded. Upon the expiration of said thirty (30) year period, this Declaration may be extended for successive additional periods if three-fourths (3/4) of the votes cast at a duly held meeting of the Master Association vote in favor of extending this Declaration. The length of each such extension shall be established by such vote. The written notice of any meeting at which such a proposal to extend this Declaration is to be considered shall set forth the fact that such a proposal will be considered. The President and Secretary of the Master Association shall execute a certificate which shall set forth any Resolution of Extension adopted by the Master Association and the date of the meeting of the Master Association at which such Resolution was adopted. Said certificate shall be recorded in the Public Records of the County.

**ARTICLE II
DEFINITIONS**

The following words and phrases when used in this Declaration (unless the context clearly reflects another meaning) shall have the following meanings:

Section 1. **"Articles"** means the Articles of Incorporation of the HERNANDO OAKS Master Association, Inc.

Section 2. **"Board"** means the Board of Directors of the Master Association.

Section 3. **"Builder"** means any entity licensed to build structures in the State of Florida.

Section 4. "By-Laws" means the By-Laws of the HERNANDO OAKS Master Association, Inc.

Section 5. "Commercial Area" means the portions of Committed Property, which may be utilized for commercial, business, school, church, office or public facilities in accordance with the zoning regulations of the County and this Declaration.

Section 6. "Committed Property" or Property means the Real Property which is now or may become committed in the future to the land use provisions and other covenants, conditions and restrictions contained in this Declaration.

Section 7. "Common Area or Common Properties" means certain amenities for the benefit of the community so designated on the Plat recorded in the Records of the County or property deeded to the Master Association and designated as Common Properties or Common Area, including but not limited to, private roadways, entrance areas, buffer walls, drainage, retention, and conservation areas now or hereafter designated or created within the Committed Property (including the improvements thereto) owned or leased by the Master Association for the common use, enjoyment or benefit of all of the Owners.

Section 8. "Common Element" means collectively the portions of Committed Property outside of the Lots and each portion designated or dedicated as a "Common Area," improved and unimproved, which are intended to serve all of the residents of the Community, and which shall be used for common purposes.

Section 9. "Community" means HERNANDO OAKS, a Residential Golf Community.

Section 10. "Corporation Property" means such portions of the Committed Property as are dedicated or conveyed to the Master Association

Section 11. "County" means Hernando County Florida.

Section 12. "Declarant" means HERNANDO OAKS, LLC., which is the "Developer" as defined herein.

Section 13. "Declaration" means this instrument and any supplements or amendments hereto.

Section 14. "Developer", means HERNANDO OAKS, LLC, its successors, or assigns, and any additional Declarant appointed by the Developer in writing, setting forth that such successor, designee, alternate, or additional Declarant is to have, together with or in lieu of, the Declarant's rights, duties, obligations, and responsibilities, in whole or in part, for all or any portion of the "Committed Properties". The term "Developer" shall not include any person or party who purchases a Lot, Dwelling unit, or Parcel from Declarant, unless such purchaser is

specifically assigned, by a separate recorded instrument, some or all of the Declarant's rights, duties, obligations, or responsibilities under this Declaration with regard to the property conveyed.

Section 15. "Dwelling Unit" or "Unit" means any residential dwelling unit for which a final certificate of occupancy has been issued by the County intended as an abode for a single family including, without limitation, a detached single-family home, an attached townhouse dwelling, an attached duplex or other multiplex dwelling, a condominium unit pursuant to section 718.103(26) of the Florida Statutes, or any apartment-type dwelling unit contained in any multi-dwelling unit or multistory, residential building, notwithstanding the fact that any of the foregoing are subject to fee simple, cooperative, condominium, rental or other forms of ownership and possession.

Section 16. "Dwelling Unit Owner" means the owner of the fee simple title to a Dwelling Unit and includes Developer for so long as it is the owner of the fee simple title to a Dwelling Unit.

Section 17. "Director" means a member of the Board of Directors of HERNANDO OAKS Master Association, Inc.

Section 18. "Golf Course" shall mean the golf course, clubhouse, swimming pool, tennis courts, and golf practice facilities, putting greens, golf cart paths, locker rooms, pro-shops, food and beverage facilities, maintenance facilities, and related facilities. The purchase of a Lot, Parcel, or Dwelling Unit in the community DOES NOT grant any rights for use of the Golf Course.

Section 19. "Golf Course Owner" shall mean the title holder of the golf course.

Section 20. "Golf Course Lot" shall mean a lot which abuts the golf course.

Section 21. "Hernando Oaks" means the multiphased planned community known as HERNANDO OAKS, a Residential Golf Community, planned for development upon the Committed Property.

Section 22. "Hernando Oaks Documents" means in the aggregate the Plat, this Declaration and the Articles, the By-Laws and all of the instruments and documents referred to therein or referred to herein.

Section 23. "Homeowners Association" means a Florida corporation not-for-profit responsible for operating, managing or maintaining condominiums, pursuant to F.S. 718 or non-condominium dwelling units such as townhomes, patio homes, zero lot line homes, and maintenance free living units, which may be created in the Community and subject to additional covenants, conditions and restrictions.

Section 24. "Home Business" shall mean a business that is conducted entirely within the confines of a home and is not open to the public and is otherwise allowed by applicable County ordinances.

Section 25. "Institutional Mortgagee" means (a) any lending institution having a first mortgage lien upon a Lot or Dwelling unit including any of the following institutions: a Federal or State Savings and Loan or Building and Loan Association, or bank or real estate investment trust, or mortgage banking company doing business in the State of Florida; or (b) any "Secondary Mortgage Market Institution" including the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation 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 Dwelling Unit; or (c) any pension or profit-sharing funds qualified under the Internal Revenue Code; or (d) any and all investing or lending institutions, their successors and assigns (herein referred to as the "Lenders") which has loaned money to Developer to acquire, or construct improvements upon, the Committed Property and which hold a mortgage upon any portion of the Committed Property securing such a loan.

Section 26. "Lot" means a portion of the Committed Property shown on a Plat upon which a "Dwelling Unit" is permitted to be erected and is part of the "Residential Property" located within Committed Property upon which a final certificate of occupancy for a dwelling unit has not been issued.

Section 27. "Lot Owner" means the owner of the fee simple title to a lot and includes Developer for so long as it is the owner of the fee simple title to an undeveloped lot.

Section 28. "Master Association" means and refers to HERNANDO OAKS Master Association, Inc. a not-for-profit Florida corporation, its successors and assigns.

Section 29. "Multifamily Lot" means a Lot other than a Single Family Lot upon which there shall be constructed, for residential purposes, garden homes, patio homes, townhomes, condominiums, cooperatives, duplexes, zero lot line homes, cluster homes, maintenance free living units, or patio homes.

Section 30. "Multiple Family Structure" means any building containing two or more Dwelling Units under one roof.

Section 31. "Nonresidential Property" means the portions of Committed Property, and improvements thereon, to be used or maintained for purposes other than having Dwelling Units constructed thereon.

Section 32. "Operating Expenses" means the expenses for which Owners are liable to the Master Association as described in this Declaration and in any other of the HERNANDO OAKS Documents, and includes, but is not limited to, the costs and expenses incurred by the Master Association in administering, operating, reconstructing, maintaining, repairing and replacing the Corporation Property and the Common Area.

Section 33. "Owners" means all Dwelling Unit Owners and all Lot Owners and all Parcel Owners; collectively.

Section 34. "Parcel" means any part of the Committed Property so designated on a Plat other than common areas, Lots, Dwelling Units, streets or roads which is undeveloped upon which dwelling units or multi-family structures may be constructed.

Section 35. "Plat" means the instrument entitled BOUNDARY PLAT OF HERNANDO OAKS as recorded in Plat Book 33, pages 9-11, inclusive, of the Public Records of the County and any instrument filed in the Public Records of the County supplementing, amending, or replatting the Plat.

Section 36. "Supplemental Declaration" means a document, filed in the County, supplementing or amending this declaration and containing a declaration of covenants, restrictions and conditions and applicable to the additional property which becomes Committed Property.

Section 37. "Residential Property" means all portions of the Committed Property upon which Dwelling Units may be constructed.

Section 38. "Single Family Lot" means a Lot upon which not more than one single family detached Dwelling Unit may exist at any time according to restrictions contained in this Declaration.

Section 39. "Surface Water Management System" means a system which is designed and constructed to control discharges which are necessitated by rainfall, 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.

Section 40. "Related Amenities." It is the intent of the Developer to construct, or cause to be constructed, for the use and benefit of the owners, a community park and related amenities as generally depicted in The Master Plan attached hereto; provided however, Developer shall have the right to change, alter or amend the plans, specifications, size or nature of such community park and related amenities and the failure or Developer to construct same in the entirety, or in accordance with The Master Plan shall not constitute a breach of this covenant by Developer, its successors or assigns.

Section 41. "Recreational Facilities" means any common area used for recreational purposes, NOT INCLUDING the golf course.

Section 42. "Uncommitted Property" means any part of the "Total Property" or other real property owned by a Developer which has not been committed to the Land Use Provision, and other covenants, conditions and restrictions contained in this Declaration.

ARTICLE III
MASTER PLAN FOR DEVELOPMENT OF HERNANDO OAKS

Section 1. **Planned Unit Development.** Developer intends to develop upon the Committed Property and such additions thereto as may be made subject to this declaration a multi-phased, integrated planned community to be known as HERNANDO OAKS, a Residential Golf Community. The Committed Property is presently zoned as a Planned Unit Development ("P.U.D.") which permits, in addition to certain other uses, the construction of 975 Dwelling Units. The Master Plan for development of HERNANDO OAKS was approved by the zoning authorities of the County for the development of HERNANDO OAKS as a P.U.D on November 23, 1999 and may be amended from time to time ("the Land Use Plan"). Reference shall always be to the Land Use Plan as most recently approved.

Section 2. **Dimensions on Land Use Plan Illustrative Only.** The boundary lines and dimensions shown on the Land Use Plan have been drawn for illustrative purposes only, and are not the actual dimensions or legal descriptions of the areas shown thereon nor do they constitute a commitment by Developer to develop the land in the manner shown on the Land Use Plan.

ARTICLE IV
PROPERTY SUBJECT TO THIS DECLARATION

Section 1. **Committed Property.** The real property located in the County, which is particularly described in Exhibit 2 attached hereto shall be the real property initially submitted and subject to the use limitations, restrictions and other provisions, set forth in this Declaration.

Section 2. **Uses.** The Developer may restrict specified portions of Committed Property to specified uses including, but not limited to, use as Residential Property, Non-residential Property, Recreation Areas, property to be maintained in a natural state, property to be maintained for drainage and/or water management purposes and Commercial Areas.

Section 3. **Additions to Committed Property.** Developer may from time to time commit all or any part of the Total Property or any other property presently owned or later acquired by the Developer to the land use provisions and covenants, conditions and restrictions contained in this Declaration. This determination shall be made in the sole discretion of Developer. Each commitment of Uncommitted Property to this Declaration shall be made by a recitation to that effect by a supplement or amendment to this Declaration, which shall include a legal description of the portion of Uncommitted Property then becoming Committed Property. Upon the recording thereof the Uncommitted Property shall be Committed Property as though originally designated as Committed Property. All additions to the Committed Property must be done within twenty-five years from the date that this declaration is recorded. Notwithstanding anything herein contained to the contrary the Developer neither warrants nor represents that any Uncommitted Property shall become Committed Property.

Section 4. **Withdrawal of Property.** Developer shall have the right, at any time and

from time to time, to withdraw from the scheme of this Declaration any Committed Property, provided that (i) no Committed Property shall be withdrawn if the effect of such withdrawal would be to completely sever the lands remaining subject to this Declaration, it being the scheme of this Declaration that no parcel of land subject to this Declaration shall ever be noncontiguous to at least one other parcel of land subject to this Declaration, and (ii) the withdrawal of such Committed Property shall not materially increase the annual assessments or charges against the Committed Property remaining subject to this Declaration

Section 5. **Method for Additions and Withdrawals of Committed Property.** Any additions or withdrawals authorized in Section 3 or 4 above may be made by the filing of record of one or more supplemental declarations with respect to the added or withdrawn property. A supplemental declaration shall contain a statement that the real property that is the subject of the supplemental declaration constitutes additional property which is to become a part of the Property subject to this Declaration or constitutes real property to be withdrawn from the provisions hereof. In addition, a supplemental declaration may contain such additions to or modifications of the provisions hereof applicable to any additional property as may be necessary to reflect the different character, if any, of the additional property that is the subject of the supplemental declaration including modifications in the basis of assessments or amounts thereof. Such supplemental declaration shall become effective upon being recorded in the County Public Records.

Section 6. **Deed Restrictions, Additional Declarations, and Homeowners Association.** In addition to this Declaration, the Developer may record for parts of the Committed Properties specific deed restrictions, declarations of covenants, conditions, restrictions, Condominium Association and Homeowners Association documents applicable thereto. Such documents may vary as to different parts of the Committed Properties in accordance with the Master Plan and the location for development, topography, and intended use of the land made subject thereto. To the extent that part of the Committed Properties are made subject to such specific documents, such real estate shall be subject to both the specific documents and this Declaration. The Master Association shall have the power to enforce all restrictions as expressly provided for therein, and to exercise any authority granted to it by them. Nothing contained herein shall require the Developer to impose uniform restrictions, or to impose restrictions of any kind, other than this Declaration, on all or any part of the Committed Properties.

Section 7. **Developer's Reservation of Rights to Use and Changes.** Developer reserves the right not to incorporate any Uncommitted Property as part of HERNANDO OAKS and to make such use of all Uncommitted Property as it may choose in its sole discretion, and in accordance with the applicable zoning regulations of the county. Notwithstanding anything to the contrary contained herein, only Committed Property shall be subject to the HERNANDO OAKS documents. Developer reserves the right to alter the Land Use Plan and to alter roadways from those now shown on the Land Use Plan without specifically amending this Declaration or the Land Use Plan itself. The Land Use Plan may be amended, modified, or discontinued in whole or any part, at any time in the Developer's sole discretion. Developer reserves the right to modify the provision of this Declaration including but not limited to the change of use of single family lots, multi family lots, and vice versa.

ARTICLE V
LAND USE CLASSIFICATIONS AND RESTRICTIONS
OF COMMITTED PROPERTY

The following provisions shall be applicable to the Committed Property which is conveyed subject to the terms of this Declaration:

Section 1. **Residential Property.** Residential Property is that portion of the Committed Property upon which Dwelling Units may be constructed and shall be for "Residential Use" only. Except for facilities related to construction, development, sales and rental activities permitted on Residential Property as hereinafter set forth, "Residential use" shall include only Dwelling Units and improvements associated with residential purposes including but not limited to streets, drives, driveways, parking spaces, lawn areas and other amenities as an appurtenance to Dwelling units. No commercial or business occupations may be conducted on Residential Property except for the construction, development, and sale or rental of Residential Property, and except for direct accessory services to Residential Property such as utilities, Dwelling Unit or Lot maintenance, or other such services. In addition to the provisions of this Declaration, the Residential Property shall also be subject to the terms of all applicable Supplemental Declarations which shall designate the Lots subject thereto and, may provide (a) for the type of Dwelling Units that may be constructed thereon, and (b) the establishment of such other amenities, benefits, covenants, easements, restrictions or provisions for the Section as Developer shall deem appropriate such as:

A. **Resort Residential.** Dwelling Units that are to be used for time sharing, interval ownership, or tourist usage on a daily, weekly, monthly or seasonal basis.

B. **Maintenance Free Units.** Dwelling Units that are designated as being Maintenance Free.

Section 2. **Common Areas.** Common Areas are those portions of the Committed Property designated as, or dedicated for use as "Common Area" in this Declaration, or a plat and shall only be used for "Common purposes". "Common Purposes" includes parks, lakes, green areas, open spaces, facilities intended for use for recreational or social purposes and amenities associated therewith including but not limited to streets, driveways and parking facilities. The permitted Common Purposes for which a particular Common Parcel may be utilized may be limited by any specific provisions of this Declaration, or a plat, or any other supplemental document to which the Common Parcel is subject.

Section 3. **Commercial Areas.** Except as may be specifically provided for, in this Declaration, no Commercial Area shall be established nor maintained on any Residential Property or in any Common Area. However, Developer reserves the right to designate and provide for the establishment and operation of Commercial Areas.

Section 4. **Master Association Property.** All of the Master Association Property shall be owned and held by the Master Association, subject to the terms and provisions of the

conveyance thereof and subject to the provisions of this Declaration. The costs of administering, operating, maintaining, repairing, replacing and reconstructing the Master Association Property, and any improvements to be maintained thereon, shall be part of the Operating Expenses.

Section 5. **Use of Committed Property Not Otherwise Restricted.** Except as may be limited in this Declaration, Developer shall have the right to make such lawful uses of Committed Property as Developer shall, in its sole discretion, determine. However, no portion of any Plat which constitutes exterior open area may be vacated if the result of such vacation would violate the minimum requirements for such open area under the County Ordinances applicable to the Community as a whole.

Section 6. **Developer's Right of Use.** Notwithstanding anything to the contrary contained in this Declaration, Developer hereby reserves for itself, the right to the use of all Common Areas and all other Committed Property in conjunction with its program of sale, leasing, constructing and developing of HERNANDO OAKS without any cost to Developer, its successors and assigns, for such rights and privileges. For purposes of this section, the term "Developer" shall include any Institutional Mortgagee that acquires title to any Committed Property as the result of the foreclosure of any mortgage encumbering Committed Property or by deed in lieu of foreclosure. The rights and privileges of Developer herein set forth, shall terminate upon Developer no longer owning any Committed Property or any Uncommitted Property which could, pursuant to the terms hereof, become Committed Property or upon such earlier date as Developer shall notify the Master Association in writing of Developer's election to relinquish the aforesaid rights and privileges of use.

Section 7. **Disputes as to Use.** In the event there is any dispute as to whether the use of Committed Property complies with the covenants and restrictions contained in this Declaration, or any applicable plat, such dispute shall be referred to the Board of the Master Association, and a determination rendered by the Board shall be final and binding on all parties concerned. However, any use by Developer of Committed Property in accordance with "Developer's Right Of Use" authorized in Section 6 shall be deemed a use which complies with this Declaration and all supplemental Declarations and Plats and shall not be subject to a determination to the contrary by the Board.

ARTICLE VI USE AND DEVELOPMENT RESTRICTIONS

In order to preserve the values and amenities of HERNANDO OAKS, the following use and development restrictions shall be applicable to Committed Property:

Section 1. **Model Homes.** No trade, business, profession, or other type of commercial activity shall be carried on upon any Lot, Dwelling Unit, or Parcel, except for Home Business. Developer, however, reserves the right for the Developer, Owners, and their agents to show Lots, Dwelling Units, or Parcels, for sale or lease. Every person or entity purchasing a Lot, Dwelling Unit, or Parcel recognizes that the Developer, its agents and designated assigns, including any Builder approved by Developer, shall have the right to (1) use Lots, Dwelling

Units, or Parcels, and improvements erected thereon for sales offices, field construction offices, storage facilities, and its own general business offices, (2) maintain fluorescent-lighted or spot-lighted model homes which are open to the public for inspection seven (7) days per week for such hours as the Developer deems appropriate, (3) conduct any other activities on Lots, Dwelling Units, or Parcels to benefit sales or lease efforts, and (4) use the parking facilities on the Common Area for its employees and invitees. This restriction shall not apply to any portion of the Property that is used for or designated by the Developer for commercial use.

Section 2. **Use of Accessory Structures.** No tent, shack, barn, utility shed, fence, wall, or other building, other than a Dwelling Unit and its required garage, shall, at any time, be erected on a Lot, or Parcel and used temporarily or permanently as a residence or for any other purpose, except for temporary buildings, offices, or facilities used by Developer or builders, with the written approval of the Developer. This restriction shall not apply to any portion of the Properties that are used for or designated by the Developer for commercial use.

Section 3. **Maintenance of Improvements.** Each Dwelling Unit Owner shall maintain his Dwelling Unit in good condition and repair. No Owner shall change the exterior design or color of the Dwelling Unit, including the roof thereof, without the prior written approval of the Board of Directors of the Association. If after 30 days notice a Dwelling Unit, owner shall not comply with this section the Board of Directors of the Association may bring same into compliance and in such event shall have a lien against same to recover its costs.

Section 4. **Storage: Clothes Hanging.** No Lot, Dwelling Unit, or Parcel shall be used for the storage of rubbish or permit outside clothes hanging devices.

Section 5. **Lot Upkeep.** After acquiring title from Developer, all Owners of Lots, Dwelling Units, or Parcels, whether or not improved with a dwelling, shall, as a minimum, keep the grass regularly cut and all trash and debris removed.

Section 6. **Nuisances.** No noxious or offensive activity shall be carried on upon the Lot, Dwelling Unit, or Parcel, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No automobile or other vehicle mechanical repairs or like activity shall be conducted on any Lot, Dwelling Unit, or Parcel other than in a garage and concealed from public view.

Section 7. **Lawns.** Each Dwelling Unit, shall be maintained in a neat condition by the Owner thereof, including that portion of property from the outside of the Dwelling Unit to the adjacent paved road surface. "Neat" shall require, at a minimum, that the lawn be regularly cut and fertilized and that mulched areas be regularly re-mulched and kept weeded so that its appearance is in harmony with the Community. All Dwelling Units must have grassed front, side and rear lawns. No gravel or similar type lawns are permitted. No above ground swimming pools, tool sheds or shacks, dog or other animal pens or houses or the like, and no unsightly lawn furniture or decorations shall be permitted in such lawn areas. The Board of Directors shall determine "unsightly lawn furniture or decorations" by written definition, the purpose of which is to promote complementary improvements.

Section 8. **Failure to Maintain.** If the Owner of a Dwelling Unit shall fail to maintain such Dwelling Unit as required, either the Developer or the Master Association, after giving such Owner at least ten (10) days' written notice, shall be authorized to undertake such maintenance at such Owner's expense. Entry upon an Owner's Dwelling Unit for such purpose shall not constitute a trespass. If such maintenance is undertaken by the Master Association or Developer, the charge therefor and all costs of enforcement and collection shall be secured by a lien on the applicable Dwelling Unit.

Section 9. **Animals.** No animals, livestock, or poultry of any kind shall be raised, bred, or kept on or in any Lot, Dwelling Unit, or Parcel except that a reasonable number of cats, dogs, and other household pets may be kept provided they are kept within the Dwelling Unit and are not kept, bred, or maintained for any commercial purposes or become a nuisance to the Community. No person owning or in custody of an animal shall allow it to stray or go upon another's Lot, Dwelling Unit or Parcel without the consent of the Owner of such other Lot, Dwelling Unit or Parcel. All animals shall be on a leash when outside the Owner's Dwelling Unit. No animals shall be allowed on the Common Areas. No dogs of the breed of Akita, Chow, Doberman, Pit Bull, Rottweiler, or other aggressive, vicious breeds shall be allowed. No barking or vicious dogs which may be declared a nuisance may be kept on the Property. Dogs, cats, or other household pets may be kept, provided they are not bred or maintained in such number or in such manner so that such shall constitute an annoyance or nuisance or shall in any way be detrimental or injurious to the health of the community or adjacent neighbors. No livestock, swine or poultry of any kind shall be raised, kept or bred upon any portion of said Property.

Section 10. **Signs.** No signs shall be displayed on Lots, Dwelling Units, or Parcels with the exception of a maximum of one (1) "For Sale" or "For Rent" sign not exceeding 36" x 24" in size. The Master Association may develop uniform sign standards and specifications to which all Owners must adhere. Notwithstanding anything to the contrary herein, Developer and its assigns, including the Builders, shall have the exclusive right to maintain signs of any type and size on Lots and Parcels which they own and on the Common Area, in connection with the development and sale of Lots, Dwelling Units, and Parcels.

Section 11. **Water Retention Areas.** The Master Association will be responsible for maintaining the portions of the Surface Water Management System which are within the Common Area including the water quality and quantity standards of the approved plans. A drainage easement is hereby dedicated to the Master Association for the purpose of maintaining the Surface Water Management System to meet water quality and quantity design standards of the approved and permitted plans.

Maintenance of the Surface Water Management System shall mean the exercise of practices which allow the system to provide drainage, water storage, conveyance, or other Surface Water Management System capabilities as permitted by the Southwest Florida Water Management District (SWFWMD). Any repair or reconstruction of the Surface Water Management System shall be as permitted, or if modified, as approved by the Water Management District. The Water Management District shall have the right to enforce by a proceeding at law or in equity or by administrative tribunal the provisions contained in this Declaration which relates to the maintenance, operation, and repair of the Surface Water Management System. Any amendment

to this Declaration which alters the Surface Water Management System, beyond maintenance in its original condition, including the water management portions of the Common Area, must have the prior approval of the Water Management District. Any activity shall be subject to and governed by Permit No. 49020279.003 of the Southwest Florida Water Management District as amended and supplemented from time to time.

Each Owner of a Dwelling Unit or Lot or Parcel which borders a water retention area shall maintain any portion thereof as may be within the boundary of such Owner's Dwelling Unit or Lot or Parcel free of debris but shall not remove any wetlands species or do anything that would affect adversely water quality within the water retention area.

Each Owner within the Community shall comply with the construction plans approved and on file with the Southwest Florida Water Management District (SWFWMD) as part of the stormwater management system for development of the Community pursuant to Chapter 40D-4, F.A.C.

No owner of a Dwelling Unit or Lot of Parcel may construct or maintain any building, residence, or structure, or undertake or perform any activity in the wetlands, buffer areas, and upland conservation areas described in the approved permit and in the recorded plat of the subdivision, unless prior approval is received from the Southwest Florida Water Management District pursuant to Chapter 40D-4.

It is the Owner's responsibility not to remove native vegetation (including cattails) that become established within any wet detention pond that may be abutting their Lot, Dwelling Unit or Parcel. Removal includes dredging, the application of herbicide and cutting. Unit owners should address any question regarding authorized activities within the wet detention pond to SWFWMD, Brooksville Permitting Division.

Swimming or bathing in water retention areas are prohibited. Docks or other structures shall not be erected in water retention areas without the prior written consent of the Board of Directors of the Master Association and, if required, the Water Management District. All other uses of water retention areas shall be subject to the prior written approval of the Board of Directors, and such rules and regulations as the Board of Directors may adopt from time to time.

Section 12. **Vehicles.** No vehicle shall be parked within the Community except on a paved parking surface, driveway, or within a garage. No trucks or vehicles which are primarily used for commercial purposes, other than those temporarily present on business, nor any trailers, may be parked within the Community. Boats, boat trailers, campers, travel trailers, mobile homes, recreational vehicles, and the like, and any vehicles not in operable condition and validly licensed, shall only be permitted to be kept within the Community if such are kept inside a garage and concealed from public view. For the purpose of the foregoing sentence, the term "kept" shall mean present for a period of twelve (12) hours or longer.

Section 13. **Antennas.** Unless otherwise approved by the Board of Directors of the Master Association, there shall be no rooftop or exterior antennas, or "earth stations" or similar signal receiving devices installed on any Lot or Dwelling Unit, Lot, or Parcel which are visible

from any street, dwelling, or any Common Area; provided however, satellite dishes no greater than 18 inches in diameter shall be permitted to be attached to the Dwelling Unit but shall not be visible from the Golf Course or any street.

Section 14. **Sidewalks.** All sidewalks shall be constructed in accordance with the requirements of the County. Each Owner shall maintain, repair and replace the sidewalk abutting his or her Lot, Dwelling Unit or Parcel. Such maintenance, repair and replacement shall be at the sole cost and expense of the affected Owner. In the event an Owner shall fail to maintain the sidewalk abutting his or her Lot, Dwelling Unit or Parcel in a manner satisfactory to the Master Association, the Master Association may undertake necessary maintenance, repair or replacement of the sidewalk in accordance with the provisions of this Declaration.

Section 15. **Fences.** No fences of any description shall be allowed on golf course lots.

Section 16 **Trash Receptacle.** All trash, garbage, grass cuttings, leaves, and other natural solid waste must be placed in plastic garbage/trash bags, or other suitable container. Garbage and trash shall be kept in a suitable tightly closed trash container. These containers are to be kept only inside the garage. Curbside pickup of garbage and trash shall be provided by an independent contractor; the containers are to be placed curbside in front of the Lot, Dwelling Unit, or Parcel only on the day the garbage and trash are to be collected. Receptacles not removed by the independent contractor must be removed from curbside once emptied. No container or receptacle will be curbside for more than twelve (12) hours.

Section 17. **Mining or Drilling.** There shall be no mining, quarrying or drilling for minerals, oil, gas or otherwise ("Mining Activity") undertaken within any portion of Committed Property. Activities of Developer in dredging any lakes or creating, excavating or maintaining drainage or other facilities or easements shall not be deemed Mining Activities nor will the installation of wells or pumps, in compliance with applicable governmental requirements, or for sprinkler systems for any portions of Committed Property be deemed a Mining Activity.

Section 18. **Removal of Sod and Shrubbery; Alteration of Drainage.** Except for Developer's acts and activities in the development of HERNANDO OAKS, no sod, topsoil, mulch, trees or shrubbery shall be removed from Committed Property and no change in the condition of the soil or the level of the land of any Committed Property shall be made which results in any permanent change in the flow or drainage of surface water of or within The Common Area without the prior written consent of the Board.

Section 19. **Subdivision and Partition.** The Lots shall not be subdivided further than as provided in this Declaration or in any Plat.

Section 20. **Casualty Destruction to Improvements.** In the event that a Dwelling Unit or other improvement upon a Lot is damaged or destroyed by casualty, hazard or other loss, then, within a reasonable period of time after such incident, the Owner thereof shall either commence to rebuild or repair the damaged Dwelling Unit or improvements upon compliance with the determinations of the Board and diligently continue such rebuilding or repairing activities to completion or, upon a determination by the Owners thereof that the improvements

will not be repaired or replaced, promptly clear damaged improvements and grass over and landscape the Lot in a sightly manner. Dwelling Units shall only be replaced with Dwelling Units of a similar size and type as those destroyed as approved by the Board.

Section 21. **Leases of Dwelling Units.** No dwelling unit shall be leased by the owner for a period of less than six months. This section shall not apply to dwelling units which are in areas of the Committed Property which allow the construction of "Resort Residential" dwelling units.

Section 22. **No Implied Waiver.** The failure of the Board to object to an Owner's or other party's failure to comply with the covenants or restrictions contained herein or in other of the HERNANDO OAKS Documents now or hereafter promulgated shall in no event be deemed a waiver by the Board or of any other party having an interest therein of its right to object to same and to seek compliance in accordance with the provisions of the HERNANDO OAKS Documents.

ARTICLE VII EASEMENTS

Section 1. **Easements for Public Authorities and Utilities.** Each Lot, Dwelling Unit, or Parcel and the Common Area shall be subject to easements for public authorities and public utilities purposes (including, but not limited to, fire and police protection, garbage and trash removal, telephone and cable television and other communication services, water and sewage systems, and electric and gas services), and the utilities and applicable governmental agencies having jurisdiction over such services and their employees and agents shall have the right of access to any Lot, Dwelling Unit, or Parcel or the Common Area in furtherance of such easements. The easement areas contained in any Lot, Dwelling Unit, or Parcel, whether or not shown on any map or plat, shall at all times be properly maintained by the applicable Owner whether or not the utility company or governmental agency properly maintains the easement area.

Section 2. **Reservations to Developer and Golf Course Owners.** Developer retains for itself, its successors in interest, agents, employees, any assignee, Builder, and assigns, a non-exclusive easement for ingress and egress over and across all streets, roadways, Common Area, driveways, common parking areas, and walkways that may from time to time exist within the Committed Properties. Further, the Developer grants to the Golf Course Owner, or its assigns, the right to access, repair, modify or alter any easement that affects the Surface Water Management system of the Golf Course.

Section 3. **Utility Easements.** The Developer hereby reserves a blanket easement for the benefit of the Developer or its designees, upon, across, over, through, and under any portion of the Committed Property for ingress, egress, installation, replacement, repair, and maintenance of all utility and service lines and service systems, public and private.

Section 4. **Developer's Easement to Correct Drainage.** Developer hereby reserves a blanket easement and right on, over and under the ground within the Committed

Property to maintain and to correct drainage of surface water and other erosion controls in order to maintain reasonable standards of health, safety and appearance.

Section 5. **Easement for Unintentional Encroachment.** The Developer hereby reserves an exclusive easement for the unintentional and non-negligent encroachment by any Lot, Dwelling Unit, or Parcel caused by or resulting from construction, reconstruction, repair, shifting, settlement or movement of any portion of the Committed Property, which exclusive easement shall exist at an easement appurtenant to the encroaching property, to the extent of such encroachment.

Section 6. **Additional Easements.** The Developer reserves the right, for itself and its designees (so long as Developer or said designees own a Lot, Dwelling Unit, or Parcel) and for the Board of Directors of the Master Association, without joinder or consent of any Owner, member, or other person or entity whatsoever, to grant such additional easements, including, but not limited to, irrigation wells and pumps, cable television, television antennas, electric, gas, water, sewer, or other utility easements, or to relocate any existing utility easement in any portion of the Properties as the Developer, its designee, or the said Board of Directors shall deem necessary or desirable for the proper operation and maintenance of the Community, or any portion thereof, or for the general health or welfare of the Lot, Dwelling Unit, or Parcel Owners, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Lot, Unit, Parcel, or Common Area for permitted purposes.

ARTICLE VIII

PROVISIONS RELATING TO USE OF COMMON AREA

Section 1. **Owners' Easements Over Common Area.** Every Owner shall have a right and non-exclusive easement to enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, Dwelling Unit, or Parcel, subject to the following provisions:

A. the right of the Master Association from time to time in accordance with its Bylaws to establish, modify, amend, and rescind reasonable rules and regulations regarding use of the Common Area;

B. the right of the Master Association to charge reasonable admission and other fees for the use of any recreational facility, if any, situated upon the Common Area, which fees may be used to discharge the general financial obligations of the Master Association;

C. the right of the Master Association to suspend the voting rights of, and right to use the Common Area by, an Owner for any period during which any assessment levied under this Declaration against the Owner's Lot, Dwelling Unit or Parcel remains unpaid for a period in excess of ninety (90) days and suspend such rights for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

D. the right of the Master Association to suspend, for a reasonable period of

time, not to exceed 60 days, the rights of an Owner and an Owner's tenants, guests, or invitees, to use common areas and facilities and to levy reasonable fines, not to exceed \$100 per violation, against any member or any Owner, guest, or invitee; for any violation of its published rules and regulations; provided, however, that a fine or suspension may not be imposed without notice of at least 14 days to the person sought to be fined or suspended, and an opportunity for a hearing before a committee of at least three 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; and provided further that a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, except that no such fine shall exceed \$10,000 in the aggregate;

E. the right of the Master Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility as provided by its Articles;

F. the right of the Master Association to grant easements as to the Common Area or any part thereof as provided by its Articles;

G. the right of the Master Association to otherwise deal with the Common Area as provided by its Articles;

H. the right of the Master Association and/or Developer to open the Common Area for use by non-members of the Master Association, including the general public;

I. the right of the Master Association to sell, lease, or transfer all or any part of the Common Area that has been deeded to the Master Association to a third party other than Developer or any Owner, as provided by its Articles, provided, however, that any sale, lease, or transfer of any part of the Common Area that has been deeded to the Master Association shall require the approval of two-thirds (2/3) of the members. This paragraph may not be amended without the approval of two-thirds (2/3) of the members.

J. the right of the Master Association to release or convey its rights to any part of the Common Area, whether or not deeded to the Master Association, to the Developer or any Owner to facilitate development of residential dwellings so long as the release or conveyance does not substantially, materially, and adversely affect the function and use of the remaining Common Area;

K. the right of the Developer to transfer or dedicate any portion of the Common Area to the governmental agency having jurisdiction thereof;

L. the right of the Developer and its designees to use Common Area parking areas for parking by its employees and invitees; and

M. the right of the Master Association to adopt reasonable rules and regulations relating to the sale or lease of an owner's dwelling including the right to charge a fee reasonably related to the administrative cost of maintaining Master Association records.

Section 2. **Owners Easement for Ingress & Egress.** If ingress or egress to any residence is through the common area, any conveyance or encumbrances of such area is subject to the Owner's easement for reasonable use through such common area conveyed.

Section 3. **Delegation of Use.** Any Owner may delegate, in accordance with the Bylaws, all or part of such Owner's right of enjoyment of the Common Area to such Owner's tenants who resides at or in the Dwelling Unit provided the Owner waives such Owner's use in writing.

Section 4. **Prohibition of Certain Activities.** No damage to, or waste of, the Common Area or any part thereof shall be committed by any Owner or any tenant or invitee of any Owner. No noxious, destructive, or offensive activity shall be permitted on or in the Common Area or any part thereof, nor shall anything be done thereon or therein which may be or may become an unreasonable annoyance or nuisance to any other Owner. No Owner may maintain, treat, landscape, sod, place, or erect any improvement or structure of any kind of any Common Area without the prior approval of the Board of Directors.

Section 5. **Signs Prohibited.** No sign of any kind shall be displayed in or on the Common Area without the prior written consent of the Master Association. This section, however, shall not apply to the Developer or to the Master Association or to those actively constructing residences within the Committed Properties for sale to others, or to signage related to the golf course.

Section 6. **Animals.** No animals shall be permitted on or in the Common Area at any time except as may be provided in the rules and regulations of the Master Association or by applicable law.

Section 7. **Rules and Regulations.** No Owner or other permitted user shall violate the reasonable rules and regulations promulgated for the use of the Common Area, as the same are from time to time adopted or amended or both by the Master Association.

Section 8. **Title to Common Area.** No later than the time the Developer no longer exercises voting control over the Master Association, as provided in this Declaration, continuously for a period of one (1) year, the Developer shall convey, and the Master Association shall accept, title to any Common Area subject to such easements, reservations, conditions, and restrictions as may then be of record. Developer may convey, and the Master Association shall accept, title at any time prior to the time referred to in this Section, at Developer's option and sole discretion; it is understood and agreed however, that until Developer transfers any such Common Areas to the Master Association and upon completion of the anticipated improvements upon any Common Area, the equitable title thereto (or equitable easement) shall pass to the Master Association for purposes of taxation, assessment and other governmental regulation affecting same.

Section 9. **Security Gates.** The Developer shall have the right, but not the obligation, to establish security gates at various locations on any road right of way over or on any of the Common area, and require persons using the road to present appropriate identification, key, card, or other item in order to pass through the gate.

ARTICLE IX
APPROVAL REQUIRED FOR IMPROVEMENTS

In order to preserve the value and appearance of HERNANDO OAKS Board approval will be required before improvements can be made Dwelling Units, Lots, or Parcels.

Section 1. **Developer Improvements.** Dwelling Units, buildings and other structures and improvements constructed or placed with the approval of Developer; landscaping and plantings with the approval of Developer; and additions, alterations, modifications and changes to any of the foregoing with the approval of Developer (collectively "Developer Improvements"), are not subject to the approval of the Board.

Section 2. **Board Approval of Improvements.** Except for Developer Improvements, no improvement or structure of any kind, including, without limitation, any building, wall, fence, swimming pool, tennis court, or screen enclosure, shall be erected, placed or maintained on any portion of Committed Property; no landscaping or planting shall be commenced or maintained upon any portion of Committed Property; and no addition, alteration, modification or change to any such improvement, structure, landscaping or planting shall be made without the prior written approval of the Board.

Section 3. **Method of Obtaining Board Approval.** In order to obtain the approval of the Board, two (2) complete sets of plans and specifications for proposed construction and landscaping shall be submitted to the Board for its review. Such plans and specifications shall include, as appropriate, the Proposed location, grade, elevations, shape, dimensions, exterior color plans, approximate costs, and nature, type and color of materials to be used. The Board may also require the submission of additional information and materials as way be reasonably necessary for the Board to evaluate the proposed construction, landscaping or alteration. The Board shall evaluate all plans and specifications utilizing standards of the highest level as to the aesthetics, materials and workmanship and as to suitability and harmony of location, structures and external design in relation to surrounding topography, structures and landscaping. The Board shall not be responsible for reviewing, nor shall its approval of any plans and specifications be deemed approval of any plan or design from the standpoint of structural safety or conformance with building codes.

Section 4. **Approval or Disapproval by the Board.** The Board shall, in its sole discretion, have the right to refuse to approve any proposed plans or specifications. All approvals or disapprovals of the Board shall be in writing and shall be sent to the Board and the respective Lot Owner or Dwelling Unit Owner, as applicable. In the event the Board fails to approve or to disapprove in writing any proposed plans and specifications within thirty (30) days after submissions to the Board of such plans and specifications and any and all other reasonably requested information related thereto,, then said plans and specifications shall be deemed to have been approved by the Board and the appropriate written approval delivered forthwith.

Section 5. **Board to Adopt Rules and Regulations.** The Board shall promulgate further rules and regulations and a schedule of reasonable fees for the processing of applications to the Board.

Section 6. **When Approval of Board Not Needed.** If the contemplated improvement, structure, landscaping, planting or thing which would otherwise be subject to the jurisdiction of the Board is subject to the jurisdiction of either a Homeowners Association or an architectural control committee as provided by a Replat Declaration, the Board shall have the right (but not the obligation) to adopt a resolution providing that the procedures for architectural control and approval as provided in that Replat Declaration shall take precedence for so long as said resolution shall be in effect or until revoked by subsequent resolution of the Board. Any written approvals given other than in accordance with the provisions of this Subparagraph shall be effective notwithstanding the subsequent termination of the effectiveness or subsequent revocation of the Board's resolution which permitted such approval to be given other than by the Board.

Section 7. **Architectural Review Committee and Guidelines.** The Board of Directors of the Master Association may in its sole discretion establish an Architectural Review Committee or Committees which will establish architectural guidelines governing the style and appearance of all improvements to be constructed on the Committed Property and a procedure for approval of all plans and specifications so submitted for approval.

ARTICLE X
MEMBERSHIP AND VOTING RIGHTS IN THE MASTER ASSOCIATION;
BOARD OF DIRECTORS OF THE MASTER ASSOCIATION

Section 1. **Membership.** Each Owner shall be shall be a member of the Master Association, subject to and bound by the Association's Articles of Incorporation, Bylaws, Rules and Regulations, and this Declaration. The foregoing does not include persons or entities who hold a leasehold interest or interest merely as security for the performance of an obligation. Ownership shall be the sole qualification for membership. When any Owner of record is two or more persons or other legal entities, all such persons or entities shall be members, but multiple ownership shall not result in additional voting rights. An Owner of more than one Lot or Dwelling Unit shall be entitled to one membership for each Lot or Dwelling Unit owned. An Owner of a Parcel shall be entitled to one membership for each Dwelling Unit that may be constructed on the Parcel in accordance with the HERNANDO OAKS Documents. Membership shall be appurtenant to, and may not be separated from any ownership, which is subject to assessment, and it shall be automatically transferred by conveyance of that Lot, Dwelling Unit, or Parcel. The Developer shall also be a member so long as it owns one or more Lots, Dwelling Units, or Parcels.

Section 2. **Board of Directors.** The Master Association shall be governed by a Board of Directors which shall be appointed, designated or elected, as the case may be, as set forth in the Articles of Incorporation of the Master Association

ARTICLE XI
FUNCTIONS OF MASTER ASSOCIATION

Section 1. **Functions and Services of Master Association**. The Master Association shall provide the following services to its Members to the extent permitted by the government of the County.

- A. Maintenance of all Common Property and Common Roads including roadway medians and landscaping of Common Road rights-of-way;
- B. Maintenance of lakes and lagoons serving the Committed Property not maintained by Homeowner's Associations or the Golf Course Owner;
- C. Lighting of Common Roads;
- D. Security protection, including employment of security guards and maintenance of electronic and other security devices which in the discretion of the Board of Directors shall be necessary for the protection of persons and property within the Committed Property;
- E. Garbage and trash collection and disposal; to the extent that it is not provided by governmental authorities.
- F. Insect and pest control to the extent that it is necessary or desirable in the judgment of the Board of Directors to supplement the service provided by state and local governments;
- G. To provide administrative services, including, legal, accounting and financial services to the Master Association;
- H. To provide liability and hazard insurance covering improvements and activities on the Common Properties.
- I. To pay taxes assessed against Common Properties and upon request of an Owner or institutional mortgages to furnish evidence of such payment.

Section 2. **Discretionary Functions of Master Association**. The Master Association shall be authorized, but shall not be required, to provide the following services to the Property which shall be provided to the Master Association at the discretion of the Board of Directors, to the extent the Board deems such services to be necessary and appropriate and to the extent permitted by the government of the County:

- A. Maintenance of transportation facilities other than privately owned automobiles including buses or electric vehicles paid for by special assessment hereof;
- B. Fire protection and prevention to the extent that such service is not provided by state and local governments;
- C. To provide day care and child care services;

- D. To conduct recreation, sports, craft and cultural programs of interest to Members, their children and guests;
- E. To provide legal and scientific resources for the improvement of air and water quality within the Properties;
- F. To provide safety equipment for storm emergencies;
- G. To support the operation of transportation services between key points of the Committed Property and airports or other public transportation terminals and public centers serving the areas surrounding the Property with special assessments;
- H. To provide communication services informing Members of activities;
- I. To provide emergency health care including ambulances and emergency care medical facilities and the equipment necessary to operate such facilities;
- J. To provide lakes, playfields, historic parks and wildlife areas serving the Property;
- K. To provide water, irrigation and sewage facilities and any other utilities if not adequately provided by a private utility in the County or some other public body;
- L. To provide sidewalks, walking paths, or trails, bicycle paths and nature paths;
- M. To maintain public properties located within reasonable proximity to the Committed Property such that deterioration would not affect the appearance of the Property as a whole;
- N. To take any and all actions necessary to enforce this Declaration and the covenants and restrictions affecting the Committed Properties and perform any of the functions or services delegated to the Master Association in any other covenants or restrictions applicable to the Property;
- O. To provide such other services, which in the judgment of the Board of Directors, are necessary or desirable to carry out the Master Association's duties under the terms of this Declaration and to keep any Common Property or other property serving the Members of the Master Association neat and attractive and to preserve or enhance its value, and to eliminate fire, health, or safety hazards and such other services or facilities which in the judgment of the Board of Directors may be of general benefit to the Members and the Committed Property.

ARTICLE XII
COVENANT TO PAY ASSESSMENTS FOR OPERATING
EXPENSES AND SPECIAL ASSESSMENTS

Section 1. **Affirmative Covenant to Pay Assessments.** In order to (i) fulfill the terms, provisions, covenants and conditions contained in this Declaration; and (ii) maintain, operate and preserve the Common Area and Master Association Property for the recreation, use, safety, welfare and benefit of the Owners and their guests, invitees, lessees and licensees, there is hereby imposed upon each Owner the affirmative covenant and obligation to pay to the Master Association all "Assessments" including, but not limited to, the "Annual Assessment" for operating expenses and the "Special Assessments" as hereinafter provided. Each owner by acceptance of a deed or other instrument of conveyance, whether or not it shall be so expressed in such deed or instrument, shall be obligated and agrees to pay to the Master Association all Annual Assessments for Operating Expenses and Special Assessments in accordance with the provisions of the HERNANDO OAKS Documents.

Section 2. **Annual Assessments for Operating Expenses.** The following expenses of the Master Association are Operating Expenses which the Master Association is obligated to assess and collect and which the Owners are obligated to pay annually as provided herein:

A. **Taxes.** Any taxes levied or assessed upon the Master Association Property and any improvements thereon by any taxing authorities, including, without limitation, all taxes, charges, and assessments for public improvements, and water drainage districts, and in general all taxes and tax liens which may be assessed against the Master Association Property.

B. **Utility Charges.** All charges levied for utilities providing services for the Master Association Property, whether supplied by a private or public firm, including, without limitation, all charges for water, gas, electricity, telephone, sewer, and any other type of utility or any other type of service charge.

C. **Insurance.** The premiums on the policy or policies of insurance which the Master Association, in its sole discretion, determines to obtain.

D. **Maintenance, Repair and Replacement.** Any and all expenses necessary to (i) maintain and preserve the landscaped, grassed and open and natural portions of the Master Association Property including such expenses as grass cutting, tree trimming, sprinkling, fertilizing, spraying and the like; (ii) operate, maintain, preserve and protect the portions of the Master Association Property designated or used for water management and drainage purposes including all costs of chemically treating the waters of such areas, controlling water levels, and -maintaining and operating any improvements established within any such areas; (iii) keep, maintain, operate, repair and replace any and all improvements, personal property and furniture, fixtures and equipment upon the Master Association Property in a manner consistent with the development of HERNANDO OAKS and in accordance with the covenants and restrictions contained herein, and in conformity with all applicable federal, state, County or municipal laws, statutes, ordinances, orders, rulings and regulations; (iv) maintain, repair and replace all street signs installed or placed on any Committed Property by Developer or the Master Association which are not maintained, repaired and replaced by the County or other applicable governmental body or agency; (v) maintain, repair and replace all signs, decorative walls, fences and other structures installed, placed or erected by Developer or the Master Association within

Committed Property constituting signs and entry features for HERNANDO OAKS or any part thereof, including the manning (if the Master Association determines to provide such personnel, it being expressly provided that the Master Association shall not be required to man the gatehouse), maintenance and operation of any gate houses located on Master Association Property and whether on land owned by or dedicated to the Master Association or on land whereon the Master Association has an easement for such purposes; (vi) maintain and operate any street lights within or adjacent to the streets and roads within HERNANDO OAKS including, but not limited to, all charges of any utility company providing electric service for such street lights and costs for repair or replacement of damaged street lights to the extent any of such costs and charges are not paid for by governmental agencies or the utility company providing service with respect thereto.

E. **Administrative and Operational Expenses.** The costs of administration for the Master Association in the performance of its functions and duties under the HERNANDO OAKS Documents including, but not limited to, costs for secretarial and bookkeeping services, salaries of employees, legal and accounting fees and contracting expenses. In addition, the Master Association may retain a management company or companies or contractors (any of which may be a subsidiary, affiliate, or an otherwise-related entity of Developer) to assist in the operation of the Master Association Property, or portions thereof, and to perform certain obligations of the Master Association under the HERNANDO OAKS Documents and the charges of any management company or contractor so retained shall be deemed to be an Operating Expense.

F. **Compliance with Laws.** The Master Association shall take such action as it determines necessary or appropriate in order for the Master Association Property and the improvements thereon to be in compliance with all laws, statutes, ordinances and regulations of any governmental authority, whether federal, state or local, including, without limitation, any regulations regarding zoning requirements, setback requirements, drainage requirements, sanitary conditions and fire hazards, and the cost and expense of such action taken by the Master Association shall be an Operating Expense.

G. **Indemnification of Developer.** The Master Association covenants and agrees that it will indemnify and hold harmless Developer from and against any and all claims, suits, actions, causes of action and/or damages arising from any personal injury, loss of life and/or damage to property sustained on or about the Master Association Property and improvements and thereon, and from and against all costs, expenses, counsel fees (including, but not limited to, all trial, appellate levels, and arbitration and whether or not a formal action be instituted), expenses and liabilities incurred by Developer arising from any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders, judgments and/or decrees which may be entered thereon. The Master Association shall also indemnify Developer for any expense Developer may incur in bringing any suit or action for the purpose of enforcing the rights of Developer under any of the HERNANDO OAKS Documents or of compelling the specific enforcement of the terms, conditions and covenants contained in any of the HERNANDO OAKS Documents to be kept or performed by the Master Association or the Owners. The costs and expense of fulfilling this covenant of indemnification set forth in this Paragraph shall be an Operating Expense.

H. **Failure of Owners to Pay Assessments.** Funds needed for Annual Operating Expenses due to the failure or refusal of Owners to pay Annual Assessments levied shall, themselves, be deemed to be Operating Expenses and properly the subject of an Assessment provided, however, that any Assessment for any such sums so needed to make up a deficiency due to the failure of Owners to pay a Special Assessment.

I. **Costs of Reserves.** The funds necessary to establish an adequate reserve fund (the "Reserves") for depreciation and/or deferred maintenance of the Master Association Property and the improvements thereupon shall be an Operating Expense. The monies collected by the Master Association on account of Reserves shall be deposited in a separate account and shall remain the exclusive property of the Master Association and no Owner shall have any interest, claim or right to such Reserves.

J. **Miscellaneous Expenses.** The costs of all items for the benefit of the Master Association or the Master Association Property not herein specifically enumerated and which is determined to be an appropriate item of Operating Expense by the Board of the Master Association shall be an Operating Expense.

Section 4. **Special Assessments for Capital Improvements.** Special Assessments are those Assessments which are levied for capital improvements including the costs of constructing or acquiring improvements for the Master Association and the cost of reconstructing or replacing such improvements. Special Assessments shall be assessed in the same manner as the Annual Assessment Operating Expenses. Special Assessments shall be paid in installments or in a lump sum as the Board shall determine.

A. **Matters of Special Assessments Generally.** Amounts needed for a Special Assessment must be approved by the affirmative vote of a majority of the Members of the Master Association, except that no such approval need be obtained for a Special Assessment for the replacement or repair of a previously existing improvement on the Master Association Property which was destroyed or damaged.

B. **Special Assessment for Insurance Shortfall.** In the event that the amount necessary to repair, replace, construct, or reconstruct any improvements upon the Master Association Property damaged by any casualty not covered in whole or in part by insurance, the difference between the amount of insurance proceeds received with respect to such damage and the amount of funds necessary to repair, replace, construct, or reconstruct the building or improvement so damaged shall be the subject of a Special Assessment, and the Master Association will levy a Special Assessment for the funds within ninety (90) days from the date such damage was incurred. The Master Association shall pay into an account with a federal or state commercial or savings bank or savings and loan association located in the County, any such funds collected by Special Assessment and all insurance proceeds collected by the Master Association so that the funds on deposit will equal the cost of repair, replacement, construction, or reconstruction of the damaged improvements, and the Master Association shall go forward with all deliberate speed so that such repair, replacement, constructions, or reconstruction shall be completed as soon as is reasonably possible after the date of the damage.

In the event that repairs and replacements were paid for by any Special Assessment as well as insurance proceeds, then, if after the completion of and payment for the repair or reconstruction there shall remain any excess in the hands of the Master Association, it shall be presumed that the monies disbursed in payment of any repair, replacement and reconstruction were first disbursed from insurance proceeds and any remaining funds shall be deemed to be remaining Special Assessments which shall be returned to the Owners by means of a distribution pro rata in accordance with the collection of that Special Assessment.

Section 5. **Sales Assessments**.

A. The Master Association shall regularly levy upon and collect from each Owner an assessment (the "Sales Assessment") on all sales ("Local Sales") that are:

1. subject to the Chapter 212 of the Florida Statutes (as amended or replaced from time to time, together with all regulations promulgated thereunder, the "Florida Sales Tax Act"); and

2. made from any of the Owner's Dwelling units or made by businesses operated within or from any of the Owner's Dwelling Units.

B. Each Owner's Sales Assessment shall be determined by multiplying:

1. the amount of the Local Sales made from any of the Owner's Dwelling Units or made by businesses operated within or from any of the Owner's Dwelling Units; by

2. the Sales Assessment Rate.

C. Notwithstanding anything to the contrary contained in this Section, the Master Association may not levy or collect any Sales Assessment with respect to any Local Sales made by an organization that is exempt from Florida state sales tax under the Florida Sales Tax Act.

D. Each Owner's Sales Assessment shall be due and payable without notice from the Master Association each time and at such time as such Owner or such Owner's lessee is required to remit or pay tax to the State of Florida under the Florida Sales Tax Act. Each such Owner shall also deliver to the Master Association without notice true and complete copies of all written reports, returns, statements, records and declarations, including any supplements or amendments thereto (all of which are referred to herein as "reports") made or provided to the State of Florida by such Owner or such Owner's lessees in connection with any Local Sales at such time as such reports are required to be made to the State of Florida. To the extent that an Owner leases a Non-Residential Dwelling Unit to a lessee, the Owner shall cause the lease between the Owner and its lessee to provide that the lessee must deliver its reports to the Owner and to the Master Association and that the Master Association may inspect and audit the lessee's books and records. If any subsequent adjustments, additions or modifications are made to any tax remitted or paid or report made by any Owner or its lessees to the State of Florida under the

Florida Sales Tax Act, such Owner shall within thirty days thereafter so notify the Master Association and provide it with true and complete copies of all reports or other written material issued or received by such Owner or its lessees in regard thereto. If any adjustment increases the amount of tax that an Owner or one of its lessees is required to remit or pay to the State of Florida under the Florida Sales Tax Act or results in a refund, such Owner shall pay an appropriate additional Sales Assessment or receive an appropriate refund from the Master Association of any excess Sales Assessments previously paid. Owner shall be jointly liable with any lessee and shall pay the Master Association any unpaid assessment after five days written notice.

E. Notwithstanding anything to the contrary contained in this Section if:

1. the Florida Sales Tax Act is amended; or

2. any court of competent jurisdiction renders a judgement or ruling that affects the Florida Sales Tax Act, in a manner that decreases the amounts that the Master Association can collect through the Sales Assessment under paragraph (a) above, then, the Master Association may levy and collect the Sales Assessment without regard to such amendment, judgement or ruling, and may adopt such Rules and Regulations with respect thereto as the Executive Board deems necessary or appropriate, including, without limitation Rules and Regulations that provide reporting requirements, inspection rights and audit rights.

F. The "Sales Assessments Rate" shall be 1 percent, unless and until the Board of Directors of the Master Association adopts a different rate.

G. Notwithstanding anything contained in the HERNANDO OAKS Documents to

the contrary, the Developer and builders shall not be obligated to pay any Sales Assessment and shall be exempt therefrom.

Section 6. **Real Estate Transfer Assessments**

A. Subject to the terms and conditions of paragraph (c) below, upon the occurrence of any Transfer by an Owner, the Transferee shall pay to the Master Association an assessment (a "Real Estate Transfer Assessment") in an amount equal to the product obtained by multiplying:

1. the Fair Market Value of the Lot, Dwelling Unit, or Parcel transferred; by

2. the Real Estate Transfer Assessment Rate.

B. Each Owner included within the term "Transferee" shall have joint and several liability for the Real Estate Transfer Assessment owed by the Transferee.

C. Notwithstanding anything to the contrary contained in this Section, the

Master Association shall not levy or collect a Real Estate Transfer Assessment for any of the Transfers described below, unless the Transfer was made for the purpose of avoiding the Real Estate Transfer Assessment.

1. Any Transfer to (A) the United States or any agency or instrumentality thereof, or (B) the State of Florida or any county, city and county, municipality, district or other political subdivision of the State of Florida.

2. Any Transfer to the Master Association or its successors.

3. Any Transfer, whether outright or in trust, that is for the benefit of the Transferor or the Transferor's relatives, but only of the Consideration for the Transfer is no greater than 10 percent of the Fair Market Value of the Lot, Dwelling Unit, or Parcel or portion thereof transferred. For the purposes of this exclusion, (A) the relatives of a Transferor shall include all lineal descendants of any grandparent of the Transferor, and the spouses of the descendants, and (B) stepchildren and adopted children shall be considered lineal descendants. A distribution from a trust shall be treated as a Transfer made by the grantors of the trust to the beneficiaries of the trust.

4. Any Transfer arising solely from the termination of a joint tenancy or the partition of an Estate held under common ownership, except to the extent that additional Consideration is given in connection therewith.

5. Any Transfer or change of interest by reason of death, whether provided for in a will, trust or decree of distribution, except for a sale of a Lot, Dwelling Unit, or Parcel by the Estate of an Owner.

6. Any Transfer made by (A) a subsidiary to a parent corporation that owns more than 50 percent of the outstanding stock of the subsidiary, or (B) by a parent corporation to a subsidiary in which the parent corporation owns more than 50 percent of the outstanding stock, on the condition that there is no Consideration for the Transfer, other than the issuance, cancellation or surrender of the subsidiary's stock.

7. Any Transfer made by (A) a partner, joint venturer or member to a partnership, joint venture or limited liability company in which the partner, joint venturer or member has not less than a 50 percent interest, or (B) by a partnership, joint venture or limited liability company to a partner, joint venturer or member holding not less than a 50 percent interest in the partnership, joint venture or limited liability company, on the condition that there is no Consideration for the Transfer, other than the issuance, cancellation or surrender of equity interests in the partnership, joint venture or limited liability company.

8. Any Transfer made by a corporation to its shareholders in connection with the liquidation of the corporation or other distribution or dividend in kind to its shareholders, pro rata to its shareholders and no Consideration is paid for the Transfer, other than the cancellation of such corporation's stock.

9. Any Transfer made by a partnership, joint venture or limited liability company to its partners, joint venturers, or members in connection with the liquidation of the partnership, joint venture or limited liability company or other distribution of property to the partners, joint venturers or members pro-rata to its partners, joint venturers or members and no Consideration is paid for the Transfer, other than the cancellation of the partners', joint venturers', or members' interests in the partnership, joint venture or limited liability company.

10. Any Transfer made by an Owner to a corporation, partnership, joint venture, limited liability company or other entity, on the conditions that (A) the corporation, partnership, joint venture, limited liability company or other entity is owned in its entirety by the Owner thereof, (B) such Owner has the same relative interest in the Transferee as they had immediately prior to such Transfer, and (C) no Consideration is paid for the Transfer, other than the issuance of each such Owner's respective stock or other ownership interests in the Transferee.

11. Any Transfer made by any Owner to any other Person, whether in a single Transfer or a series of transactions where the Transferor and the Transferee are and remain under common ownership and control as determined by the Board of Directors of the Master Association, on the condition that no such Transfer or series of transactions shall be exempt, unless the Board of Directors of the Master Association finds that such Transfer or series of transactions (A) is for no Consideration, other than the issuance, cancellation or surrender of stock or other ownership interest in the Transferor or the Transferee, as appropriate, (B) is not inconsistent with the intent and meaning of this paragraph, and (C) is for valid business purpose and is not for the purposes of avoiding the obligation to pay the Real Estate Transfer Assessment.

12. Any Transfer made solely for the purpose of confirming, correcting, modifying or supplementing a Transfer previously recorded, making minor boundary adjustments, removing clouds on titles, or granting easements, rights-of-way or licenses, and any exchange of Lots, Dwelling Units, or Parcel between Developer and any original Owner from purchasing from Developer. To the extent that additional Consideration is paid to Developer in such an exchange, the additional Consideration shall be subject to the Real Estate Transfer Assessment.

13. Any lease (or assignment or transfer of any interest in any such lease) for a period of less than thirty years.

14. Any Transfer solely of minerals or interests in minerals.

15. Any Transfer to secure a debt or other obligation or to release property which is security for a debt or other obligation.

16. Any Transfer in connection with (a) the foreclosure of a mortgage, or (b) a deed given in lieu of foreclosure.

17. The Transfer to a qualified intermediary in connection with a tax deferred exchange of real property under Section 1031 of the Internal Revenue Code, on the

condition that the Transferee of the qualified intermediary pays the Real Estate Transfer Assessment.

18. Any Transfer made by a corporation or other entity, for Consideration, (A) to any other corporation or entity which owns, directly or indirectly, 100 percent of the Transferor's equity securities, (B) to a corporation or entity whose equity securities are owned, directly or indirectly, 100 percent by the corporation or entity that owns 100 percent of the Transferor's equity securities.

19. Any Transfer from a partially owned direct or indirect subsidiary corporation to its direct or indirect parent corporation where Consideration is paid for, or in connection with, such Transfer, on the condition that, unless such Transfer is otherwise exempt, such exemption shall apply only to the extent of the direct or indirect beneficial interest of the Transferee in the Transferor immediately prior to the Transfer. For example, if corporation A owns 60 percent of corporation B, and corporation B owns 100 percent of corporation C and corporation C conveys a Lot, Dwelling Unit, or Parcel to corporation A for \$2 million, 60% of the Real Estate Transfer Assessment would be exempt and a Real Estate Transfer Assessment would be payable only on \$800,000 (i.e., 40 percent of the \$2 million Consideration).

D. For purposes fo subparagraph (c) above, a Transfer shall be deemed to be without Consideration only if:

1. the only Consideration is a book entry made in connection with an intercompany transaction in accordance with generally accepted accounting principles, or no Person which does not own a direct or indirect equity interest in the Lot, Dwelling Unit, or Parcel immediately prior to the Transfer becomes the Owner of a direct or indirect equity interest in the Lot, Dwelling Unit, or Parcel by virtue of the Transfer; and

2. the aggregate interest immediately prior to the Transfer does not increase by more than 20 percent (out of the total 100 percent equity interest in the Lot, Dwelling Unit, or Parcel); and

3. no Owner is entitled to receive directly or indirectly any other Consideration in connection with the Transfer.

In connection with considering any requests for an exemption under paragraph (c) above, the Board of Directors of the Master Association may require the applicant to submit true and correct copies of all relevant documents relating to the Transfer and an opinion of the applicant's counsel, in form and substance satisfactory to the Board of Directors of the Master Association, (A) setting forth all relevant facts regarding the Transfer, (B) stating that in their opinion the Transfer is exempt under paragraph (c) above, and (C) setting forth the basis for such opinion.

E. The Real Estate Transfer Assessment shall be due and payable by the Transferee to the Master Association at the time of the Transfer giving rise to such Real Estate Transfer Assessment. With such payment the Transferee shall make a written report to the Master Association on forms prescribed by the Master Association, fully describing the Transfer

and setting forth the true, complete and actual Consideration for the Transfer, the names of the parties thereto, the legal description of the Lot, Dwelling Unit, or Parcel transferred, and such other information as the Master Association may reasonable require.

F. If the Master Association believes that a Transferee has underpaid a Real Estate Transfer Assessment, the Master Association may so notify the Transferee and collect the amount of the deficiency from the Transferee.

1. Any such notice shall set forth in reasonable detail (A) the amount of the Real Estate Transfer Assessment that the Master Association believes was payable for the Transfer, (B) the method by which the Master Association calculated that amount, and (C) the amount of the deficiency that the Transferee must pay to the Master Association.

2. A Transferee may object to any such notice from the Master Association by delivering written notice thereof to the Master Association within fifteen days after the date on which the Master Association delivers a notice under subparagraph (f)(i) above. If a Transferee fails to deliver a written notice of objection within such fifteen-day period, the Transferee shall be deemed to have waived its right to object and the Master Association's determination of the amount of the Real Estate Transfer Assessment shall be binding on the Transferee.

3. If a Transferee delivers a written notice of objection within the fifteen-day period described in subparagraph (f)(ii) above, the Master Association shall obtain an appraisal of the Lot, Dwelling Unit, or Parcel from a Real Estate Appraiser selected by the Master Association who is familiar with the Hernando County property values. The appraisal so obtained shall be binding on both the Master Association and the Transferee.

4. If it is determined that a Transferee has underpaid a Real Estate Transfer Assessment, the Transferee shall pay the amount of the deficiency and the costs incurred by the Master Association to obtain the appraisal, if any, to the Master Association within thirty days after the Master Association delivers written notice of that determination to the Transferee.

G. If any portion of any Lot, Dwelling Unit, or Parcel is used as an Employee Housing Unit or a Community Facility, the Master Association shall determine what percentage of the Fair Market Value of the Lot, Dwelling Unit, or Parcel is attributable to the Employee Housing unit or Community Facility. Such determination shall be binding and conclusive absent manifest error.

H. The "Real Estate Transfer Assessment Rate" shall be .75 percent, unless and until the Executive Board adopts a different rate. In no event shall the Real Estate Transfer Assessment Rate exceed 3 percent.

I. Notwithstanding anything contained in the HERNANDO OAKS Documents to the contrary, the Developer and builders shall not be obligated to pay any Real Estate Transfer Assessment and shall be exempt therefrom.

Section 5. **Developer Assessments.** Notwithstanding any provision of this Master Declaration or of the HERNANDO OAKS Documents to the contrary, the Developer shall not be obligated for, nor subject to, any Annual Assessment for Operating Expenses, provided the Developer, subject to the limitations herein provided for, shall be responsible for paying the difference between the Master Association's Operating Expenses and the sum of the revenues of the Master Association from all sources. "All sources" includes, but is not limited to, revenues from the operation of recreational facilities within the Common Area, accounting service fees, property management fees, guest fees, user fees, and the Annual Assessments levied against the Owners, other than the Developer. Such difference, herein called the "deficiency", shall not include contributions to any reserve for replacements, operating reserves, depreciation reserves, capital expenditures, or Special Assessments.

Section 6. **Provisions Relating to Condominium & Homeowner's Associations.** Assessments made pursuant to this declaration against Owners whose Lot or Dwelling Unit or Parcel is governed by a condominium or homeowner's association, in addition to the Master Association, will be collected and paid by the condominium or homeowner's association as a common expense. Upon collection of any assessment, the condominium or homeowner's association shall promptly remit such sums to the Master Association. In the event that a condominium or homeowner's association fails to remit such sums to the Master Association, then in that event the Master Association shall have all remedies as provided for in this Master Declaration.

ARTICLE XIII INSURANCE AND CASUALTY COSTS

The Master Association shall maintain the following insurance:

Section 1. **Property Insurance.** Property insurance in an amount equal to the full replacement cost, exclusive of land, foundation, excavation and other item normally excluded from such coverage, of all buildings and improvements located upon the Master Association Property, affording protection against the following:

A. loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage; and

B. such other risks as shall customarily be covered with respect to Association property in developments similar in construction, location and use.

Section 2. **Liability Insurance.** A comprehensive policy of public liability insurance and, if appropriate, owners, landlord and tenant policies naming the Master Association and, until the Turnover Date, Developer as named insureds thereof insuring against all claims or demands made by any person for injuries received in connection with, or arising from, the operation, maintenance and use of the Master Association Property and any improvements and buildings located thereon, and for any other risks insured against by such policies with limits of not less than One Million Dollars (\$1,000,000) for damages incurred or

claimed by any one person for any one occurrence and not less than Five Million Dollars (\$5,000,000) for damages incurred or claimed for any one occurrence and for not less than One Hundred Thousand Dollars (\$100,000) property damage per occurrence with no separate limits stated for the number of claims. Such coverage shall include, without limitation, protection against water damage, liability for non-owned and hired automobiles, liability for property of others, host liquor liability and such other risks as are customarily covered with respect to Association Property in developments similar in construction, location and use.

Section 3. **Fidelity Bonds.** Adequate fidelity coverage to protect against dishonest acts on the part of officers, Directors, and employees of the Master Association and others who handle funds of the Master Association, in the form of fidelity bonds which meet the following requirements

- A. Such bonds shall name the Master Association as an obligee;
- B. Such bonds shall be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual Operating Expenses of the Master Association;
- C. Such bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

Section 4. **Other Insurance.** Such other forms of insurances and in such coverages as the Master Association shall determine to be required for the protection or preservation of the Master Association Property and any improvements located thereon or in the best interests of HERNANDO OAKS or the Master Association.

Section 5. **Damage and Destruction.**

A. Immediately after the damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Master Association, the Board of Directors, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the costs and repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty.

B. Any damage or destruction to the Common Area or to the common property of any homeowner's association shall be repaired or reconstructed unless the Voting Members representing at least seventy-five (75%) percent of the total vote of the Association, if Common Area, or the homeowner's association whose common property is damaged, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a consequence of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed

sixty (60) days. No mortgagee shall have the right to participate in the determination of whether the Common Area damage or destruction shall be repaired or reconstructed.

C. In the event that it should be determined in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event that affected portion of the Properties shall be restored to their natural state and maintained by the Association, Subdistrict or residential association, as applicable in a neat and attractive condition.

D. **Repair and Reconstruction.** If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of notice to or a vote by the Member, levy a special assessment against all Owners for the full amount of such deficiency.

ARTICLE XIV
METHOD OF DETERMINING ASSESSMENTS
AND DATE OF COMMENCEMENT OF ASSESSMENTS

Section 1. **Determining Amount of Assessments** The total anticipated operating expenses for each calendar year shall be set forth in a budget ("Budget") prepared by the Directors not later than November 1 of the calendar year preceding the calendar year for which the Budget is to be adopted. The total anticipated Operating Expenses (other than Special Assessments) shall be apportioned annually among the Owners to determine the amount to be assessed against each Owner. Each Owner of a Lot or Dwelling Unit, regardless of its size shall be assigned a value of one (1) for each Lot or Dwelling Unit owned. Each Owner of a Parcel shall be assigned a value equal to the number of Dwelling Units that may be constructed on the Parcel in accordance with the HERNANDO OAKS Documents.

Section 2. **Number of Members Contributing to Assessment** It is recognized that HERNANDO OAKS consists of Committed Property only. The P.U.D. applicable to the Total Property permits 975 Dwelling Units; the number of Owners contributing to assessments will initially be less than, and could ultimately be other than 975.

Section 3. **Date of Commencement of Annual Assessments:** The Annual Assessments shall commence on the first day of the month following the conveyance to an Owner other than the Developer or the Builder. The first annual assessment shall be adjusted according to the number of months remaining in that calendar year. The Board of Directors shall fix the amount of the annual assessment (to be paid monthly, quarterly, or as otherwise determined by the Board) against each Lot, Dwelling Unit, or Parcel at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be on the first day of each month or on such other dates as may be established by the Board of Directors. The Association shall, upon demand, within seven days thereof, and for a reasonable uniform charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments or any installments

on a specified Lot, Dwelling Unit, or Parcel have been paid or are delinquent and, if so, the particulars of the delinquencies. A properly executed certificate of the Association as to the status of assessments on a Lot, Dwelling Unit, or Parcel is binding upon the Association as of the date of its issuance.

Section 4. **Adjustment of Assessment** The Assessments shall be adjusted from time to time by the Board to reflect changes in the number of Owners (apportioning all Assessments and installments among all Owners at the time such installment is due) or changes in the Budget or in the event that the Board determines that the Assessments or any installment thereof is either less than or more than the amount actually required. When an Owner acquires title during a period when an Assessment or installment has already been assessed, such Owner shall be deemed assessed an amount equal to the amount which was assessed prorated from the date that Ownership commenced through the end of the period in question.

Section 5. **Golf Course Assessments**. Commencing at the time of transfer of title from the Developer to the Golf Course Developer, the Master Association shall collect from the Golf Course Owner an annual assessment of \$2,500.00. The golf course assessment shall not be increased without the prior written consent of the Golf Course Owner.

ARTICLE XV

ESTABLISHMENT OF LIENS AND COLLECTION OF ASSESSMENTS

Section 1. **Establishment of Liens for Assessments**. Any and all assessments made by the Master Association in accordance with the provisions of this Declaration or any of the HERNANDO OAKS Documents ,together with interest thereon at 18% and costs of collection, including, but not limited to, reasonable attorneys' fees (collectively "Assessments") are hereby declared to be a charge and continuing lien upon the Lots, Dwelling Units, and Parcels against which each such Assessment is made. Each Assessment shall be the personal obligation of the Owner of each Lot, Dwelling Unit, or Parcel assessed. No Owner may exempt himself from personal liability for Assessments or release the Lot, Dwelling Unit, or Parcel owned by him from the liens and charges by waiver of the use and enjoyment of the Master Association Property or by abandonment of his Lot, Dwelling Unit, or Parcel. Said lien shall be effective from the time of the recordation in the Public Records of the County of a statement by the Master Association setting forth the amount due to the Master Association as of the date the statement is signed. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a satisfaction of the statement of lien in recordable form. Notwithstanding anything to the contrary herein contained, where an Institutional Mortgagee obtains title to a Lot, Dwelling Unit, or Parcel as a result of foreclosure of its mortgage or deed in lieu of foreclosure, such acquirer of title, its successors or assigns, shall not be liable for the share of Assessments chargeable to the former Owner which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the Assessment is secured by a claim of lien for Assessment that is recorded prior to the recordation of the mortgage. The provisions of Chapter 718.116(6), Florida Statutes, with respect to any first mortgagee shall be incorporated in all Condominium Documents establishing the condominium form of ownership in HERNANDO OAKS. All late charges, fees, fines or interest levied by the Master Association in connection with an unpaid Assessment shall be subordinate to the lien of a first mortgage of an Institutional

Mortgagee on such Lot or Dwelling Unit to which the unpaid Assessment relates.

Section 2. **Collection of Assessments and Remedies** Assessments shall be due and payable upon such date as designated in advance by the Board, whether or not a bill for such has been sent to the Owner by the Master Association. In the event any Owner shall fail to pay an Assessment, or installment thereof, within ten (10) days after the same becomes due, then the Master Association, through its Board, shall have any and all of the following remedies, which remedies are cumulative in addition to all other remedies available to the Master Association:

A. To charge interest on such Assessment from the date it becomes due at 18% per annum, as well as a late charge of One Hundred Dollars (\$100) to defray additional record keeping and collection costs.

B. To accelerate the entire amount of any Assessments for the remainder of the calendar year notwithstanding any provisions for the payment thereof in installments.

C. To advance on behalf of the Owner in default, funds to accomplish the needs of the Master Association up to the full amount for which such Owner is liable to the Master Association and the amount so advanced, together with interest at 18% per annum, and all costs of collection including, but not limited to, reasonable attorneys' fees, may be collected by the Master Association and such advance by the Master Association shall not waive the default.

D. To file an action in equity to foreclose its lien at any time, after the effective date thereof. The lien may be foreclosed by an action in the name of the Master Association in a manner as a foreclosure of a mortgage on real property.

E. To file an action at law against the Owner to collect said Assessment plus interest at 18% per annum plus court costs and reasonable attorneys' fees without waiving any lien rights or rights of foreclosure of the Master Association.

Section 3. **Collection by Developer.** In the event that the Master Association shall fail to collect the Assessments, then in that event, Developer shall have the right: (i) to advance such sum as the Master Association could have advanced; and (ii) to collect such Assessments and, if applicable, any such sum advanced by Developer; using the remedies available to the Master Association which remedies are hereby declared to be available to Developer.

Section 4. **Rights of Developer and Institutional Mortgagees to Pay Assessments and Receive Reimbursement.** Developer and any Institutional Mortgagees shall have the right, jointly or singly, and at their sole option, to pay any of the Assessments which are in default and which may or have become a charge against any Lot or Dwelling Unit in HERNANDO OAKS. Developer and any Institutional Mortgagees shall have the right, jointly or singly, and at their sole option, to pay insurance premium or fidelity bond premiums or other required items of Operating Expenses on behalf of the Master Association where the same are overdue and where lapses in policies or services may occur. Developer and any Institutional Mortgagees paying overdue Operating Expenses on behalf of the Master Association will be entitled to immediate

reimbursement from the Master Association plus any costs of collection including, but not limited to, reasonable attorneys' fees and the Master Association shall execute an instrument in recordable form to this effect and deliver the original of such instrument to each Institutional Mortgagee who is so entitled to reimbursement and to Developer if Developer is entitled to reimbursement.

Section 5. **Homestead** By acceptance of a deed thereto, the Owner (and any spouse thereof, if married) of each Lot or Dwelling Unit shall be deemed to have agreed that the liens herein provided for have attached prior to the time when any Lot or Dwelling Unit has acquired homestead status and deemed to have waived any exemption of such Owner's Lot or Dwelling Unit from the liens created by this Declaration or the enforcement thereof by foreclosure or otherwise, which may otherwise have been available by reason of the Homestead Exemption provisions of Florida law, if for any reason such are applicable. This section is not intended to limit or restrict in any way the lien or rights granted by this Declaration, but to be construed in its favor.

ARTICLE XVI
PROVISIONS RELATING TO RESORT RESIDENTIAL AND
MAINTENANCE FREE DWELLING UNITS

The Master Association shall be responsible for the maintenance of the Common Area lawns, landscaping, sprinkler systems, and exterior painting of dwelling units designated as Resort Residential or Maintenance Free. Assessments for such maintenance shall be in addition to the assessments set forth in Article XII herein.

Section 1. **Maintenance Contract.** The Master Association shall have the right and power to contract with a maintenance company to carry out the obligations in regard to the maintenance as set forth in this Article.

Section 2. **Exterior Maintenance.** In the event a need exists for maintenance caused through the willful or negligent acts of an Owner, the family, guests or invitees of the Owner of the Dwelling Units needing such maintenance, then the Board of Directors of the Master Association shall cause a notice of such maintenance to be mailed to the offending Owner granting thirty (30) days within which to cure the maintenance deficiency and in the event that the Owner fails to cure such deficiency, then the authorized representative of the Master Association may enter upon the Dwelling Unit when necessary and with as little inconvenience to the Owner as possible and perform such maintenance care and preservation set forth hereinabove. The cost of such exterior maintenance and or repairs shall be added to and become a part of the assessment to which said Dwelling Unit is subject.

Section 3. **Landscape Maintenance.** Landscape maintenance services shall include those performed on a regular basis such as mowing, well repairs and replacement, irrigation replacement, repair, or restoration of the RDAs or storm water improvements including, but not limited to, inlet structures, pipes and outlet structures.

Section 4. **Permanent Structures.** No building or structure shall be moved onto any Lot or Parcel in the area covered by these restrictions, it being the intent that all buildings or structures shall be constructed thereon.

Section 5. **Landscape & Alteration Restrictions.** No lawn, landscaping, exterior Dwelling Unit painting, or structural alteration shall be performed or done by the Owners, or their designated representatives, agents, successors, heirs or assigns without prior written approval of the Master Association.

Section 6. **Owner's Easement over Adjacent Lot.** Each Owner shall have a perpetual non-exclusive easement on, over and across the side and top of the existing adjacent wall and fascia of his neighbor for the purpose of erecting, installing, maintaining, and attaching approved screened enclosures; provided however, that the easement across the top of an outside, rear, boundary wall and fascia shall extend only from the edge nearest the Lot or Parcel on which such installation is made to the midpoint of said top and the Owner of the property making such installation shall be solely, completely and immediately liable to the adjacent Owner for any actual damage resulting from such installation.

ARTICLE XVII
PROVISIONS RELATING TO GOLF COURSE

HERNANDO OAKS IS PLANNED IN CONJUNCTION WITH THE CONSTRUCTION OF THE HERNANDO OAKS GOLF & COUNTRY CLUB. THE PURCHASE OF A LOT, PARCEL OR UNIT IN THE COMMUNITY AND BECOMING A MEMBER IN THE MASTER ASSOCIATION OR ANY SUB-ASSOCIATION DOES NOT GRANT ANY RIGHTS FOR THE USE OF THE GOLF COURSE, CLUB HOUSE, SWIMMING POOL AND TENNIS COURTS. MEMBERSHIPS OFFERED BY THE OWNER OF THE HERNANDO OAKS GOLF & COUNTRY CLUB ARE SEPARATE AND DISTINCT FROM OWNERSHIP OF LOTS, DWELLING UNITS, AND PARCELS, AND MAY, IN THE SOLE DISCRETION OF THE GOLF COURSE OWNER, BE OFFERED TO BOTH RESIDENTS AND NON-RESIDENTS OF THE COMMUNITY.

While the Golf Course is not included in the Committed Property, many of the Lots front on the Golf Course or lakes adjacent to the Golf Course and all of the Lots in the Community enjoy advantages by their close proximity to the Golf Course. Therefore, in addition to the restrictive covenants set forth in this Declaration, the following protective covenants, conditions, easements and restrictions ("Golf Course Covenants") shall constitute covenants running with the land and binding upon the Community and shall be binding upon the Owners and shall inure to the benefit of the Golf Course Owner. With respect to these Golf Course Covenants, such Golf Course Covenants shall control where other terms of this Declaration, a Replat Declaration or Replat, conflict.

Section 1. **Golf Course Lot Setback.** Within the rear yard setback area of Golf Course Lots no fences or buildings (other than swimming pool cages and swimming pool decks) shall be constructed nor shall any landscaping be permitted that will prohibit entry by golfers onto the Golf Course Lots to retrieve golf balls.

Section 2. **House Pets.** House pets shall not be allowed on the Golf Course nor shall they be allowed to be a nuisance as may be determined in the sole discretion of the Board of Directors.

Section 3. **Maintenance of Golf Course Lots.** Each Owner shall keep his Lot maintained and free of all trash or other material which may present an unsightly appearance or constitute a fire hazard. Dumping of grass, branches, leaves, dirt, or the like on the Golf Course is strictly prohibited. In the event an Owner fails to keep his Lot maintained and free of such trash and other like materials, then the Master Association at the written request of the Golf Course Owner may enter upon said Lot and remove such refuse and charge the Owner for such services, and every such entry on the part of the Association, or their respective agents shall be deemed to be a lawful entry and not a trespass. No burning of any material of any nature shall be permitted on any Lot at any time.

Section 4. **Lakes: Maintenance Easement.** The right to pump or otherwise remove any water from the lakes now existing, or which may, hereinafter, be erected, within the Community or the Golf Course, for the purpose of irrigation or other use, and the placement of any matter or object in such lakes is expressly prohibited, provided; however, the Golf Course Owner shall have the right to irrigate the Golf Course from lakes within the Golf Course, even if connected to lakes within the Community. This requirement is made in recognition of the fact that the lakes and the attendant easements are required for the maintenance and aesthetics of the Golf Course, whose close proximity to the Lots is an asset to the Owners. The maintaining of the lakes and easements within the Community shall be the responsibility of the Master Association. The Golf Course Owner shall maintain all lakes and easements located within the Golf Course. The Master Association through the Owners shall contribute to the Golf Course Owner their proportionate share of maintenance of any lakes and easements located within the Golf Course that form the Surface Water Management System for the Subdivision. The Master Association's prorata share has been agreed to be one-half of such costs associated with such lakes and easements and based upon competitive bidding. If the Golf Course Owner shall fail to reasonably maintain either the lakes or the easements located within the Golf Course to the detriment of the Master Association, the Association may, after 15 days written notice to the Golf Course Owner, make the required repairs or improvements and shall be entitled to appropriate reimbursement from the Golf Course Owner. No docks, bulkheads, moorings, pilings, boat shelters, or any other structure shall be constructed on any embankment adjacent to any lakes, or within such lakes. No boats of any kind shall be permitted to be operated on any such lakes except those boats operated by maintenance personnel in the course of maintaining the lakes. No swimming, bathing or fishing in any lakes is permitted.

Section 5. **Drainage Easements.** Drainage Easements shown on any Plat are used in conjunction with the lakes in the area, and in conjunction with easements into the Golf Course, and all of such easements are essential to the drainage and flow of water in and from the Committed Property. No Structures, plantings or other materials shall be placed or permitted to remain within these easement areas, which may impair the intended use of such easement areas, including, but not limited to, changing the direction or flow of drainage channels in the easements, as such may obstruct or retire the flow of water through the drainage channels in the easement. The easement areas on each Lot, and all improvements thereon shall be maintained

continuously by the Owner of the Lot on which they are located, except those improvements for which a public authority or a utility company is responsible. The Developer and/or its assigns, and the Golf Course Owner have the exclusive right for themselves, and for the benefit of the Association, public or private utility agencies, authorities or franchises, to enter upon any easements or the Common Areas, for the purpose of installing, maintaining, repairing or replacing any drainage facility within the easement area without compensation to any Owner or the Association. Such entry shall be deemed lawful entries and not trespass.

Section 6. **Golf Balls.** Golf balls in the lakes within the Golf Course are the sole property of the Golf Course Owner, except for those balls of a player retrieved or played during play. No Owner shall remove or allow removal of any golf ball from any such lake, and the removal of a golf ball from such lake by any person shall be a violation of these restrictions.

Section 7. **Golf Course Club Property.** The Golf Course Owner may from time to time provide club facilities within the Golf Course. Such facilities do not form a part of the Common Areas and neither the Association nor any Owner shall have any say in such facilities. The Golf Course Owner has the exclusive right to determine from time to time, in its sole discretion and without notice or approval of any change, how and by whom the Golf Course facilities shall be used, if at all. By way of example, but not limitation, such owner has the right to approve users and determine eligibility for use, to terminate any or all use of the facilities, to transfer any or all of the property or operation thereof to anyone (including without limitation a member owned or equity club) and on any terms, to limit the availability of use privileges, and to require the payment of a purchase price, membership contribution, initiation fee, dues and other charges for such privileges. The use of the Golf Course is strictly restricted to only play and practice of golf and only after proper registration and authorization by the Golf Course Owner. Everyone not playing golf is strictly prohibited from being on the Golf Course, including but not limited to the cart paths, for any reason including but not limited to jogging, skateboarding, walking and biking. Ownership of Lots and membership in the Association does not give vested rights or easements, prescriptive or otherwise, to use the Golf Course, and does not grant any ownership or membership interest in the Golf Course.

Section 8. **Easement For Golf Balls, Limitation of Liability.** The rear yard of each Golf Course Lot exclusive of patio and pool area and the Common Areas are hereby burdened with an easement in favor of errant golf balls ("Errant Golf Ball Easement"), and all Golf Course's members and guests shall have a perpetual, non-exclusive easement in their favor over the Golf Course Lots to the extent of fifteen feet from the lot line and Common Areas adjacent to the Golf Course for golfers at reasonable times and in a reasonable manner to come upon the rear yards of the Golf Course Lots and the Common Areas to retrieve errant golf balls; provided that the exercise of the use of this easement does not unreasonably interfere with the activities of the Lot Owner at the respective time of the exercise of the right of easement. The Developer, Golf Course Owner and the Association shall not be responsible or liable in any way for any disputes between an Owner and any person using the Golf Course. All Owners, by acceptance of delivery of a deed to the respective Golf Course Lot, assume all risks associated with errant golf balls, and all Owners agree and covenant not to make any claim or institute any action whatsoever against Developer, the Golf Course Owner or their respective assigns arising or resulting from any errant golf balls, any damages that may be caused thereby, or for negligent design of the Golf Course or

positioning of a Dwelling Unit on a Golf Course Lot.

ARTICLE XVIII
GENERAL PROVISIONS

Section 1. **Lawful Use of Committed Property.** Each portion of Committed Property will be subject to all laws, statutes, ordinances, rules and regulations of the United States of America, the State of Florida, the County and any and all other governmental and public authorities having jurisdiction over the Committed Property. No illegal or immoral purpose or use shall be permitted on such Committed Property.

Section 2. **Incorporation of Hernando Oaks Documents.** All deeds conveying a Lot, Dwelling Unit, or Parcel shall be conclusively presumed to have incorporated therein all of the terms and conditions of the HERNANDO OAKS Documents, whether or not the incorporation of the terms and conditions of the HERNANDO OAKS Documents is specifically set forth by reference in such deed, and acceptance by the grantee of such a deed shall be deemed to be acceptance by such grantee of all of the terms and conditions of the HERNANDO OAKS Documents.

Section 3. **Notices.** Any notice or other communication required to be given hereunder to any Owner shall be deemed given and delivered upon the mailing by United States mail, postage prepaid, to:

A. the Owner of record on the books of the Master Association at the time of such mailing and in the absence of any specific address at the address, of any Dwelling Unit, Lot, or Parcel owned by such Owner; and

B. the Master Association, at 1610 Barrancas Avenue, Pensacola, Florida 32501, or such other address as the Master Association shall hereinafter notify Developer and the Owners in writing; and

C. Developer at 1610 Barrancas Avenue, Pensacola, Florida 32501, or such other address as Developer shall hereafter notify the Master Association of in writing; any such notice to the Master Association of a change in Developer's address shall be notice to the Owners. Upon request of an owner, the Master Association shall furnish to such Owner the then current address for Developer.

Section 4. **Information to Institutional Mortgagee.** Upon receipt by the Master Association of a written request from any Institutional Mortgagee together with a copy of the mortgage held by such Institutional Mortgagee on a Lot, Dwelling Unit, or Parcel, the Master Association shall timely send to such Institutional Mortgagee the following:

A. A copy of any notice of a meeting of the Master Association or of the Board which is sent to an Owner; and

B. A copy of any financial statement of the Master Association which is thereafter sent to an Owner; and

C. Written notice of any termination by the Master Association of any professional management of the Common Areas or Master Association Property, and the assumption by the Master Association of the self-management of such areas; and

D. Thirty (30) days prior written notice of the cancellation or termination by the Master Association of any policies of insurance covering the Common Areas or Master Association Property or any improvements thereon, or any fidelity bonds of the Master Association for its officers, Directors, or employees as well as copies of any notices of cancellation by others received by the Master Association with respect thereto; and

E. Written notice of any damage or destruction to the improvements located on the Common Areas or Master Association Property which gives rise to net insurance proceeds therefor being available for distribution to the owners encumbered by the mortgage of such Institutional Mortgagee; and

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

G. Written notice of any material amendment to, or the abandonment or termination of, this Declaration in accordance with the terms hereof.

H. The failure of the Master Association to send any such notice to any such Institutional Mortgagees shall not have any effect on any meeting, act or thing which was to have been the subject of such notice nor affect the validity thereof.

Section 5. **Telecommunications**. Developer hereby reserves unto itself and its designees, assignees and licensees the right to construct and/or install over, across and upon any portion of Committed Property for the use of the Owners and their permitted or authorized guests, invitees, tenants and family members a central or master telecommunications receiving and distribution system ("System") the exact description, location and nature of which has not yet been fixed nor determined. For the purpose of authorizing, permitting and allowing Developer to cause the System to be constructed and installed and thereafter inspected, repaired, maintained, altered, improved and replaced, Developer shall have and hereby reserves to itself and its successors and assigns a perpetual and exclusive right, privilege, easement and right-of-way for the installation, construction and maintenance of the System (the scope, extent and size as well as the location of which upon and through Committed Property shall be determined solely by Developer, its successors and assigns) together with a perpetual and exclusive right and privilege of: (i) unlimited ingress and egress thereto for the purpose of temporarily and permanently installing, constructing, inspecting, testing, repairing, servicing, maintaining, altering, moving, improving and replacing the facilities and equipment constituting the System including, without limitation, any towers, antennas, conduits, wires, cables, lines, panels, boxes, housings, connections, insulators and amplifiers necessary or desirable to receive and distribute

telecommunications, including, without limitation, television and radio signals, electronic banking, fire, police and medical protection; and (ii) transmitting within HERNANDO OAKS telecommunications via the System (the facilities and equipment of which shall be owned and exclusively controlled by Developer, its successors and assigns) for such lawful rates, fees and charges and upon such terms and conditions as may be fixed from time to time by Developer, its successors or assigns, provided that same shall be uniformly applicable to the Owners and occupants of HERNANDO OAKS; and (iii) assigning, transferring and/or delegating to any person(s), firm(s), corporation(s) or other entity(ies) of Developer's choice, the rights, privileges and easements, and the obligations related thereto, of installing, constructing and maintaining the System and of transmitting, over and through the equipment and facilities thereof, all or any part of the telecommunications signals transmitted or received by or through such System.

Each Owner (by acceptance of a deed, whether or not it shall be so expressed in any such deed) consents, agrees to and shall be bound by the exclusive rights, privileges, easements and rights-of-way reserved to and vested In Developer, its successors and assigns pursuant to the provisions of this Paragraph). with all of such rights, privileges, easements and rights-of-way being deemed reserved to Developer and excepted from any conveyance or dedication by Developer of any portion of Committed Property.

Section 6. **Limited Liability.** In connection with all reviews, acceptances, inspections, permissions, consents or required approvals by or from the Developer contemplated under this Declaration, the Developer shall not be liable to an Owner or to any other person on account of any claim, liability, damage, or expense suffered or incurred by or threatened against an Owner or such other person and arising out of or in any way relating to the subject matter of any such reviews, acceptances, inspections, permissions, consents or required approvals, whether given, granted or withheld.

Section 7. **No Jury Trial.** EACH OWNER, BY ACCEPTANCE OF SUCH OWNER'S DEED, AND THE MASTER ASSOCIATION, AGREE THAT NEITHER THE OWNER NOR THE ASSOCIATION NOR ANY ASSIGNEE, SUCCESSORS, HEIR, OR LEGAL REPRESENTATIVE OF ANY OF THEM (ALL OF WHOM ARE HEREINAFTER REFERRED TO AS THE "PARTIES") SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE, WHETHER IN CONTRACT OR IN TORT OR AT LAW OR IN EQUITY, BASED UPON OR ARISING OUT OF THIS DECLARATION, OR THE OBLIGATIONS, BENEFITS, DEALINGS, OR THE RELATIONSHIPS BETWEEN OR AMONG THE ASSOCIATION AND THE OWNERS, THEIR SUCCESSORS AND ASSIGNS, OR ANY OF THEM. NEITHER THE ASSOCIATION NOR ANY OTHER WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

Section 8. **Mediation and Arbitration.** Any lien enforcement proceedings shall be carried out in a court of competent jurisdiction, but in the event of a dispute, claim, or controversy other than lien enforcement proceedings arising out of or relating to the breach, termination, validity, interpretation, enforcement, or implementation of any term or provision of

this Declaration ("Dispute"), the Owners and the Master Association agree to submit the Dispute first to mediation and then to voluntary, binding arbitration, as follows:

In the event the parties cannot successfully negotiate a resolution of the Dispute within thirty (30) days of its occurrence, any party to the Dispute can notify the other parties to the Dispute that the matter will be submitted to mediation in accordance with the Commercial Mediation Rules of the American Arbitration Association ("Mediation Rules") and that all parties to the Dispute shall bear equally the costs of the mediation unless as otherwise directed by the mediator. The panel shall consist of one mediator and shall be selected according to the Mediation Rules. The parties agree to participate in good faith in the mediation and negotiations related thereto.

If the Dispute cannot be resolved through mediation, within ten (10) days after the failure to resolve the Dispute through mediation, any party can notify the others that the matter will be submitted to voluntary, binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The panel shall consist of three arbitrators and shall be selected according to the Arbitration Rules.

The parties agree to use the Regional Office of the Arbitration Association which is nearest to the Committed Properties to administer the mediation and arbitration.

Nothing contained in this Article shall in any way limit or affect the Master Association's right to immediately file an action in the appropriate court to collect any assessment or enforce any lien for an assessment

If a person or party is found in the proceedings to be in violation of, or attempting to violate, the provisions of this Declaration, such person or party shall bear all costs and expenses of the Dispute resolution, including court costs and reasonable attorneys' fees, for all mediation, arbitration, trial, and appellate proceedings incurred by the party enforcing the provisions of this Declaration.

Developer shall not be obligated to enforce this Declaration or any particular provision hereof and shall not in any way or manner be held liable or responsible for any violation of this Declaration by any person other than itself.

Section 9. **Enforcement.** The covenants and restrictions herein contained or contained in any of the HERNANDO OAKS Documents may be enforced by Developer, the Master Association, any Owner or Owners, and any Institutional Mortgagee in any judicial proceeding seeking any remedy recognizable at law or in equity, including damages, injunction, or any other form of relief against any person, firm or entity violating or attempting to violate any covenant, restriction or provision hereunder. The failure by any party to enforce any such covenant, restriction or provision herein contained shall in no event be deemed a waiver of such covenant, restriction or provision or of the right of such party to thereafter enforce such covenant, restriction or provision. The prevailing party in any such litigation shall be entitled to

all costs thereof including, but not limited to, reasonable attorneys' fees.

Section 10. **Captions, Headings and Titles.** Article and paragraph captions, headings and titles inserted throughout this Declaration are intended as a matter of convenience only and in no way shall such captions, headings or titles define, limit, or in any way affect the subject matter or any of the terms and provisions thereunder nor the terms and provisions of this Declaration.

Section 11. **Context.** Whenever the context so requires or admits, any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof and the singular form of any nouns and pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

Section 12. **Attorneys' Fees.** Any provision in this Declaration for the collection or recovery of attorneys' fees shall be deemed to include, but not be limited to, attorneys' fees for the attorneys' services for consultation, negotiation, enforcement, mediation, arbitration and at all trial, bankruptcy and appellate levels, whether or not an action is instituted.

Section 13. **Severability.** In the event any of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect and any provisions of this Declaration deemed invalid by a court of competent jurisdiction by virtue of the term or scope thereof shall be deemed limited to the maximum term and scope permitted by law. Further, the invalidation of any of the covenants or restrictions or terms and conditions of this Declaration or reduction in the scope or term of them by reason of judicial application of the legal rules against perpetuities or otherwise shall in no way affect any other provision which shall remain in full force and effect for such period of time and to such extent as may be permitted by law.

Section 14. **Interpretation.** The Board of Directors shall have the right to determine all questions arising in connection with this Declaration, and to construe and interpret its provisions, and its determination shall be binding. In all cases, the provisions of this Declaration shall be given that interpretation that will best serve the consummation of the general plan of development.

Section 15. **Subordination to Construction Mortgage.** Developer and the Master Association agree that their respective interests as provided for in this Declaration shall be and are subordinated to the lien, encumbrance and operation of any existing (as of the date hereof) mortgages encumbering any portion of the Total Property and any additional or replacement or subsequent mortgages obtained by Developer for the purpose of financing the construction of improvements to take place upon any portion of the Total Property. While the provisions of this Paragraph are self-operative, the Master Association nevertheless agrees to execute such instruments in recordable form as may be necessary or appropriate to evidence the foregoing subordination of its interests to any such mortgages and shall do so forthwith upon request of Developer.

Section 16. **Procedure for Amendment and Modification.** The process of amending or modifying this Declaration shall be as follows:

A. Until the Turnover Date, all amendments or modifications shall only be made by Developer without the requirement of the Master Association's consent or the consent of the Owners; provided, however, that the Master Association shall, forthwith upon request of Developer, join in any such amendments or modifications and execute such instruments to evidence such joinder and consent as Developer shall, from time to time, request.

B. After the Turnover Date, this "Declaration may be amended (i) by the consent of two-thirds (2/3) of the Owners together with (ii) the approval or ratification of a majority of the Board. The aforementioned consent of the Owners may be evidenced by a writing signed by the required number of Owners or by the affirmative vote of the required number of owners at any regular or special meeting of the Master Association called and held in accordance with the By-Laws evidenced by a certificate of the Secretary or an Assistant Secretary of the Master Association.

C. Amendments for correction of scrivener's error or other non-material changes may be made by Developer alone until the Turnover Date and the Board thereafter and without the need of consent of the Owners.

D. Notwithstanding anything to the contrary herein contained, no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of Developer, the Master Association or of any Institutional Mortgagee under this Declaration or any other of the HERNANDO OAKS Documents without the specific written approval of such Developer, Master Association or Institutional Mortgagee affected thereby. Furthermore, notwithstanding anything to the contrary herein contained, no amendment to this Declaration shall be effective which would increase the liabilities of a then Owner or prejudice the rights of a then Owner or his guests, invitees, lessees and licensees to utilize or enjoy the benefits of the Master Association Property unless the Owner or Owners so affected consent to such amendment in writing or unless such amendment is adopted in accordance with the procedures required for adoption of an amendment to this Declaration after the Turnover Date.

E. A true copy of any amendment to this Declaration shall be sent certified mail (herein called the "Mailing") by the Master Association to Developer and to all Institutional Mortgagees requesting notice as provided herein. The amendment shall become effective upon the recording of a Certificate of Amendment to this Declaration setting forth the amendment in the Public Records of the County, but the certificate shall not be recorded until thirty (30) days after the Mailing, unless such thirty-day period is waived in writing by Developer and all institutional Mortgagees; provided, any amendment which would affect the surface water management system, including the water management portions of the Master Association Property, must have the prior approval of the South Florida Water Management District.


IN WITNESS WHEREOF, this Declaration of Master Covenants, Conditions, and Restrictions for HERNANDO OAKS has been signed by Developer and the Master Association on the day and year first above set forth.

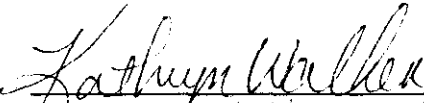
Signed, Sealed and Delivered in the Presence of:

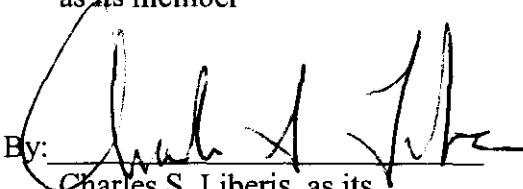
Witnesses:


HERNANDO OAKS, LLC., a
Florida
Limited liability company

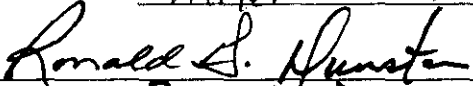
By: Pensacola Group, LLC, a
Florida Limited liability company,
as its member


Print Name: Barbara A. Barlow

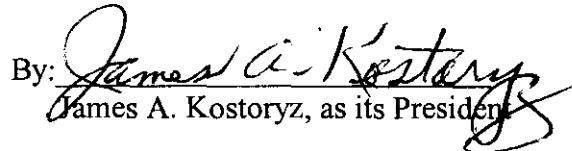

Print Name: Kathryn Walker

By: 
Charles S. Liberis, as its
member


Print Name: Charles S. Liberis


Print Name: RONALD G. DUASTON

By: TECO Properties, Corporation,
a Florida corporation, as its member

By: 
James A. Kostoryz, as its President

The foregoing instrument was acknowledged before me this 16th day of September, 2002, by Charles S. Liberis, as a Member of Pensacola Group, LLC, a Florida limited liability company, as a Member of Hernando Oaks, LLC, a Florida limited liability company, on behalf of the companies. He is personally known to me or has produced V/A as identification.



Barbara A. Barlow
MY COMMISSION # CC832644 EXPIRES
May 9, 2003
BONDED THRU TROY FAY INSURANCE, INC.


Notary Public

My Commission Expires:

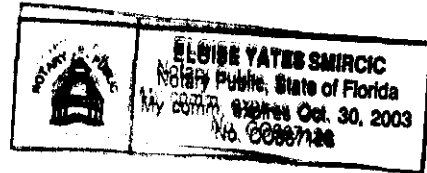
STATE OF FLORIDA

COUNTY OF Hillsborough

The foregoing instrument was acknowledged before me this 19 day of September, 2002, by James A. Kostoryz, as President of TECO Properties Corporation, a Florida corporation, as a member of Hernando Oaks, LLC., a Florida limited liability company, on behalf of the corporation and the company. He is personally known to me or has produced _____ as identification.

Eloise Yates Smircic
Notary Public

My Commission Expires:



CONSENT OF MASTER ASSOCIATION

The undersigned President of Hernando Oaks Master Association, Inc., a Florida not-for-profit corporation hereby agrees to perform all the obligations and duties as set forth in this Declaration of Covenants, Conditions and Restrictions.

In witness whereof the undersigned sets its hand and seal this 16th day of September, 2002.

Signed, sealed and delivered

Hernando Oaks Master Association, Inc.,
a Florida not-for-profit corporation

Kathryn Walker
Print Name: Kathryn Walker

By: David A. Brannen
Print Name: DAVID A BRANNEN
Its: President

Barbara A. Barlow
Print Name: Barbara A Barlow

STATE OF FLORIDA
COUNTY OF

This instrument was acknowledged before me this 16th day of September, 2002, by David A Brannen, the President of Hernando Oaks Master Association, Inc., a Florida not-for-profit corporation, who is personally known to me or who has produced N/A as identification.

Barbara A Barlow
Notary Public
Print Name: Barbara A Barlow
My Commission Number: CC-832644
My Commission Expires: May 9 2003



EXHIBIT 1
LEGAL DESCRIPTION HERNANDO OAKS:

THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4; NORTH 1/2 OF THE SOUTHWEST 1/4; SOUTHEAST 1/4 OF THE SOUTHWEST 1/4; SOUTHWEST 1/4 OF THE NORTHEAST 1/4; THE WEST 660 FEET OF THE SOUTH 330 FEET OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4; AND THE SOUTH 330.00 FEET OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 LESS 30 FEET OFF EAST SIDE FOR ROAD RIGHT OF WAY, AND SUBJECT ALSO TO A ONE-HALF MINERAL RESERVATION AS DESCRIBED IN DEED BOOK 103, PAGE 57, PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA, ALL IN SECTION 5, TOWNSHIP 23 SOUTH, RANGE 19 EAST AND; SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 5, TOWNSHIP 23 SOUTH, RANGE 19 EAST, PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA AND; LOT 56, GARDEN GROVE FARM LOTS, AS PER PLAT THEREOF RECORDED IN PLAT BOOK 4, PAGE 43, PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA.

AND

THAT PART OF THE SOUTH 1/2 OF THE NORTHEAST 1/4 LYING WEST OF HIGHWAY 41, AND THAT PART OF THE WEST 1/2 OF THE SOUTHEAST 1/4 LYING WEST OF HIGHWAY 41, AND THE WEST 1/2, ALL IN SECTION 8, TOWNSHIP 23 SOUTH, RANGE 19 EAST, HERNANDO COUNTY, FLORIDA, LESS ROAD RIGHT OF WAY,

AND

LESS PROPERTY DESCRIBED IN OFFICIAL RECORD BOOK 86, PAGE 726; OFFICIAL RECORD BOOK 79, PAGE 682, OFFICIAL RECORD BOOK 82, PAGE 548 AND BROOKHAVEN SOUTH UNIT ONE AS RECORDED IN PLAT BOOK 7 AT PAGE 27, OFFICIAL RECORD BOOK 1022, PAGE 518, OFFICIAL RECORD BOOK 1046, PAGE 186, OFFICIAL RECORD BOOK 1049, PAGE 1867; OFFICIAL RECORD BOOK 1082, PAGE 1427 AND OFFICIAL RECORD BOOK 1082, PAGE 1434, ALL LYING AND BEING IN HERNANDO COUNTY, FLORIDA.

THE UNDERSIGNED OWNER OF THE LANDS SHOWN ON THIS PLAT TO BE KNOWN AS "HERNANDO OAKS PHASE ONE" A SUBDIVISION LYING IN AND BEING A PART OF SECTIONS 5 AND 8, TOWNSHIP 23 SOUTH, RANGE 19 EAST, HERNANDO COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE SOUTHEAST CORNER OF THE NORTH-EAST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 8; THENCE S 34° 23' 38" W 53.24 FEET TO THE POINT OF BEGINNING; THENCE ALONG A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 850.00 FEET, A DELTA OF 33° 39' 35", CHORD BEARING OF S 30° 46' 36" E AND A CHORD OF 376.39 FEET; THENCE ALONG THE ARC OF SAID CURVE 381.86 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 72.50 FEET, A DELTA OF 88° 28' 48", A CHORD BEARING OF 66° 11' 12" E AND A CHORD OF 101.16 FEET; THENCE ALONG THE ARC OF SAID CURVE 111.96 FEET TO THE POINT OF TANGENCY; THENCE N 68° 34' 25" E 12.74 FEET; THENCE S 21° 28' 34" E 56.01 FEET; THENCE S 69° 34' 25" W 17.20 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 87.25 FEET, A DELTA OF 94° 36' 34", A CHORD BEARING OF S 27° 16' 08" W AND A CHORD OF 98.85 FEET; THENCE ALONG THE ARC OF SAID CURVE 111.05 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 550.00 FEET, A DELTA OF 10° 55' 20", A CHORD BEARING OF S 30° 28' 49" E AND A CHORD OF 104.69 FEET; THENCE ALONG THE ARC OF SAID CURVE 104.85 FEET TO THE POINT OF TANGENCY; THENCE S 35° 57' 28" E 333.72 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTH-EASTERLY, HAVING A RADIUS OF 550.00 FEET, A DELTA OF 08° 40' 03", A CHORD BEARING OF S 40° 17' 30" E AND A CHORD OF 83.12 FEET; THENCE ALONG THE ARC OF SAID CURVE 83.20 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, A DELTA OF 112° 22' 15", A CHORD BEARING OF N 79° 11' 20" E AND A CHORD OF 41.54 FEET; THENCE ALONG THE ARC OF SAID CURVE 49.03 FEET; THENCE S 68° 59' 47" E 50.00 FEET; THENCE S 25° 00' 13" W 29.94 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 25.00 FEET, A DELTA OF 79° 02' 24", A CHORD BEARING OF S 16° 30' 59" E AND A CHORD OF 31.82 FEET; THENCE ALONG THE ARC OF SAID CURVE 34.48 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 550.00 FEET, A DELTA OF 11° 18' 45", A CHORD BEARING OF S 81° 40' 34" E AND A CHORD OF 108.10 FEET; THENCE ALONG THE ARC OF SAID CURVE 108.27 FEET TO THE POINT OF TANGENCY; THENCE S 87° 18' 56" E 99.54 FEET TO THE WESTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY 41; THENCE S 22° 03' 31" W ALONG SAID WESTERLY RIGHT OF WAY LINE, 100.01 FEET; THENCE N 67° 18' 58" W 100.83 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 850.00 FEET, A DELTA OF 31° 21' 28", A CHORD BEARING OF S 51° 38' 13" E AND A CHORD OF 351.32 FEET; THENCE ALONG THE ARC OF SAID CURVE 355.74 FEET TO THE POINT OF TANGENCY; THENCE N 35° 57' 29" W 333.72 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 850.00 FEET, A DELTA OF 11° 42' 43", A CHORD BEARING OF N 30° 08' 07" W AND A CHORD OF 132.84 FEET; THENCE ALONG THE ARC OF SAID CURVE 132.87 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 85.00 FEET, A DELTA OF 34° 30' 16", A CHORD BEARING OF N 41° 29' 54" W AND A CHORD OF 50.42 FEET; THENCE ALONG THE ARC OF SAID CURVE 51.19 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 85.00 FEET, A DELTA OF 7° 01' 04", A CHORD BEARING OF N 20° 14' 30" W AND A CHORD OF 105.85 FEET; THENCE ALONG THE ARC OF SAID CURVE 114.26 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 73.00 FEET, A DELTA OF 40° 47' 23", A CHORD BEARING OF N 02° 07' 39" W AND A CHORD OF 50.88 FEET; THENCE ALONG THE ARC OF SAID CURVE 51.97 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 550.00 FEET, A DELTA OF 39° 32' 47", A CHORD BEARING OF N 42° 17' 44" W AND A CHORD OF 372.13 FEET; THENCE ALONG THE ARC OF SAID CURVE 379.62 FEET TO THE POINT OF TANGENCY; THENCE N 62° 04' 07" W 93.42 FEET; THENCE S 27° 55' 53" W 80.00 FEET; THENCE N 62° 04' 07" W 80.00 FEET; THENCE N 27° 55' 53" E 80.00 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 25.00 FEET, A DELTA OF 90° 00' 00", A CHORD BEARING OF S 72° 55' 53" W AND A CHORD OF 35.36 FEET; THENCE ALONG THE ARC OF SAID CURVE 39.27 FEET TO THE POINT OF TANGENCY; THENCE S 27° 55' 53" W 127.70 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 275.00 FEET, A DELTA OF 50° 50' 01", A CHORD BEARING OF S 02° 30' 53" W AND A CHORD OF 236.06 FEET; THENCE ALONG THE ARC OF SAID CURVE 243.98 FEET TO THE POINT OF TANGENCY; THENCE S 22° 54' 08" E 92.02 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 825.00 FEET, A DELTA OF 05° 08' 59", A CHORD BEARING OF S 20° 19' 38" E AND A CHORD OF 74.12 FEET; THENCE ALONG THE ARC OF SAID CURVE 74.15 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 25.00 FEET, A DELTA OF 86° 37' 40", A CHORD BEARING OF S 61° 03' 59" E AND A CHORD OF 34.30 FEET; THENCE ALONG THE ARC OF SAID CURVE 37.80 FEET; THENCE S 14° 22' 49" E 50.00 FEET; THENCE N 75° 37' 11" E 98.14 FEET TO A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 945.00 FEET, A DELTA OF 38° 28' 50", A CHORD BEARING OF S 06° 22' 33" W AND A CHORD OF 822.81 FEET; THENCE ALONG THE ARC OF SAID CURVE 834.67 FEET TO THE POINT OF TANGENCY; THENCE S 25° 38' 58" W 371.88 FEET; THENCE S 29° 28' 59" W 50.00 FEET; THENCE N 80° 39' 49" W 10.35 FEET; THENCE S 29° 20' 11" W 102.30 FEET; THENCE S 50° 19' 52" W 104.34 FEET; THENCE S 55° 03' 25" W 126.64 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 345.00 FEET, A DELTA OF 17° 57' 29", A CHORD BEARING OF S 64° 02' 09" W AND A CHORD OF 107.69 FEET; THENCE ALONG THE ARC OF SAID CURVE 108.13 FEET; THENCE N 18° 59' 07" W 120.00 FEET TO A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 225.00 FEET, A DELTA OF 03° 37' 03", A CHORD BEARING OF S 74° 49' 25" W AND A CHORD OF 14.20 FEET; THENCE ALONG THE ARC OF SAID CURVE 14.21 FEET; THENCE S 13° 22' 04" E 120.00 FEET TO A CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 345.00 FEET, A DELTA OF 37° 35' 22", A CHORD BEARING OF S 84° 34' 23" E AND A CHORD OF 222.30 FEET; THENCE ALONG THE ARC OF SAID CURVE 226.34 FEET TO THE POINT OF TANGENCY; THENCE N 85° 46' 42" W 102.93 FEET; THENCE N 17° 04' 09" W 154.72 FEET TO A POINT ON A CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 275.00 FEET, A DELTA OF 31° 49' 17", A CHORD BEARING OF S 88° 50' 29" W AND A CHORD OF 150.78 FEET; THENCE ALONG THE ARC OF SAID CURVE 152.73 FEET TO THE POINT OF TANGENCY; THENCE S 72° 55' 51" W 145.00 FEET; THENCE S 17° 04' 09" E 120.00 FEET; THENCE S 72° 55' 51" W 161.66 FEET; THENCE S 86° 57' 38" W 66.50 FEET; THENCE S 89° 48' 02" W 120.00 FEET; THENCE N 00° 11' 58" W 95.00 FEET; THENCE S 89° 48' 02" W 50.00 FEET; THENCE N 00° 11' 58" W 3.57 FEET; THENCE S 89° 48' 02" W 120.00 FEET; THENCE N 00° 11' 58" W 170.91 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 345.00 FEET, A DELTA OF 73° 07' 48", A CHORD BEARING OF N 38° 21' 56" E AND A CHORD OF 411.06 FEET; THENCE ALONG THE ARC OF SAID CURVE 440.34 FEET TO THE POINT OF TANGENCY; THENCE N 72° 55' 51" E 457.95 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 200.00 FEET, A DELTA OF 81° 14' 24", A CHORD BEARING OF N 32° 18' 38" E AND A CHORD OF 260.42 FEET; THENCE ALONG THE ARC OF SAID CURVE 283.58 FEET TO THE POINT OF TANGENCY; THENCE N 08° 18' 34" W 488.37 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 1145.00 FEET, A DELTA OF 36° 14' 27", A CHORD BEARING OF N 09° 48' 39" E AND A CHORD OF 712.22 FEET; THENCE ALONG THE ARC OF SAID CURVE 724.24 FEET TO THE POINT OF TANGENCY; THENCE N 27° 55' 53" E 106.02 FEET; THENCE S 71° 24' 30" E 15.14 FEET; THENCE S 62° 04' 07" E 102.96 FEET TO A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, A DELTA OF 85° 41' 28", A CHORD BEARING OF N 28° 33' 25" W AND A CHORD OF 27.12 FEET; THENCE ALONG THE ARC OF SAID CURVE 28.88 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 550.00 FEET, A DELTA OF 33° 00' 40", A CHORD BEARING OF N 78° 34' 09" W AND A CHORD OF 312.52 FEET; THENCE ALONG THE ARC OF SAID CURVE 316.88 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 120.00 FEET, A DELTA OF 50° 49' 33", A CHORD BEARING OF S 59° 30' 23" W AND A CHORD OF 102.99 FEET; THENCE ALONG THE ARC OF SAID CURVE 106.45 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 132.00 FEET, A DELTA OF 37° 44' 40", A CHORD BEARING OF S 52° 57' 57" W AND A CHORD OF 85.39 FEET; THENCE ALONG THE ARC OF SAID CURVE 86.96 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 120.00 FEET, A DELTA OF 39° 07' 02", A CHORD BEARING OF S 52° 16' 45" W AND A CHORD OF 80.35 FEET; THENCE ALONG THE ARC OF SAID CURVE 81.93 FEET; THENCE N 64° 46' 49" W 113.31 FEET TO A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 389.33 FEET, A DELTA OF 01° 09' 53", A CHORD BEARING OF N 16° 13' 15" E AND A CHORD OF 7.92 FEET; THENCE ALONG THE ARC OF SAID CURVE 7.92 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 120.00 FEET, A DELTA OF 36° 18' 35", A CHORD BEARING OF N 01° 20' 06" W AND A CHORD OF 74.71 FEET; THENCE ALONG THE ARC OF SAID CURVE 75.98 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 132.00 FEET, A DELTA OF 29° 15' 39", A CHORD BEARING OF N 04° 50' 34" W AND A CHORD OF 66.68 FEET; THENCE ALONG THE ARC OF SAID CURVE 67.41 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 120.00 FEET, A DELTA OF 35° 03' 17", A CHORD BEARING OF N 07° 44' 23" W AND A CHORD OF 72.28 FEET; THENCE ALONG THE ARC OF SAID CURVE 73.42 FEET; THENCE N 45° 04' 45" E 84.28 FEET TO A CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 120.00 FEET, A DELTA OF 34° 57' 41", A CHORD BEARING OF S 82° 28' 36" E AND A CHORD OF 72.09 FEET; THENCE ALONG THE ARC OF SAID CURVE 73.22 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 132.00 FEET, A DELTA OF 49° 08' 27", CHORD BEARING OF S 75° 24' 14" E AND A CHORD OF 109.70 FEET; THENCE ALONG THE ARC OF SAID CURVE 113.14 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 120.00 FEET, A DELTA OF 45° 41' 14", A CHORD BEARING OF S 73° 41' 37" E AND A CHORD OF 93.17 FEET; THENCE ALONG THE ARC OF SAID CURVE 95.69 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 850.00 FEET, A DELTA OF 34° 28' 07", A CHORD BEARING OF S 79° 18' 11" E AND A CHORD OF 385.17 FEET; THENCE ALONG THE ARC OF SAID CURVE 391.04 FEET TO THE POINT OF TANGENCY; THENCE S 82° 04' 07" E 150.20 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, A DELTA OF 66° 25' 19", A CHORD BEARING OF N 84° 43' 14" E AND A CHORD OF 27.39 FEET; THENCE ALONG THE ARC OF SAID CURVE 28.98 FEET; THENCE N 62° 04' 07" W 117.91 FEET; THENCE N 27° 55' 53" E 90.00 FEET; THENCE N 13° 53' 52" E 67.44 FEET; THENCE N 11° 48' 08" W 97.16 FEET; THENCE N 02° 45' 54" E 98.78 FEET; THENCE N 16° 51' 13" E 184.59 FEET; THENCE N 13° 03' 51" E 180.00 FEET; THENCE N 15° 43' 39" E 99.88 FEET; THENCE N 28° 28' 41" E 110.49 FEET; THENCE N 35° 25' 13" E 83.62 FEET; THENCE N 11° 07' 40" E 75.11 FEET; THENCE N 00° 17' 14" E 180.00 FEET; THENCE S 89° 42' 46" E 118.73 FEET TO A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 175.00 FEET, A DELTA OF 17° 42' 18", A CHORD BEARING OF N 15° 27' 53" W AND A CHORD OF 53.88 FEET; THENCE ALONG THE ARC OF SAID CURVE 54.07 FEET; THENCE N 65° 40' 59" E 50.00 FEET TO A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 225.00 FEET, A DELTA OF 07° 08' 27", A CHORD BEARING OF S 20° 44' 47" E AND A CHORD OF 28.02 FEET; THENCE ALONG THE ARC OF SAID CURVE 28.04 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 25.00 FEET, A DELTA OF 72° 49' 26", A CHORD BEARING OF S 53° 35' 17" E AND A CHORD OF 29.68 FEET; THENCE ALONG THE ARC OF SAID CURVE 31.78 FEET; THENCE NORTH 120.00 FEET; THENCE EAST 95.79 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 245.00 FEET, A DELTA OF 90° 17' 14", A CHORD BEARING OF S 44° 51' 23" E AND A CHORD OF 347.35 FEET; THENCE ALONG THE ARC OF SAID CURVE 386.07 FEET TO THE POINT OF TANGENCY; THENCE S 00° 17' 14" W 40.00 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 245.00 FEET, A DELTA OF 89° 42' 46", A CHORD BEARING OF S 45° 08' 37" W AND A CHORD OF 345.61 FEET; THENCE ALONG THE ARC OF SAID CURVE 383.62 FEET TO THE POINT OF TANGENCY; THENCE WEST 66.53 FEET; THENCE NORTH 120.00 FEET; THENCE WEST 32.87 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 25.00 FEET, A DELTA OF 73° 40' 13", A CHORD BEARING OF S 53° 09' 54" W AND A CHORD OF 29.98 FEET; THENCE ALONG THE ARC OF SAID CURVE 32.14 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 325.00 FEET, A DELTA OF 12° 25' 19", A CHORD BEARING OF S 22° 32' 27" W AND A CHORD OF 70.32 FEET; THENCE ALONG THE ARC OF SAID CURVE 70.46 FEET; THENCE S 52° 42' 06" E 122.09 FEET; THENCE S 37° 17' 54" W 90.00 FEET; THENCE S 23° 14' 14" W 64.86 FEET; THENCE S 13° 03' 51" W 150.77 FEET; THENCE S 82° 21' 32" W 128.29 FEET; THENCE S 13° 03' 51" W 32.13 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 275.00 FEET, A DELTA OF 02° 13' 01", A CHORD BEARING OF S 11° 57' 20" W AND A CHORD OF 10.84 FEET; THENCE ALONG THE ARC OF SAID CURVE 10.84 FEET TO THE BEGINNING OF A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 100.00 FEET, A DELTA OF 21° 50' 58", A CHORD BEARING OF S 00° 04' 39" E AND A CHORD OF 37.90 FEET; THENCE ALONG THE ARC OF SAID CURVE 38.13 FEET; THENCE S 89° 23' 43" E 129.66 FEET; THENCE S 10° 34' 43" E 90.21 FEET; THENCE S 02° 45' 54" W 90.00 FEET; THENCE S 14° 30' 07" W 208.99 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 229.00 FEET, A DELTA OF 178° 02' 41", A CHORD BEARING OF S 61° 05' 28" E AND A CHORD OF 457.93 FEET; THENCE ALONG THE ARC OF SAID CURVE 711.81 FEET TO THE POINT OF TANGENCY; THENCE S 27° 55' 53" W 180.03 FEET; THENCE N 62° 04' 07" W 118.23 FEET TO A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 25.00 FEET, A DELTA OF 68° 20' 01", A CHORD BEARING OF S 27° 54' 06" E AND A CHORD OF 28.08 FEET; THENCE ALONG THE ARC OF SAID CURVE 28.82 FEET TO THE POINT OF TANGENCY; THENCE S 62° 04' 07" E 173.92 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 850.00 FEET, A DELTA OF 06° 27' 43", A CHORD BEARING OF S 58° 50' 16" E AND A CHORD OF 73.27 FEET; THENCE ALONG THE ARC OF SAID CURVE 73.31 FEET TO THE POINT OF BEGINNING.

CONTAINING 70.76 ACRES, MORE OR LESS.

ARTICLES OF INCORPORATION
OF
HERNANDO OAKS MASTER ASSOCIATION, INC.
(A Corporation Not-For-Profit)

In order to form a corporation not for profit in compliance with Chapter 617 of the Florida Statutes, we, the undersigned, hereby associate ourselves into a corporation for the purpose and with the powers hereinafter mentioned; and to that end we do, by these Articles of Incorporation, set forth the following:

ARTICLE I - NAME

The name of this corporation shall be Hernando Oaks Master Association, Inc.

ARTICLE II - PRINCIPAL

The principal office of the corporation is located at 1610 Barrancas Avenue, Pensacola, Florida 32501.

ARTICLE III - PURPOSE

The Corporation is organized to take title to, operate, and maintain the Nonresidential Property dedicated to the Corporation in a Plat or conveyed to the Corporation (collectively the "Corporation Property") in accordance with the terms set forth in such dedication or conveyance and to carry out the covenants and enforce the provisions of the Master

Declaration of Covenants, Conditions, and Restrictions of
Hernando Oaks filed in the Public Records of Hernando County,
Florida.

ARTICLE IV - CORPORATE EXISTENCE

This Corporation shall have perpetual existence commencing
on the date that these Articles are executed by the Subscribers.

ARTICLE V - DEFINITIONS

The words and phrases when used in these Articles shall have
the meanings as defined in the Declaration of Master Covenants,
Conditions, and Restrictions for Hernando oaks filed in the
Public Records of Hernando County, Florida.

ARTICLE VI - POWERS

The powers of the corporation shall be as follows:

(a) The Corporation shall have all the common law and
statutory powers of a corporation not-for-profit;

(b) The Corporation shall have all of the powers reasonably
necessary to implement its purposes including, but not limited
to, the following:

(1) To do all of the acts required to be performed by
it under the Master Declaration or any Supplemental Declarations;

(2) To make, establish, and enforce rules and
regulations governing the use of the Corporation Property and
Common Areas;

(3) To make, levy, and collect assessments from its

members to pay for the operational expenses of the Corporation; Operating Expenses; and Costs of Collection; and, to use the proceeds of assessments in the exercise of its powers and duties hereunder;

(4) To maintain, repair, replace, and operate the Corporation Property (including, but not limited to, any Corporation Property to be maintained in a natural state, utilized for recreation purposes, or utilized for drainage purposes) and all Common Areas, in accordance with the Planned Unit Development ("PUD") requirements of the County which are applicable to HERNANDO OAKS; the Master Declaration; or any Supplemental Declarations, in accordance with the terms and purposes set forth in the dedication or conveyance of the Corporation Property to the Corporation;

(5) To borrow money and to mortgage or pledge any of its property as security therefore;

(6) To enforce by legal means the obligations of the members of the Corporation; the provisions of the Declaration; and the provisions of a dedication or conveyance of the Corporation Property to the Corporation with respect to the use and maintenance thereof;

(7) To contract for professional management with a "Manager," which may be an individual, corporation, partnership

or other entity and to delegate to such Manager the powers and duties of the Corporation.

ARTICLE VII - TERM

The Corporation shall exist perpetually.

ARTICLE VIII - MEMBERSHIP AND VOTING

The membership of the Corporation shall be comprised of all the owners of Lots and Dwelling Units within the committed property effective upon taking title to such Lot or Dwelling unit, including the developer. Members shall be entitled to one (1) vote for each Lot or Dwelling Unit owned. In the event that a member's Lot or Dwelling Unit is represented by a Homeowners Association, then in that event, the vote of such Lot or Dwelling Unit owner shall be through the President or such other representative of The Homeowners Association as may be designated, in writing, to the Corporation by the Board of Directors of The Homeowners Association (The "Voter Representative". Each Homeowners Association shall have that number of votes to cast corresponding to the total number of Lots and Dwelling Units owned by its members.

All notices and official communication from the Corporation to The Homeowners Association shall be through the Voter Representative. Only the Voter Representative shall have the right to attend and participate in meetings of the Corporation members. Members whose Lots or Dwelling Units are not

represented by a Homeowners Association may represent themselves and attend and participate in meetings of the Corporation members.

Each member shall be entitled to the benefits of membership and shall be bound by the provisions of the Articles and Bylaws of this Corporation.

ARTICLE IX - BOARD OF DIRECTORS

(a) The affairs of the Corporation shall be managed by its Board of Directors.

(b) The number of members of the first Board of Directors ("First Board) shall be five (5). Thereafter, the number of members of the Board shall be increased or decreased by Amendments to these articles as provided in Article XIV.

(c) Developer shall appoint, designate, and elect all of the members of the First Board of Directors and their successors until the Turnover Date. Developer shall relinquish its right to appoint Directors and cause the First Board to resign on the Turnover Date.

(d) The names and street addresses of the persons who are to serve as the First Board are as follows:

<u>Name</u>	<u>Address</u>
David A. Brannen	17 West Cedar Street Pensacola, Fl 32501
Allen Levin	2200 Via de Luna Pensacola Beach, Fl 32561

Charles S. Liberis

1610 Barrancas Avenue
Pensacola, Fl 32501

Scott Pate

214 Church Street
Pensacola, Fl 32501

James Kostoryz

702 N. Franklin Street
7th Floor
Tampa, Florida 33602

(e) The First Board shall be the Board of Directors of the Corporation until the Turnover Date. Thereafter, on the second Friday of November of each year, the Members shall elect the Board Members.

(f) Notwithstanding anything herein contained, the election of the first Members shall not take place until the "Turnover Date" which date shall be thirty (30) days after Developer has conveyed Lots and Dwelling Units equal to ninety (90%) percent of the total number of Dwelling Units which are permitted to be constructed within HERNANDO OAKS according to applicable governmental regulations; or at any time upon a voluntary election of Developer. Until such Turnover Date, the Directors of the Corporation named by Developer shall serve, and, in the event of vacancies, the vacancies shall be filled by Developer.

(g) After the Turnover Date for so long as Developer owns Dwelling Units and Lots, the aggregate of the number of which is at least twenty-five (25), Developer shall have the right to designate two additional Board members.

ARTICLE X - OFFICERS

The officers of the Corporation shall be President, assisted by several Vice Presidents, Secretary, and Treasurer and such other officers as provided in the By-Laws.

The Directors shall elect the officers. The President shall be elected from amongst the Directors, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible, provided, however, the office of President and a Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person.

ARTICLE XI - FIRST OFFICERS

The names of the officers who are to serve until the first election of officers by the Directors are as follows:

President:	Allen Levin
Vice President:	Scott Pate
Secretary:	Charles S. Liberis
Treasurer:	David A. Brannen

ARTICLE XII - INDEMNIFICATION

Every Director and every officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of

his being or having been a Director or Officer of the Corporation, or any settlement thereof, whether or not he is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Directors approve such settlement and reimbursement as being for the best interest of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all right to which such Director or Officer may be entitled by common law or statutory.

ARTICLE XIII - BY-LAWS

By-Laws of the Corporation shall be adopted by the Board of Directors named herein, and may be altered, amended, or rescinded in the manner provided for in the By-Laws.

ARTICLE XIV - AMENDMENTS

(a) Until the turnover date, these Articles may be amended only by a majority vote of the Board evidenced by an instrument in writing signed by the President or Vice President and Secretary or Assistant Secretary and filed with the Secretary of State of the State of Florida. The instrument amending these Articles shall identify the particular Article or Articles being amended and give the exact language and date of adoption of such

amendment, and a certified copy of each such amendment shall always be attached to any certified copy of these Articles and shall be an exhibit to the Declaration upon the recording of such Declaration.

(b) After the turnover date, these articles may be amended by the following procedures:

(1) The Board, upon a vote of its majority, shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of Members, which may be either the annual or a special meeting.

(2) Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Member within the time and in the manner provided in the By-Laws for the giving of notice of meetings of Members.

(3) At such meeting a vote of the Members shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of 75% of the votes of all Members. Any number of amendments may be submitted to the Members and voted upon by them at one meeting.

(4) Notwithstanding the foregoing provisions, there shall be no amendment to these Articles which shall abridge, amend, or alter the rights of Developer, including the right to designate and select the Directors as provided herein, nor shall

there be any amendment to these Articles which shall abridge, alter, or modify the rights of any Institutional Mortgagee.

ARTICLE XV
TRANSACTIONS IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

No contract or transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its Directors or Officers are Directors or Officers, or have a financial interest, shall be invalid, void, or voidable solely for this reason, or solely because the Director or Officer is present at or participates in the meeting of the Board or Committee thereof which authorized the contract or transaction, or solely because his or their votes are counted for such purpose. No Director or Officer of the Corporation shall incur liability by reason of the fact that he is or may be in any such contract or transaction.

Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

ARTICLE XVI - INITIAL REGISTERED AGENT

The initial registered agent of the Corporation shall be Charles S. Liberis. The street address of the initial registered office of the Corporation is 1610 Barrancas Avenue, Pensacola, Florida 32501.

ARTICLE XVII - SUCCESSOR ENTITIES

In the event of the dissolution of the Corporation, or any successor entity hereto, the Corporation Property shall be transferred to either a successor entity or an appropriate governmental agency or public body to be maintained for the purposes for which the Corporation, or a successor hereto, was maintaining such Corporation Property in accordance with the terms and provisions under which such Corporation Property was being held by the Corporation, or such a successor.

ARTICLE XVIII - DISSOLUTION

In the event of dissolution or final liquidation of the Corporation, the assets utilized in connection with the surface water management system, both real and personal, of the Corporation, shall be dedicated to an appropriate public agency or utility to be devoted to purposes of nearly as practicable to the same as those to which they were required to be devoted by the Corporation. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization, to be devoted to purposes as nearly as practicable to the same as those to which they were required to be devoted by the Corporation. No such disposition of Corporation Property shall be effective to divest or diminish any right or title of any member vested in him under the recorded covenants and deeds

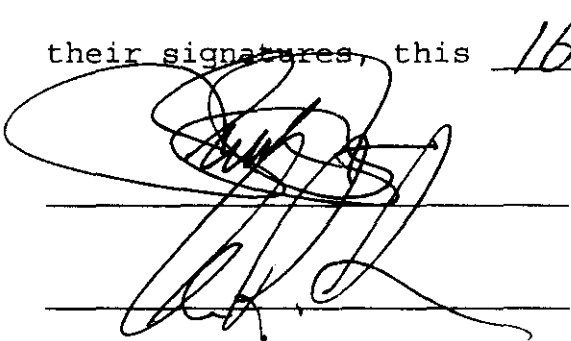
unless made in accordance with the provisions of such covenants and deeds.

ARTICLE XIX - SUBSCRIBERS

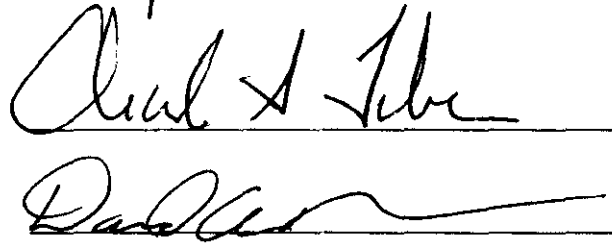
The names and addresses of the subscribers to these Articles are:

<u>Name</u>	<u>Address</u>
David A. Brannen	17 West Cedar Street Pensacola, Fl 32501
Allen Levin	2200 Via de Luna Pensacola Beach, Fl 32561
Charles S. Liberis	1610 Barrancas Avenue Pensacola, Fl 32501
Scott Pate	214 Church Street Pensacola, Fl 32501

IN WITNESS WHEREOF, the subscribers have hereunto affixed their signatures, this 16th day of September 2002



Two handwritten signatures are written over two horizontal lines. The first signature is a large, stylized cursive signature, likely belonging to David A. Brannen. The second signature is a smaller, more compact cursive signature, likely belonging to Allen Levin.



Two handwritten signatures are written over two horizontal lines. The first signature is a cursive signature, likely belonging to Charles S. Liberis. The second signature is a cursive signature, likely belonging to Scott Pate.

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

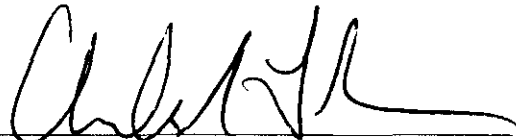
In pursuant of Chapter 48.091, Florida Statutes, the following is submitted, in compliance with said Act:

That HERNANDO OAKS MASTER ASSOCIATION, INC., desiring to organize under the laws of the State of Florida with its principal office as indicated in the Articles of Incorporation at 1610 Barrancas Avenue, Pensacola, FL 32501, has named Charles Liberis, County of Escambia, as its agent to accept service of process within this State.

ACKNOWLEDGMENT:

Having been named to accept service of process for the above stated corporation at 1610 Barrancas Avenue, Pensacola, FL 32501, I hereby accept to act in this capacity and agree to comply with the provision of said Act relative to keeping open said office.

By: _____



Resident Agent