



St. Johns River Water Management District

Kirby B. Green III, Executive Director • David W. Fisk, Assistant Executive Director

4049 Reid Street • P.O. Box 1429 • Palatka, FL 32178-1429 • (386) 329-4500
On the Internet at www.sjrwmd.com.

CERTIFIED #7006 0100 0005 0270 9908

May 4, 2007

Jacobs Way Homeowners Association, Inc.
c/o Property Management Systems, Inc.
Post Office Box 1987
463499 State Road 200
Yulee, FL 32097

Subject: Permit Number: 40-031-87504-3
Project Name: Jacobs Way
Original Permit Issued: August 29, 2003 (Permitted as 40-031-87504-1)
Transfer Permit Issued: January 3, 2006 (Permitted as 40-031-87504-2)

The surface water management system serving the above referenced project has been constructed and is functioning in conformance with the requirements of the St. Johns River Water Management District.

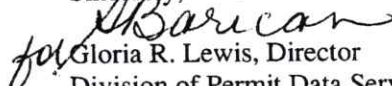
The Jacobs Way Homeowners Association, Inc. is now authorized to operate the system and is responsible for its routine maintenance. Enclosed you will find an operation permit, plan, maintenance guidelines, and a pamphlet entitled "Neighborhood Guide to Stormwater Systems".

The permit, plan and maintenance guidelines provide information to assist you in assuring the system is properly maintained and will continue to function as designed. Please review this material carefully to assure that your association meets all of the requirements contained in your permit and keep it with other important documents. The pamphlet contains general information about the stormwater systems that will be useful to the homeowners in your development.

For additional support, an education program has been developed to provide neighborhood groups with information about proper landscape and pond maintenance practices that will save them money and help ensure protection of Florida's natural waterways. This watershed and ponds education program is available through the District's Watershed Action Volunteer (WAV) program. For more information, contact your local WAV coordinator at (386)312-2346. As an introduction to the education program, videos on watersheds and stormwater systems can be ordered from the District, (800)725-5922.

Your participation is vital to the protection of our rivers, streams, lakes, and wetlands. If you have any questions, please call your local District Service Center, the staff will be happy to respond.

Sincerely,


Gloria R. Lewis, Director
Division of Permit Data Services

cc: District Permit File
Dale Lovell, Compliance Manager; Jacksonville Service Center
Engle Homes, Andy Chambers, 11945 San Jose Blvd., Bldg. 300, Jacksonville, FL 32223

GOVERNING BOARD

David G. Graham, CHAIRMAN JACKSONVILLE	John G. Sowinski, VICE CHAIRMAN ORLANDO	Ann T. Moore, SECRETARY BUNNELL	Duane L. Ottenstroer, TREASURER JACKSONVILLE
R. Clay Albright OCALA	Susan N. Hughes PONTÉ VEDRA	William W. Kerr MELBOURNE BEACH	Ometrias D. Long APOPKA
			W. Leonard Wood FERNANDINA BEACH

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
Post Office Box 1429
Palatka, Florida 32178-1429

PERMIT NO.: 40-031-87504-3

ORIGINAL PERMIT ISSUED: August 29, 2003

TRANSFER PERMIT ISSUED: January 3, 2006

OPERATION PHASE ISSUED: May 4, 2007

PROJECT NAME: Jacob's Way

A PERMIT AUTHORIZING:

This permit authorizes the operation and maintenance of the surface water management system serving Jacob's Way, a residential community consisting of 40.59-acres, which was permitted and constructed in accordance with permit number 40-031-87504-1.

LOCATION:

Section: 4
Duval County

Township: 1 South

Range: 26 East

ISSUED TO:

Jacobs Way Homeowners Association, Inc.
c/o Property Management Systems, Inc.
Post Office Box 1987
463499 State Road 200
Yulee, FL 32097

Permittee agrees to hold and save the St. Johns River Water Management District and its successors harmless from any and all damages, claims, or liabilities which may arise from permit issuance. Said application, including all plans and specifications attached thereto, is by reference made a part hereof.

This permit does not convey to permittee any property rights nor any rights of privileges other than those specified herein, nor relieve the permittee from complying with any law, regulation or requirement affecting the rights of other bodies or agencies. All structures and works installed by permittee hereunder shall remain the property of the permittee.

This permit may be revoked, modified or transferred at any time pursuant to the appropriate provisions of Chapter 373, Florida Statutes:

PERMIT IS CONDITIONED UPON:

See conditions on attached "Exhibit A", dated August 29, 2003

AUTHORIZED BY: St. Johns River Water Management District
Department of Resource Management

By:



(Division Director - Palatka)
Michael Register

"EXHIBIT A"
CONDITIONS FOR ISSUANCE OF PERMIT NUMBER 40-031-87504-3
JACOBS WAY HOMEOWNERS ASSOCIATION, INC.
ORIGINAL PERMIT DATED AUGUST 29, 2003
TRANSFER PERMIT DATED JANUARY 3, 2006
OPERATION PHASE DATED MAY 4, 2007

1. All activities shall be implemented as set forth in the plans, specifications and performance criteria as approved by this permit. Any deviation from the permitted activity and the conditions for undertaking that activity shall constitute a violation of this permit.
2. This permit or a copy thereof, complete with all conditions, attachments, exhibits, and modifications, shall be kept at the work site of the permitted activity. The complete permit shall be available for review at the work site upon request by District staff. The permittee shall require the contractor to review the complete permit prior to commencement of the activity authorized by this permit.
3. Activities approved by this permit shall be conducted in a manner which do not cause violations of state water quality standards.
4. Should any other regulatory agency require changes to the permitted system, the permittee shall provide written notification to the District of the changes prior implementation so that a determination can be made whether a permit modification is required.
5. This permit does not eliminate the necessity to obtain any required federal, state, local and special district authorizations prior to the start of any activity approved by this permit. This permit does not convey to the permittee or create in the permittee any property right, or any interest in real property, nor does it authorize any entrance upon or activities on property which is not owned or controlled by the permittee, or convey any rights or privileges other than those specified in the permit and chapter 40C-4 or chapter 40C-40, F.A.C.
6. The permittee shall hold and save the District harmless from any and all damages, claims, or liabilities which may arise by reason of the activities authorized by the permit or any use of the permitted system.
7. The permittee shall notify the District in writing within 30 days of any sale, conveyance, or other transfer of ownership or control of the permitted system or the real property at which the permitted system is located. All transfers of ownership or transfers of a permit are subject to the requirements of rule 40C-1.612, F.A.C. The permittee transferring the permit shall remain liable for any corrective actions that may be required as a result of any permit violations prior to such sale, conveyance or other transfer.
8. Upon reasonable notice to the permittee, District authorized staff with proper identification shall have permission to enter, inspect, sample and test the system to insure conformity with the plans and specifications approved by the permit.
9. The stormwater management system shall be inspected by the operation and maintenance entity once within two years after the completion of construction and every two years thereafter to insure that the system is functioning as designed and permitted. If a required inspection reveals that the system is not functioning as designed and permitted, then within 14 days of that inspection the entity shall submit an Exceptions Report on form number 40C-42.900(6), Exceptions Report for Stormwater Management Systems Out of Compliance. The operation and maintenance entity must maintain a record of each required inspection, including the date of the inspection, the name, address, and telephone number of the inspector, and whether the system was functioning as designed and permitted, and make such record available for inspection upon request by the District during normal business hours.

**INITIAL BY-LAWS FOR
JACOBS WAY HOMEOWNERS ASSOCIATION, INC.
A FLORIDA CORPORATION NOT-FOR-PROFIT**

**ARTICLE I
AUTHORITY**

These initial By-laws were drafted and adopted with the intention that they conform to the provisions of the 2004 version of the Florida Statutes. Additionally, these initial By-laws were drafted and adopted with the intention that they conform to the requirements of FHA Form 1400 and VA Form 26-8200, in force as of the date of their adoption, except to the extent that those forms are displaced by the referenced Florida Statute. Additionally, these initial By-laws were drafted and adopted with the intention that they conform to the requirements of The St. Johns River Water Management District, Permit No. 40-031-87504-1.

**ARTICLE II
DEFINITIONS**

The definitions are the same as those appearing in the Articles of Incorporation and Declaration of Covenants, Restrictions, and Easements.

**ARTICLE III
PURPOSE**

The purpose of these By-Laws is to supplement the articles and by-laws in order to govern the administration of the Association.

**ARTICLE IV
MEETINGS OF MEMBERS AND VOTING BY MEMBERS**

Section 1. Place of Meetings. Meetings of the owners shall be held in Duval County, Florida, at the place stated in the notice of the meeting. If no place is stated in the notice of the meeting, then meetings of the owners are to be held within Jacobs Way at a site acceptable to the quorum.

Section 2. Frequency of Meetings. This Association must hold a meeting of owners annually to elect directors and to transact any proper business. These required annual meetings shall be held on the Tuesday closest to December 21 of each year commencing in December 2004. Special meetings of the owners shall be held with such frequency as may be determined in accordance with these By-laws and applicable law.

Section 3. Record Date and Owners' List. The record date for determining owners entitled to notice of an annual meeting is the close of business on the business day closest to November 1 of each calendar year, beginning with November of 2004. Record date for determining owners entitled to notice of a special meeting is the close of business on the day before the first notice is required by Florida law to be delivered to the owners. If a meeting is adjourned to 120 days after the date fixed for the original meeting, the Board must fix a new record date. After fixing a record date for a meeting, this Association shall prepare an alphabetical list of the names of all of its owners who are entitled to notice of an owner's meeting. The list must be arranged by voting group with the owner's address and the number and class of voting rights. This list must be available for inspection by any owner for a period of ten days before the meeting (or a shorter time existing between the record date and the meeting) and continuing through the meeting. The list must be kept at this Association's principal office, at a place identified in the meeting notice in the city where the meeting will be held, or at the office of this Association's registered agent. Any owner or owner's agent or attorney is entitled, on written demand, to inspect the list during regular business hours at his or her expense.

Section 4. Notice. This Association is required to notify owners of the date, time, and place of each annual and special meeting of shareholders no fewer than 10 nor more than 60 days before the meeting date. Only owners entitled to vote need be given notice, unless otherwise expressly required by applicable Florida law, the Articles, these By-laws, or the Declaration. Notice may be given by telegraph, teletype, fax machine, or other form of electronic communication, or by mail. In addition, if reasonable under the circumstances, notice may be given orally, including telephonically. The notice requirements in this Section 4 do not apply to the extent to which they are in conflict with the notice requirements in the Declaration concerning meetings of the owners to approve increases in the annual assessments or special assessments.

Section 5. Waiver and Consent.

5.1. Waiver of Notice of Meetings. An owner may waive any notice required by law or by the organizational documents for this Association. The waiver must be in writing and included in the minutes or filed with the records of this Association. The reason for the waiver need not be specified in the waiver. In addition to waivers in writing, waivers may be made by act or failure to act. Unless an owner objects to notice or consideration of any item of business at the beginning of a meeting, the owner waives notice, or waives objection to matters not noticed. This section is supplemented by additional rules applicable to annual meetings and special meetings set forth in Section 6 and Section 7 of this Article IV.

5.2 Actions Without a Meeting by Consent. Moreover, owners may take action without a meeting by consent of the owners of each voting group entitled to vote thereon having not less than the minimum number of votes with respect to each voting group that would be necessary to authorize or take such action at a meeting at which all voting groups and interests entitled to vote thereon were present and voted. Any such consent to an action without a meeting must be in writing, describe the action taken, and be dated and signed by approving owners having

the requisite number of votes of each voting group entitled to vote thereon. The consent to an action without a meeting must be delivered to the this Association at its principal place of business, principal office in Florida, or to the corporate secretary or another officer or agent having custody of the book in which the proceedings of meetings of owners are recorded. The consent is not effective unless, within 60 days of the date of the earliest dated consent so delivered, consents from the number of holders required to take action are delivered to this Association. These consents may be revoked before the date that this Association receives the required number of consents to authorize the proposed action. Revocations must be in writing and delivered as above. Within ten days after obtaining the required consents, notice of the action taken must be given to those owners who have not consented or were not entitled to vote. This notice must fairly summarize the material features of the authorized action, and, if applicable, contain a clear statement of dissenter's rights. When an action is taken by consent it has the effect of a vote taken at a meeting. The written consents must be filed with the meetings of owners proceedings.

Section 6. Annual Meeting. This Association must hold an annual meeting of owners to elect directors and transact any proper business at the time stated in or fixed in accordance with these By-laws. Notice of the annual meeting must contain the date, time, and place, and must be given no fewer than 10 nor more than 60 days before the meeting date, except that if notice is mailed it must be given at least 15 days before the meeting date. Unless law or the governing documents require otherwise, notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called.

Section 7. Special Meeting. Special meetings must be held when called by the Board of Directors or, unless a different percentage is stated in the governing documents, by at least 10% of the voting interest of this Association. Business conducted at a special meeting is limited to the purposes described in the notice of the meeting. Notice of the special meeting must include a description of the purpose or purposes for which the meeting is called.

Section 8. Quorum and Voting. Unless otherwise expressly provided in the Articles or the Declaration, 30% of the lots must be present in person or by proxy in order to constitute a quorum. Also, unless otherwise provided in the Articles, the Declaration, or by law, decisions that require a vote of the members must be made by the concurrence of at least a majority of the voting interests present, in person, or by proxy, at a meeting at which a quorum has been attained.

Section 9. Proxies. The members have the right, unless otherwise provided in Florida Statutes, Chapter 617 or in the governing documents for this Association, to vote in person or by proxy. To be valid, a proxy must be dated, must state the date, time, and place of the meeting for which it is given, and must be signed by the authorized person who executed the proxy. A proxy is effective only for the specific meeting for which it was originally given, as the meeting may lawfully be adjourned and reconvened from time to time, and automatically expires 90 days after the date of the meeting for which it was originally given. A proxy is revocable at any time at the pleasure of the person who executes it. If the proxy form expressly so provides, any proxy holder may appoint in writing a substitute to act in his/her place.

Section 10. Adjournment. Adjournment of an annual or special meeting to a different date, time, or place, must be announced at that meeting before an adjournment is taken, or notice must be given of the new date, time, or place pursuant to Florida Statutes, Section 617.303(2). Any business that might have been transacted on the original date of the meeting may be transacted at the adjourned meeting. If a new record date for the adjourned meeting is or must be fixed under Florida Statutes, Section 617.0707, notice of the adjourned meeting must be given to persons who are entitled to vote and are members as of the new record date but were not members as of the previous record date.

Section 11. Right of Attendance. All members shall have the right to attend all meetings of the members. All members shall be entitled to exercise their right of free speech at any meeting of the members, subject to the rules of order applicable to the meeting as established by the Board of Directors and subject to the reasonable limitations imposed by the president or presiding officer.

Section 12. Official Who Conducts Meetings. All meetings of the members shall be conducted by the president of this Association or, in his absence, by any other officer or director designated by the Board of Directors.

ARTICLE V **DIRECTORS**

Section 1. Requirement of a Board. This Association shall have a Board of Directors. The Board shall consist of not less than three persons. The number of directors may be increased by the members at any annual meeting, but the number shall always be an odd number.

Section 2. Duties and Powers. Subject to any restrictions in the Articles, these By-laws, and the Declaration, the Board of Directors shall assume the duties and shall exercise the powers of this corporation by determining and executing corporate policy. The duties and the powers of the Board shall be those as provided by the Articles of Incorporation, these By-laws, the Declaration, and applicable law and regulation.

Section 3. Committees. The Board of Directors may act through committees of directors, unless prohibited or limited by the Articles, these By-laws, or the Declaration. Committees must consist of at least two directors. The requirements of these By-laws governing meetings, notice and waiver of notice, and quorum and voting for the Board shall apply to committees of the Board and their members, as well. The Board of Directors may designate, by majority resolution, an Executive Committee and one or more other committees. These committees shall have and may exercise all the authority of the Board of Directors except for the following:

3.1. Approving or recommending to owners actions required to be approved by the owners (amendments to Articles, mergers, or liquidations, etc.);

3.2. Selecting candidates for the office of director, or filling vacancies on the Board or any of its committees;

3.3. Adopting, amending, or repealing these By-laws (to the extent that such powers are granted to the Board by the Articles, these By-laws, or the Declaration).

Section 4. Qualifications. The only qualifications for directors are that they be natural persons who are eighteen years of age or older. All members of this Association shall be eligible to serve on the Board of Directors, and a member may nominate himself/herself as a candidate for the Board at a meeting where the election is to be held.

Section 5. Election of Directors and Terms of Office. The initial directors are named in the Articles. At the organizational meeting, at which these By-laws are being adopted, a Board of Directors is being elected for the first year of the life of this Association. Hereafter, as a part of the agenda for the annual meeting of the members, the sitting Board of Directors will propose a slate of nominees to serve for the coming year. At the annual meeting, additional nominations may be made from the floor. In order to be elected, a nominee must receive a simple majority (51%) of the voting interests, if a quorum is established as provided in the Articles. Unless the owners decide to stagger the terms of directors, the terms of all directors shall expire at the next annual meeting. However, the term of a director elected to fill a vacancy expires at the first owner's meeting at which directors are elected regardless of whether the previous director was serving a staggered term. Although a director's term may expire, the director continues to serve until a successor is elected and qualifies to serve or until there is a decrease in the number of directors. A decrease in the number of directors, even if achieved by amendment to the Articles of these By-laws, or in the manner provided in those instruments for decreasing the number of directors, does not shorten an incumbent director's term. As initially adopted, these By-laws do not provide for staggered terms. If the owners wish to stagger the terms of its directors, they may do so by a duly adopted amendment to these By-laws.

Section 6. Numbers and Classes. The Board may consist of such numbers of individuals as the owners may determine from time to time, but in no event shall there be less than 3 members of the Board of Directors at any time. The increase or decrease in the numbers of individuals serving on the Board may be made by a vote of the owners at the annual or any special meeting. A Board with staggered terms may be divided into one, two, or three classes with the number of directors in each class being as nearly as equal as possible. Any increase or decrease in the number of directors must be apportioned among the classes to make all classes as nearly equal in number as possible. The terms of office and voting powers of the elected directors may not be greater than or less than those of any other director or class of directors. Directors shall have only one vote per individual.

Section 7. Resignation or Removal. A director may resign at any time by delivering written notice to the Board, its Chairman, or to any officer of this Association. The director's resignation is effective when the notice is delivered, unless the notice specifies a later effective date. A director may be removed, with or without cause, by the owners. A director may be removed at

an owner's meeting only if the notice of the meeting stated that a purpose of the meeting was the removal of the director.

Section 8. Replacement. Whenever a vacancy occurs on the Board, including one resulting from an increase in the number of directors, the vacancy shall be filled by a majority of the remaining directors, even if such directors are less than a quorum. A vacancy that will occur at a specific later date for any reason may be filled before the vacancy occurs but the new director may not take office until the vacancy occurs.

Section 9. Compensation. The directors shall serve without compensation. However, nothing in this provision is intended to preclude the Board from authorizing a reasonable reimbursal of extraordinary expenses incurred by a member of the Board in proper performance of their duties, subject to the budgetary and indemnification limitations contained in the Articles, these By-laws, and the Declaration.

ARTICLE VI **MEETINGS OF BOARD**

Section 1. Annual Meetings. There shall be two annual meetings of the Board. One shall be immediately following the annual meeting of members, at which the Board shall elect officers for the coming year and conduct such other business as may be appropriate under the circumstances. The other annual meeting shall be held on or about October 15 of each calendar year, at which meeting the Board shall adopt the budget for the coming year, subject to the limitations contained in the Declaration. The budgetary meeting shall be subject to the notice requirements contained in the Declaration and these By-laws.

Section 2. Meetings Other Than Annual Meetings. Meetings other than the annual meetings of the Board may be held from time to time as determined by a majority of the directors. "Majority" means any amount more than fifty percent (50%).

Section 3. Committees. As provided in the foregoing Article of these By-laws, the Board shall have the power to transact some of its business through the use of committees. As further provided above, the meetings of those committees shall be subject to the rules governing meetings, notice and waiver of notice, and quorum and voting for the Board of Directors as a whole.

Section 4. Quorum. A quorum at a meeting of the Board shall consist of a majority of the Board. "Majority" means any amount more than fifty percent (50%). Once a quorum is established at a meeting of the Board, the quorum shall not be disestablished by the withdrawal of directors, and any action taken thereafter shall be binding, notwithstanding the withdrawal.

Section 5. Percentage of Directors Required to Make Decision. Any decision of the Board shall require the concurrence of a majority of the entire Board. "Majority" means any number more than fifty percent (50%).

Section 6. Method of Conducting Meetings. A Board, or any committee, meeting may be conducted through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting. All directors participating through such means are deemed to be present at the meeting.

Section 7. Calling of a Board Meeting. A Board meeting may be called by the Chairman of the Board, the President of this Association, if different than the Chairman of the Board, or by the number of directors necessary to constitute a quorum.

Section 8. Notice of Meetings. The annual meeting that follows the annual meeting of owners shall be held without notice, except that all directors who are not owners shall receive a copy of the notice of the annual meeting of members at the same time that that notice is required to be delivered to the owners. Previously scheduled, regular meetings of the Board (i.e. every third Thursday of each calendar month) may be held without notice. Special meetings must be preceded by at least two days' notice of the date, time, and place of the meeting. The notice for a special meeting does not need to describe the meeting's purpose. Notice may be given in any manner permitted for owners meeting in Section 4, Article IV, above.

Section 9. Proxies. Directors shall not be entitled to vote by proxy.

Section 10. Assent by Failure to Object. A director present at a meeting of the Board, or any committee, is deemed to have assented to any corporate action taken unless the director objects at the beginning of the meeting or votes against or abstains from the action taken.

Section 11. Waiver of Notice. Notice of a meeting of the Board, if otherwise required, may not be given to any director who signs a waiver of notice, either before or after the meeting, or to any director who attended a meeting, unless the director stated at the beginning of the meeting an objection to the meeting or the transaction of certain business because the meeting was not lawfully called or convened.

Section 12. Action Without Meeting. Directors may take action without a meeting of the Board or a committee if such action is taken by all members of the Board or the committee. The action must be evidenced by written consents describing it, signed by each director or committee member. The action is effective when the last director signs the consent, unless the consent specifies a different effective date.

ARTICLE VII

MINUTES

Section 1. Minutes. All meetings of the owners and all meetings of the Board, including committees, shall be commemorated by minutes.

Section 2. Form of Minutes. Minutes may be kept in written form or in any other form capable of conversion into written form within a reasonable time, including but not limited to microfilm, microfiche, computer memory or disk, or other appropriate methods.

Section 3. Contents of Minutes. All minutes shall contain at least the following:

- 3.1. The time, date, and place of the meeting;
- 3.2. Whether the meeting is being held after due notice or whether notice has been waived (a copy of any executed waiver of notice should be attached to the minutes);
- 3.3. Whether the meeting is a regular or special meeting;
- 3.4. The names of all persons present at the meeting, noting if persons leave or join the meeting in progress;
- 3.5. An acknowledgment of the presence of a quorum;
- 3.6. The text of all resolutions adopted or a clear statement of any action taken;
- 3.7. A statement of any form of dissent to or abstentions from the actions taken; and
- 3.8. A brief description of formal reports from experts, such as accountants, attorneys, or investment advisers.

Section 4. Preparation and Signature of Minutes. Minutes are to be prepared and signed by the secretary, or any other officer charged by the president with their preparation.

Section 5. Submission of Minutes for Approval or Correction. All minutes shall be submitted to the owners, Board, or committee, as the case may be, for approval at the next regularly scheduled meeting. Any additions or corrections necessary can be made at that meeting to produce a correct written summary of the transactions at the meeting.

ARTICLE VIII **OFFICERS**

Section 1. Qualifications. All officers of this Association shall be persons who are members of the Board.

Section 2. Offices. The offices of this Association shall be a president, vice president, treasurer, secretary, and any other office deemed to be necessary by the Board. Any person may hold

two or more offices, but in all events there shall be at least two persons holding all of the offices.

Section 3. Election and Resignation. Officers shall be elected by and shall serve at the pleasure of the Board, who may peremptorily remove any officer at any time. An officer may resign in similar fashion to a director, as provided above.

Section 4. President. The president shall be the chief executive officer of this Association. The president shall have all the duties and powers which are customarily vested in the office of the president of a corporation. Also, the president shall be the Chairperson of the Board.

Section 5. Vice President. The vice president shall perform the duties and exercise the powers of the president in the absence of the president.

Section 6. Secretary. The secretary shall keep the minutes of all of the meetings of the members and the Board. The secretary shall be primarily responsible for giving all required notices of those meetings. The secretary shall keep all the official records of this Association, except the financial records to be maintained by the treasurer, and shall perform all other duties customary to the office of a secretary for a corporation. An assistant secretary may be appointed by the Board to perform the duties of the secretary in the absence of the secretary. As well, the Board may, in their discretion and subject to applicable rules concerning budgets for this Association, employ employees or independent contractors to perform some or all of the duties of the secretary.

Section 7. Treasurer. The treasurer shall have custody of all property of this Association, including funds, securities and evidences of indebtedness. The treasurer shall keep the books of this Association in accordance with good accounting practices. The treasurer shall be primarily responsible for collecting assessments. The treasurer shall have all of the duties and powers customary for a treasurer of a corporation. The Board may, in their discretion and subject to the applicable rules concerning budgetary matters for this Association, employ employees or independent contractors to perform some or all of the duties of the treasurer.

Section 8. Compensation of Officers. Officers shall serve without compensation. However, nothing in this provision is intended to preclude the Board from authorizing a reasonable reimbursal of extraordinary expenses incurred by an officer in proper performance of their duties, subject to the budgetary and indemnification limitations contained in the Articles, these By-laws, and the Declaration.

Section 9. Supplementary Duties and Powers. The foregoing brief descriptions of the duties and powers of the various officers for this Association shall be supplemented from time to time by the Board, except that in no event shall the Board delegate to any officer the discretion required by law, contract or custom to be exercised by a member of the Board.

ARTICLE IX
PROFESSIONAL ADVISORS AND REPRESENTATIVES

Subject to the applicable rules for budgetary matters for this Association, the Board, or any officer upon the prior authorization of the Board, shall be entitled to employ at the expense of the Association professional advisors and representatives for advice in performing the duties and exercising the powers imposed upon the directors and officers of this Association.

ARTICLE X
FISCAL MANAGEMENT

Section 1. Accounting Year. The accounting year for this Association shall be selected by the Board of Directors.

Section 2. Financial Books and Records. The financial books and records of this Association shall be kept by the treasurer in accordance with acceptable accounting practices. The receipts and expenditures of this Association shall be credited and debited to accounts under the following classifications, and other classifications, as approved by the Board of Directors. Receipts shall be entered by the amount of the receipt and by the type of account. The types of accounts are to be at least the following:

A. **Current Expense.** This means anticipated expenses for the coming fiscal year that custom and experience reasonably indicate are expenses occurring on an annual basis. As well, this includes monies necessary to fund the reserves for replacement.

B. **Reserves for Replacement.** This Association is required to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the common areas. This fund is to be funded out of current expense. This fund is discretionary to the Board of Directors, who may elect to fund it on a regular or irregular basis.

Section 3. Budgets and Assessments. The provisions concerns budgets and assessments will be those contained in the Declaration.

Section 4. Transfer Fees. Because this Association does not reserve unto itself any power to approve the sale, mortgage, lease, sublease or any other transfer of a lot, there shall be no charge for any transfer fees. However, the Board of Directors may impose a reasonable administrative fee for necessary changes in the records of the Association.

Section 5. Depository. The funds of this Association shall be deposited with banks, savings and loan, or other financial institutions selected from time to time by the Board. All funds shall be deposited in accounts insured or guaranteed by an agency of the United States of America, as for example the F.D.I.C. Withdrawal of funds shall be only by checks signed by such officers as may be authorized by the Board from time to time. Whether or not these depository accounts shall

be interest bearing shall be at the election of the Board.

Section 6. Financial Statements for Owners. The Association shall provide financial statements to the owners as required by the Declaration

ARTICLE XI **INSURANCE**

Subject to the budgetary provisions of these By-Laws, the Board of Directors may procure and maintain as a common expense title, hazard, casualty, liability, flood, and errors and omissions insurance coverages, as may be agreed to or required from time to time by applicable provisions of contract, law or regulation.

ARTICLE XII **OFFICIAL RECORDS**

Section 1. Keeping and Maintaining Records. "Keep" or "keeping" means that the records of this Association shall be retained permanently. "Maintain" or "maintaining" means that certain records are to be compiled and maintained on a current or limited basis.

Section 2. Place to be Kept or Maintained. The records of this Association shall be kept or maintained at the location or locations determined by the Board of Directors from time to time.

Section 3. Production and Inspection. Upon prior reasonable request, which is in conformity with any applicable provisions of law, this Association shall produce to any owner for inspection any record kept or maintained by this Association. The requested records shall be produced at a reasonable location specified by the Board of Directors, unless the location for production is specified by applicable law.

Section 4. Storage. All records of this Association must be stored in either written form or in another form capable of conversion into written form within a reasonable time, such as computer disks or other electronic storage media, microfilm, or microfiche.

Section 5. Permanent Records. This Association must "keep" permanent records of:

- 5.1. All meetings of the owners and Board of Directors;
- 5.2. All actions taken by the owners or Board of Directors without a meeting; and
- 5.3. All actions by a committee of the Board of Directors in place of the Board of Directors on behalf of the Association, but in order to promote full and frank deliberations

in committee meetings, this Association shall be required only to keep a record of the final decision or action taken at the committee meeting.

Section 6. Current Records. This Association must maintain a copy of the following records:

- 6.1. Articles or restated Articles of Incorporation and all amendments to them currently in effect.
- 6.2. By-laws or restated By-laws and all amendments to them currently in effect.
- 6.3. Minutes of all owners meetings and records of all actions taken by owners without a meeting for the past 3 years.
- 6.4. Written communications to all owners generally or to all owners of any class or series within the past 3 years, including the financial statements furnished pursuant to these By-laws or applicable law.
- 6.5. The names and business street addresses of the current directors and officers of this Association.
- 6.6. The most recent annual report of this Association delivered to the Florida Department of State.
- 6.7. A record of owners in a form that allows the preparation of a list of the names and addresses of owners arranged alphabetically by class. This record of owners may be maintained in writing or in an electronic data base.
- 6.8. The original, or a true and correct photocopy, of the recorded Declaration, and all amendments then currently in effect.

ARTICLE XIII **INDEMNIFICATION**

Section 1. Indemnification. This Association shall have the power to indemnify or advance expenses to any director, officer, employee, or agent, to the extent provided by applicable law.

Section 2. Reports to Owners. If this Association indemnifies or advances expenses to any director, officer, employee, or agent, as permitted by applicable law, other than by court order or action by the owners or by an insurance carrier pursuant to insurance maintained by this Association, this Association shall report the indemnification or advance in writing to the owners

with or before the notice of the next owners meeting or prior to such meeting if the indemnification or advance occurs after the giving of such notice but prior to the time such meeting is held, which report shall include a statement specifying the persons paid, the amounts paid, and the nature and status at the time of such payment of the litigation or threatened litigation.

ARTICLE XIV PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduction of all meetings of this Association to the extent that those rules are not in conflict with any declaration, the Articles of Incorporation and these By-Laws. However, the Board shall have the power to alter or supplement those rules, so long as such revisions by the Board are not in direct conflict with any declaration, the Articles of Incorporation and these By-Laws.

ARTICLE XV RULE MAKING AUTHORITY

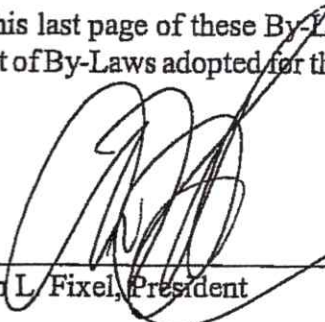
This Association, through its Board of Directors, shall have the power to adopt, modify and repeal reasonable rules and regulations for the operation of the common elements and the conduct of human beings and animals throughout the entire subdivision.

ARTICLE XVI AMENDMENT AND REPEAL OF THESE BY-LAWS

Section 1. Amendment. These By-Laws may be amended only in the same manner as provided in the Articles for amendments to the Articles.

Section 2. Repeal. These By-Laws shall not be repealed except in the same manner as provided in the Articles for voluntary dissolution of this Association.

The president of this Association has executed this last page of these By-Laws in order to evidence that this instrument commemorates the initial set of By-Laws adopted for this Association.



Alan L. Fixel, President

ARTICLES OF INCORPORATION
FOR
JACOBS WAY HOMEOWNERS ASSOCIATION, INC.,
A FLORIDA CORPORATION NOT-FOR-PROFIT

FILED

7004 FEB 23 P 4:08

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLE I
AUTHORITY

This corporation not-for-profit is formed under the provisions of Florida Statutes, Chapter 617.

ARTICLE II
DEFINITIONS

Section 2.1 **Articles.** This means these Articles as filed with the Florida Department of State, and all duly adopted amendments.

Section 2.2 **Association.** This means Jacobs Way Homeowners Association, Inc.

Section 2.3 **Bylaws.** This means the instrument commemorating the rules for managing the business and regulating the affairs of the Association, as adopted at the organizational meeting for the Association, and all duly adopted amendments.

Section 2.4 **Common Areas.** The common areas are identified in Article II of the Declaration.

Section 2.5 **Developer.** This means A. F. Alan Classic Homes, Inc., a Florida corporation, the plat maker and the developer of Jacobs Way Unit One. Also, this term includes any transferee or successor in interest to A. F. Alan Classic Homes, Inc. holding the rights of the Developer under the Declaration, but not the rights specifically reserved only to A. F. Alan Classic Homes, Inc.

Section 2.6 **Declaration.** This means the Declaration of Covenants, Restrictions and Easements imposed by the Developer upon the record title of Jacobs Way and any duly adopted and recorded amendment to the Declaration.

Section 2.7 **FHA.** This means the U. S. Department of Housing and Urban Development, Federal Housing Administration, and where applicable, will include the Secretary of that Department and any successor to that agency.

Section 2.8 **Jacobs Way.** This means the plat of Jacobs Way Unit One, according to the plat thereof, recorded in Plat Book 56, Pages 65, 65A-65E, of the current public records of Duval County, Florida. Also, this term will include any additional units, appearing in additional plats and/or which are made subject to the terms of the Declaration or a similar Declaration by a recorded

instrument executed by the Developer or other persons having the fee simple title. As well, this term may include other residential properties which are not within any plats having the name "Jacobs Way" but which are offered the right to become subject to the Declaration by recordation of an instrument signed by all fee simple owners. In various provisions of the Declaration, there are understandings concerning the impact of the additional properties which may be added to Jacobs Way and made subject to the Declaration. The additional properties which may be added are identified in Article IX of the Declaration.

Section 2.9 **Lot.** This means any one of the 68 parcels shown on the plat of Jacobs Way Unit One, numbered 1 through 22, inclusive, 49, 114 through 134, inclusive, 135 through 146, inclusive, 147 through 154, inclusive, and 169 through 172, inclusive. Also, this term means any single building site or parcel added to Jacobs Way pursuant to the Declaration or appearing in additional plats and/or which are made subject to the terms of the Declaration or a similar Declaration by a recorded instrument executed by the developer or other persons having the fee simple title.

Section 2.10 **Member.** This term means the persons who have proprietary interests in the Association. This term is interchangeable with the term "Owner," as all owners are required to be members of the Association.

Section 2.11 **Owner.** This means any record owner, whether one or more persons or entities, of a fee simple interest to any of the lots in Jacobs Way, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 2.12 **Residence.** This means a detached, single-family residential structure located upon a lot within Jacobs Way.

Section 2.13 **Surface Water or Storm Water Management System.** This means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use, or reuse water to prevent or reduce flooding, over-drainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges.

Section 2.14 **VA.** This means the U. S. Department of Veterans Benefits, Veterans Administration, and where applicable will include the Secretary of that Department, and any successor to that agency.

Section 2.15 **Water Management District.** This means the St. Johns River Water Management District, a Florida public agency, and any successor to that agency.

ARTICLE III
NAME OF CORPORATION

The name of this corporation shall be Jacobs Way Homeowners Association, Inc., a Florida corporation not-for-profit.

ARTICLE IV
INITIAL PRINCIPAL OFFICE AND MAILING ADDRESS

The street address of the initial principal office is 9612 Sunbeam Center Drive, Jacksonville, Florida 32257. The mailing address of the corporation is P. O. Box 56020, Jacksonville, FL 32241.

ARTICLE V
PURPOSE AND POWERS OF THE ASSOCIATION

The Association shall operate, maintain, and manage the surface water or storm water management system(s) in a manner consistent with The St. Johns River Water Management District Permit No. 40-031-87504-1 requirements and applicable District rules, and shall assist in the enforcement of the Declaration of Covenants and Restrictions which relate to the surface water or storm water management system. The Association shall levy and collect adequate assessments against members of the Association for the costs of maintenance and operation of the surface water or storm water management system. Additionally, the Association is formed to own and/or manage other common areas within Jacobs Way and to exercise certain powers granted in the Declaration. The Association will have all of the powers provided by law, except as may be limited by the terms of these Articles or the Declaration.

ARTICLE VI
DIRECTORS

The initial Board of Directors for this Association shall be three (3) persons, whose names are set forth below. The number, election, conduct and removal of directors shall be regulated by the By-Laws. Whenever a vacancy occurs on the Board of Directors, including one resulting from an increase in the number of directors, the vacancy may be filled by a majority of the remaining directors, even if such directors are less than a quorum. The initial directors and their addresses are as follows:

Alan L. Fixel
P. O. Box 56020
Jacksonville, Florida 32241

Rebecca Fixel
P. O. Box 56020
Jacksonville, Florida 32241

Jay Portnoy
9283 San Jose Boulevard
Jacksonville, Florida 32257

ARTICLE VII
INITIAL REGISTERED OFFICE AND INITIAL REGISTERED AGENT

The street address of the initial registered office of this Association and the name of its initial Registered Agent at such address are as follows:

Alan L. Fixel
9612 Sunbeam Center Drive
Jacksonville, Florida 32257

ARTICLE VIII
INCORPORATORS

The names and addresses of the natural persons who are the incorporators for this Association are as follows:

Alan L. Fixel
P. O. Box 56020
Jacksonville, Florida 32241

ARTICLE IX
TERM OF CORPORATE EXISTENCE

The term of corporate existence for this Association shall commence as of the time of the filing of these Articles of Incorporation with the Florida Department of State. This corporation shall exist perpetually until terminated as provided by contract or by law.

ARTICLE X
MEMBERSHIP AND VOTING BY MEMBERS

Section 10.1 Membership.

10.1.1 All owners are required to be members of the Association.

10.1.2 All owners automatically become members of the Association at the time they acquire their fee simple interest in the lot.

10.1.3 Membership in the Association runs with the title to the lot and cannot be transferred separately from the title.

10.1.4 Abandonment of ownership of a lot does not discharge the obligations of membership, including payment of assessments.

Section 10.2 Voting Rights.

10.2.1 Subject to the restrictions contained in the Declaration or the other governing documents, all members of the Association have voting rights in the Association.

10.2.2 In this instrument and the Declaration and other governing documents for the Association, there will be references to the term "voting interests" or similar language. Unless otherwise expressly stated, there will be only one vote per lot, without regard to the number of owners of the lot, and, therefore, unless otherwise expressly stated, the number of lots will determine the existence of a quorum for the meeting. Where lots are owned by two or more individuals, those individuals must designate one of them in writing to act as agent for all of them in casting the vote for the lot. Where a lot is owned by a legal entity or legal relationship (i.e., a corporation, limited partnership, partnership, limited liability company, etc.), the vote for the lot shall be cast by the person who is designated in writing by the governing body (i.e. the board of directors of a corporation). If a written designation of a representative is not made, then the lot will be counted for determining a quorum, but the participation of the lot will be considered as an abstention.

ARTICLE XI **RESOLUTION OF CONFLICTS BETWEEN DOCUMENTS**

In the event of any conflicts between these Articles, the By-Laws, and the Declaration, the specific shall control over the general. If that rule is not sufficient to resolve the issue, then the following shall prevail over each other in this order: the Declaration, these Articles, and the By-laws.

ARTICLE XII **PRIOR APPROVAL OF VA/FHA**

The Developer intends to submit Jacobs Way for approval by the VA as a PUD in order to be able to obtain VA guaranteed loans for purchasers of completed residences. The Developer plans to use VA approvals and VA appraisals and related documentation in order to convert over to FHA insured loans, as circumstances may require. The Developer has prepared these Articles and the governing documents for the Association with the intention that they comply with the requirements of Florida Statutes, Chapter 617 and with the perceived requirements of the VA. Nevertheless, the Developer contemplates the possibility that there may be a need to modify these Articles and the governing documents in order to conform with the requirements of the VA or the FHA not now contemplated. Therefore, the Developer reserves the right to make any unilateral amendments to these Articles reasonably required by the VA (or the FHA) in order to obtain subdivision and individual loan approvals.

ARTICLE XIII **AMENDMENTS AND DISSOLUTION**

Section 13.1 Amendments. Amendments to these Articles and the By-laws are subject to the same rules as amendments to the Declaration. These rules are set forth in the Declaration, and

they are incorporated by this reference. Moreover, these Articles and the by-laws cannot be amended in any fashion which would be in conflict with the terms of the Declaration. Also, no amendment will be enforceable if it contravenes the permit and the regulations and rules issued by the Water Management District, unless the amendment is approved by that agency. Once these Articles are approved by the VA (and the FHA, if applicable), the approval of the VA for any amendment of these Articles will be required, as well.

Section 13.2 Involuntary Dissolution (administrative). The Board of Directors of this Association shall be responsible to immediately reinstate this Association in the event of an administrative, involuntary dissolution because of failure to file annual reports to the Florida Department of State.

Section 13.3 Voluntary Dissolution. The rules governing voluntary dissolution are the same as those governing amendments, as stated in Section 13.1.

Section 13.4 Disposition of Assets of This Association Upon Dissolution. If this Association is voluntarily or involuntarily dissolved, by whatever lawful means, and not reinstated, then the assets of this Association shall be dedicated to a public body, or they shall be conveyed to a non-profit organization with similar purposes to this Association.

Section 13.5 Water Management District Approval Upon Dissolution. In the event of termination, dissolution, or final liquidation of this Association, the responsibility for the operation and maintenance of the surface water or storm water management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution, or liquidation.

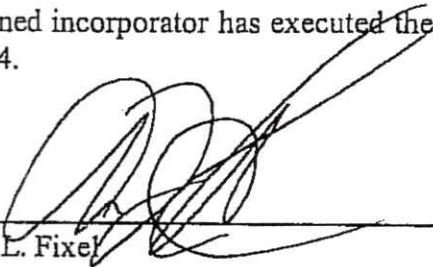
ARTICLE XIV **BY-LAWS**

The initial By-Laws will be adopted at the organizational meeting. Any amendments must conform to the requirements for amendments in Section 13.1 of these Articles.

ARTICLE XV **INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS**

Subject to the budgetary limitations contained in the Declaration, and subject to the limitations provided by applicable Florida law, this Association shall have the power to indemnify its officers, directors, employees, and agents, and to purchase insurance on behalf of such persons.

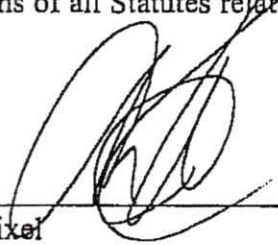
IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation on the 20 day of February, 2004.



Alan L. Fixer

ACCEPTANCE OF APPOINTMENT AS REGISTERED AGENT

The undersigned, Alan L. Fixel, having been named to accept service of process for the above-named corporation at the place designated in these Articles of Incorporation, hereby agrees to act in this capacity and to comply with the provisions of all Statutes relating to the proper and complete performance of these duties.



Alan F. Fixel

Date: February 20, 2004

2004 FEB 23 P 4: 08
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FILED



I certify the attached is a true and correct copy of the Articles of Incorporation of JACOBS WAY HOMEOWNERS ASSOCIATION, INC., a Florida corporation, filed on February 23, 2004, as shown by the records of this office.

The document number of this corporation is N04000001901.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Twenty-fourth day of February, 2004



CR2EO22 (2-03)

Glenda E. Hood

Glenda E. Hood
Secretary of State