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AFTER RECORDING, RETURN TO PREPARER:
Lawrence G. Lilly, Attorney at Law
850 Anastasia Boulevard
St. Augustine, Florida 32084

AMENDMENT TO DECLARATION OF COVENANTS
CONDITIONS, RESTRICTIONS AND EASEMENTS OF
ISLAND HAMMOCK SUBDIVISION

THIS AMENDMENT to the Declaration of Covenants, Conditions, Restrictions and Easements of Island Hammock Subdivision, is made on the date hereinafter set forth by ISLAND HAMMOCK, INC., and RUNK PROPERTIES, INC., both Florida corporations (hereinafter referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant published and recorded that certain Declaration of Covenants, Conditions, Restrictions and Easements of Island Hammock Subdivision, as recorded in Official Records Book 861 at page 198, et seq., Public Records of St. Johns County, Florida; and

WHEREAS, pursuant to its right to amend said Declaration, the Declarant published and recorded that certain Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of Island Hammock Subdivision, in Official Records Book 929, at page 1317, et seq., Public Records of St. Johns County, Florida, and further amendments in Official Records Book 999 at page 1481, et seq., Public Records of St. Johns County, Florida; and

WHEREAS, Declarant desires to further amend said Amended and Restated Declaration as set forth herein:

Recorded in Public Records St. Johns County, FL
Clerk # 94000284 O.R. 1031 PG 196 11:42AM 01-05-94
Recording 17.00 Surcharge 2.50

NOW THEREFORE BE IT DECLARED:

1. ARTICLE I, Section 3, Definitions, is amended to read as follows:

"Association" shall mean and refer to Island Hammock Homeowners Association, Inc., its successors and assigns.

2. ARTICLE V, Section 2 (b) (vii), is amended by the addition of the following sentence at the end thereof:

The ARB may require the payment of a construction bond in any amount which it determines to be appropriate, not to exceed, however, 3% of the property's currently appraised value according to the St. Johns County Property Appraiser.

3. ARTICLE V, Section 4 (c), Removal of Trees, is amended by the addition of the following sentence at the end thereof:

All lots shall remain in their natural state until express written permission for the removal of trees is issued by the ARB.

4. ARTICLE X, Section 1, Enforcement, is amended to read as follows:

(a) The Association, the Declarant for so long as it is a Class B Member, or any Owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provision of this Declaration. Provided, however, the foregoing shall not be construed to limit the Declarant's rights under Article V to retain architectural control of Island Hammock as provided therein. Failure by the Association, the Declarant or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

O.R. 1031 PG 0197

(b) A "Rules Committee" will be formed by the Owners to establish and enforce all necessary rules consistent with and supportive of this Declaration. Three or more resident members will be appointed to serve on the committee for staggered three year terms. The unexpired term of any committee member who resigns will be filled by the remaining members of the committee, subject to review by the Owners at the next following meeting of the Association. Rules adopted by a majority vote of the committee members will become effective immediately upon the mailing or delivery of a copy thereof to Class "A" and Class "B" members of record. Such rules may be enforced by any appropriate sanction, although monetary fines may not exceed 10% of the annual maintenance fee for each violation of a rule, or the same amount per day for a continuing violation. Fines for violation of the rules shall constitute liens on the property collectible in the manner provided in Article IV, Section 1, of this Declaration [notwithstanding the provisions of Section 5 of that same Article]. Sanctions will not be imposed until the alleged violator has had a reasonable opportunity to explain.

(c) The St. Johns River Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the surface water or stormwater management system.

5. In all other respects the said Amended and Restated Declarations of Covenants, Conditions, Restrictions and Easements, as heretofore amended, is ratified and confirmed and shall remain unamended.

IN WITNESS WHEREOF, the undersigned being the Declarant herein has hereunto set its hand and seal this 20th day of December, 1993.

Witnesses:

Lawrence G. Lilly
Signature
LAWRENCE G. LILLY
Printed Name
Sylvia E. Lilly
Signature
SYLVIA E. LILLY
Printed Name

ISLAND HAMMOCK, INC.
a Florida Corporation

By: Joan M. Brush
Joan Brush, President

RUNK PROPERTIES, INC.
a Florida Corporation

By: Christopher Runk
Christopher Runk, President

Lawrence G. Lilly
Signature
LAWRENCE G. LILLY
Printed Name
Sylvia E. Lilly
Signature
SYLVIA E. LILLY
Printed Name

STATE OF FLORIDA
COUNTY OF ST. JOHNS

Before me personally appeared JOAN BRUSH to me well known to be the President of ISLAND HAMMOCK, INC., a Florida corporation named in the foregoing instrument, and known to me to be the person who as such officer of said corporation executed the same; then and there the said JOAN BRUSH did acknowledge before me that said instrument is the free act and deed of said corporation by her executed as such officer for the purposes therein expressed; that the seal thereunto attached is the corporate seal by her in like capacity affixed; all under authority in her duly vested by the Board of Directors of said corporation.



WITNESS my hand and official seal this 20th day of December, 1993.

OFFICIAL SEAL
LAWRENCE G. LILLY
MY COMMISSION EXPIRES
MAY 21, 1995

Lawrence G. Lilly
NOTARY PUBLIC

Before me personally appeared CHRISTOPHER RUNK to me well known to be the President of RUNK PROPERTIES, INC., a Florida corporation named in the foregoing instrument, and known to me to be the person who as such officer of said corporation executed the same; then and there the said CHRISTOPHER RUNK did acknowledge before me that said instrument is the free act and deed of said corporation by him executed as such officer for the purposes therein expressed; that the seal thereunto attached is the corporate seal by him in like capacity affixed; all under authority in his duly vested by the Board of Directors of said corporation.



OFFICIAL SEAL
LAWRENCE G. LILLY
MY COMMISSION EXPIRES
MAY 21, 1995

WITNESS my hand and official seal this 21st day of December, 1993.

Lawrence G. Lilly
NOTARY PUBLIC

O.R. 1031 PG 0199

McCLURE & WHITEMAN
ATTORNEYS AT LAW
81 KING STREET
P. O. BOX 300
ST. AUGUSTINE, FL 32080-0300

AMENDMENT TO DECLARATION OF

COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS OF

ISLAND HAMMOCK SUBDIVISION

THIS AMENDMENT to the Declaration of Covenants, Conditions, Restrictions and Easements of Island Hammock Subdivision, is made on the date hereinafter set forth by ISLAND HAMMOCK, INC., a Florida Corporation, and RUNK PROPERTIES, INC., a Florida Corporation, a Joint Venture Partnership, (hereinafter referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant published and recorded that certain Declaration of Covenants, Conditions, Restrictions and Easement of Island Hammock, as recorded in Official Records Books 861 at Page 0198, et seq., Public Records of St. Johns County, Florida; and

WHEREAS, pursuant to its right to amend said Declaration the Declarant published and recorded that certain Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of Island Hammock, as recorded in Official Records Book 929, at Page 1317, et seq., Public Records of St. Johns County, Florida; and

Declarant retained the right to make amendments to the said Declaration, as amended and restated, and

WHEREAS, Declarant desires to amend said Amended and Restated Declaration as set forth herein

NOW THEREFORE BE IT DECLARED:

1. Article III, Section 2 (b) (ii) of the Amended and Restated Declaration of Covenants, Conditions, Restrictions and

Recorded in Public Records St. Johns County, FL
Clerk # 93019821 O.R. 999 PG 1481 04:00PM 07-02-93
Recording 13.00 Surcharge 2.00

Easements of Island Hammock as recorded in Official Records Book 929, at Page 1317, Public Records of St. Johns County, Florida is amended to read as follows:

"(ii) fifteen (15) years from June 28, 1990;"

2. In all other respects the said Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements is ratified and confirmed and shall remain unamended.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 1st day of July, 1993.

Witnesses:

Dianne Wishard
Dianne Wishard
(Witness Name Typed)

Geoffrey B. Dobson
Geoffrey B. Dobson
(Witness Name Typed)

ISLAND HAMMOCK, INC.
a Florida Corporation

By Joan Brush
Joan Brush
Its President

Dianne Wishard
Dianne Wishard
(Witness Name Typed)

Geoffrey B. Dobson
Geoffrey B. Dobson
(Witness Name Typed)

RUNK PROPERTIES, INC.
a Florida Corporation

By Christopher Runk
Christopher Runk
Its President

STATE OF FLORIDA
COUNTY OF ST. JOHNS

O.R. 999 PG 1483

BEFORE ME personally appeared JOAN BRUSH to me well known to be the President of ISLAND HAMMOCK, INC., a Florida Corporation, the corporation named in the foregoing instrument, and known to me to be the person who as such officer of said corporation executed the same; then and there the said JOAN BRUSH did acknowledge before me that said instrument is the free act and deed of said corporation by him executed as such officer for the purposes therein expressed; that the seal thereunto attached is the corporate seal by him in like capacity affixed; all under authority in him duly vested by the Board of Directors of said corporation.

WITNESS my hand and official seal this 1st day of July, 1993.

DIANNE WISHARD
Notary Public, State of Florida
My comm. expires Oct. 22, 1993
Comm. No. AA 717815

Dianne Wishard
Dianne Wishard
(Name of Notary Typed)
Notary Public
State of Florida at Large
My Commission Expires: _____

STATE OF FLORIDA
COUNTY OF ST. JOHNS

BEFORE ME personally appeared CHRISTOPHER RUNK to me well known to be the President of RUNK PROPERTIES, INC., a Florida Corporation, the corporation named in the foregoing instrument, and known to me to be the person who as such officer of said corporation executed the same; then and there the said ~~JOAN BRUSH~~ did acknowledge before me that said instrument is the free act and deed of said corporation by him executed as such officer for the purposes therein expressed; that the seal thereunto attached is the corporate seal by him in like capacity affixed; all under authority in him duly vested by the Board of Directors of said corporation.

WITNESS my hand and official seal this 1st day of July, 1993.

Dianne Wishard
Dianne Wishard
(Name of Notary Typed)
Notary Public
State of Florida at Large
My Commission Expires: _____

Corp. md\IH-Runk.AM

DIANNE WISHARD
Notary Public, State of Florida
My comm. expires Oct. 22, 1993
Comm. No. AA717815

THIS INSTRUMENT PREPARED BY:
GEORGE M. McCLURE, ESQUIRE
81 King Street, Suite A
P. O. Box 3504
St. Augustine, FL 32085-3504

AMENDED & RESTATED
DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

THIS AMENDED AND RESTATED DECLARATION, made on the date hereinafter set forth by ISLAND HAMMOCK, INC., a Florida corporation and RUNK PROPERTIES, INC., a Florida corporation, a joint venture partnership, (hereinafter referred to as "Declarant").

WITNESSETH:

Declarant pursuant to the Declaration of Covenants, Conditions, Restrictions and Easements of Island Hammock, as recorded in Official Records Book 861 at Page 0198, et. seq., Public Records of St. Johns County, Florida ("the Declaration"); and

WHEREAS, Declarant retained the right to make Amendments to the Declaration pursuant to Article XII, Section H thereof; and

WHEREAS, Declarant desires to amend and restate the Declaration as set forth herein as to the property described on Exhibit A attached hereto and made a part hereof ("Property").

NOW, THEREFORE, Declarant hereby declares that all of the Property described herein shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, shall inure to the benefit of each owner thereof.

FURTHER PROVIDED that Declarant deems it desirable to create a not-for-profit association to manage the Property. The Association, as hereinafter defined, shall own, operate, maintain and administer all the Common Property, as hereinafter defined, and shall administer and enforce the covenants, conditions, restrictions and limitations set forth herein. The Association shall enforce the easements created herein and collect and disburse the assessments hereinafter created.

ARTICLE I

DEFINITIONS

Section 1. "Additional Property" shall mean and refer to any land which is adjacent or contiguous with the Property or is located such that if such land is annexed to the Declaration by the Declarant, or its successors or assigns, it shall form an integrated community with the Property. Declarant or its successors or assigns may annex the Additional Property by recording in the public records a supplemental declaration subjecting such Additional Property to the covenants and conditions of the Declaration.

Section 2. "Articles" shall mean and refer to the Articles of Incorporation of the Association as amended from time to time.

Section 3. "Association" shall mean and refer to Island Hammock Owners Association, Inc., its successors and assigns.

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Section 4. "Bylaws" shall mean and refer to the Bylaws of the Association as amended from time to time.

Section 5. "Common Expenses" shall mean and refer to those items of expense for which the Association is or may be responsible under this Declaration and those additional items of expense approved by the owners in the manner set forth in the Declaration, the Articles or the Bylaws.

Section 6. "Common Roads" shall mean and refer to the roads depicted on any plat of the Property which provide ingress and egress to a Lot. The Common Roads shall be considered Common Property of the Association and unless specifically set forth herein to the contrary all rules and regulations and provisions relating to the Common Property shall include the Common Roads.

Section 7. "Common Property" shall mean and refer to those tracts of land which are deeded to the Association and designated in the deed as "Common Property" and such improvements thereon as are specifically conveyed to the Association. The "Common Property" shall also include any personal property acquired by the Association, if the personal property is designed as "Common Property," as well as certain easements conveyed to the Association. All Common Property is to be devoted to and intended for the common use and enjoyment of the Owners and their guests, lessees or invitees and the visiting general public (to the extent permitted by the Board of Directors of the Association) subject to any operating rules adopted by the Association and subject to any use rights made or reserved by Declarant prior to conveyance of such Common Property or the granting of the easements.

Section 8. "Declarant" shall mean and refer to Island Hammock, Inc. and Runk Properties, Inc. a joint venture partnership, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development provided that such rights of Declarant are specifically assigned and the assignee shall specifically assume the obligations of Declarant under the Declaration, Articles and Bylaws.

Section 9. "Declaration" shall mean and refer to this Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of Island Hammock applicable to the Property.

Section 10. "Lot" shall mean and refer to any plot of land together with the improvements thereon shown upon any recorded subdivision plat of the Property or on any preliminary plan for Additional Property which the Declarant intends to plat as a part of the Property.

Section 11. "Member" shall mean and refer to those persons entitled to Class "A" or "B" Membership in the Association as provided in the Declaration and Articles.

Section 12. "Mortgagee" shall mean and refer to any institutional holder of a first mortgage encumbering a portion of the Property as security for the performance of an obligation; an insurer or guarantor of such mortgage, including without limitation, the Veterans Administration ("VA") of Federal Housing Administration ("FHA") and/or a purchaser of such mortgages in the secondary market including without limitation, Federal National Mortgage Association ("FNMA") and Governmental National Mortgage Association ("GNMA"); and the Declarant, if it is holding a first mortgage on any portion of the Property.

Section 13. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, which is a part of the property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 14. "Property" or "Properties" shall mean and refer to that certain real property described in Exhibit A together with improvements thereon, (except such improvements the title of which are reserved by the Declarant or its assignees), and such portions of the Additional Property as may hereafter be brought within the jurisdiction of the Association by annexation.

Section 15. "Surface Water or Stormwater Management System" 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, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system, as permitted pursuant to Chapters 40C-4, 40C-40, or 40C-42, F.A.C.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Common Property Easements. Subject to the provisions of the Declaration, the rules and regulations of the Association, and any prior use rights granted in the Common Property, every Owner(s), their successors and assigns and their families and every guest, tenant, and invitee of such owner(s) is hereby granted a right and easement of ingress and egress and enjoyment in and to Common Property which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Board of Directors, without further consent from owners or their Mortgagees, to dedicate, transfer or grant an easement over all or any part of the Common Property to any public agency, authority or utility company for the purpose of providing utility or cable television service to the property and the right of the Board to acquire, extend, terminate or abandon such easement.

(b) The right of the Association to sell, convey or transfer the Common Property or any portion thereof to any third party other than those described in Subsection (c) for such purposes and subject to such conditions as may be approved by a majority vote of the Association, (See Section 3, Article III).

(c) The right of the Board of Directors to adopt reasonable rules and regulations pertaining to the use of the Common Property.

(d) The right of the Declarant or the Association to authorize other persons to enter upon or use of the Common Property for uses not inconsistent with Owners' right therein.

(e) The right of the board to mortgage any or all of the Common Property for the purpose of improvement or repair of the Common Property with the approval of a majority vote of the Association.

Section 2. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Property to the members of his family, his tenants, or contract purchasers who occupy the Lot within the Property.

Section 3. Owner's Common Road Easements. It is specifically acknowledged that the Common Roads will be conveyed by the Declarant to the Association free and clear of all liens and encumbrances, except taxes and except Declarant's reserved right to install, repair, restore and maintain all utilities, street lighting and signage, including without limitation, cable television in the road right of way and right to grant further easements over the Common Roads. Each owner of a Lot, his successors and assigns, domestic help, delivery, pickup and fire protection services, police and other authorities of the law, United States mail carriers, representatives of utilities serving the Property, holders of mortgage liens on the

property and such other persons as the Declarant and/or the Association shall designate, are hereby granted ingress and egress over the Common Roads

The Declarant and the Association shall have the unrestricted and absolute right to deny ingress to any person who, in the opinion of the Declarant or the Association, may create or participate in a disturbance or nuisance on any part of the Property; provided that, the Declarant or Association shall not deny an Owner or Mortgagee the right of ingress and egress to any portion of the Property owned by such owner or mortgaged in favor of such Mortgagee. The Declarant and the Association shall have (a) the right to adopt reasonable rules and regulations pertaining to the use of the Common Roads, (b) the right, but no obligation, from time to time, to control and regulate all types of traffic on the Common Roads, including the installation of gatehouses and gate systems, if the Declarant or Association so elects. The Declarant and the Association shall have the right but no obligation to control speeding and impose speeding fines to be collected by the Association in the manner provided for assessments and to prohibit use of the Common Roads by traffic or vehicles (including without limitation, motorcycles, "go-carts", three wheeled vehicles), which in the opinion of Declarant or the Association would or might result in damage to the Common Roads or create a nuisance for the residents, (c) the right, but no obligation, to control and prohibit parking on all or any part of the common Roads, and (d) the right, but no obligation, to remove or require the removal of any fence, wall, hedge, shrub, bush, tree or other thing, natural or artificial placed or located on the Property, if the location of the same will in the opinion of the Declarant or the Association obstruct the vision of a motorist.

The Declarant reserves the sole and absolute right at any time to redesignate, relocate, or close any part of the Common Roads without the consent or joinder of any Owner or Mortgagee so long as no Owner or his Mortgagee is not denied reasonable access from his Lot to a public roadway by such redesignation, relocation or closure. In such event, the foregoing easement over the Common Road shall be terminated and the Association shall reconvey the Common Road at the request of the Declarant.

Section 4. Conveyance of Common Property. The Declarant may convey the Common Property (other than the Common Roads) to the Association at such time as all the planned improvements, if any, are complete and in the event the Common Property is unimproved at such time as the Declarant determines, but in all events prior to the termination of the Class B membership. Such conveyance shall be subject to easements and restrictions of record and free and clear of all liens and financial encumbrances other than taxes for the year of conveyance. The Declarant may reserve certain rights to itself for use of the Common Property and/or Common Roads which are not adverse to the Owners.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Qualification for Membership: Every Owner of a Lot which is subject to this Declaration shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to this Declaration.

Section 2. Classes of Membership: The Association shall have two classes of voting membership:

(a) **Class A.** Class A Members shall be all Owners of Lots, with the exception of the Declarant, and there shall be one vote for each Lot.

(b) **Class B.** Class B Member shall be the Declarant who shall be entitled to the number of votes equal to the number of Lots from time to time, subject to the Declaration or which are depicted on a preliminary plan for Additional Property

which the Declarant intends to plat as a part of the Property, plus one. The total number of votes of the Class B member shall be increased at the time of submission of the preliminary plat for Additional Property to include the number of Lots contained within the Additional Property plus one. The Class B membership shall cease upon the happening of the first of the following events do occur:

- (i) when the Declarant has conveyed one hundred percent (100%) of the Property or Additional Property which it owns;
- (ii) fifteen (15) years from the date of recording this Declaration;
- (iii) when Declarant, in its sole discretion, elects to transfer control to the Class A Members.

(c) For the purpose of this Section, a Lot shall be deemed to be a part of the Property at the time at which the Declarant submits a preliminary plat thereof for the approval of the City of St. Augustine Beach, Florida.

Section 3. Approval by Voting. Whenever in this Declaration a proposed action or issue must be approved by a specified percentage of the vote of the Association such approval may be obtained by:

(a) the specified percentage of Members casting their respective votes to approve such action or issue in person or by proxy at duly noticed and constituted meetings of the Members at which a quorum is present, or

(b) the specified percentage of Members holding all votes giving the approval by written consent to approve the action or issue.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments as set forth in Section 4 of this Article, in Section 13 of this Article and Section 15 of Article VI, or Section 3 or Article IX, such assessments to be established and collected as hereinafter provided. The annual and special assessments, (sometimes jointly referred to herein as "Assessments") together with interest, costs, and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, together with interest, costs, and reasonable attorneys fees, shall also be the personal obligation of the person who was the owner of such Lot at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall be the joint obligation of the grantor and grantee under a deed, without affecting the grantee's right to recover the grantor's share from the grantor.

Section 2. Purpose of Assessments.

The Assessments levied by the Association shall be used to promote the recreation, health, safety, and welfare of the owners and residents of the Property, for the improvement and maintenance of the Common Property, including without limitation the Common Roads, for the operation and administration of the Association, for the establishment of a maintenance, repair and reserve account for the installing and maintaining of street lighting and signage, for payment of taxes and insurance in all Common Property and for such other purposes as are set forth or permitted in this Declaration, the Articles or Bylaws.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Assessment per Lot shall be Five Hundred and 00/100 (\$500.00) Dollars per year.

(a) From and after January 1 of the year immediately following the recording of this Declaration, the maximum Annual Assessment for a Lot may be increased each year not more than 10% above the maximum Assessment for the previous year without approval of the majority vote of each class of membership.

(b) From and after January 1 of the year immediately following the recording of this Declaration, the maximum assessment to be levied against each class of members may be increased by more than ten percent (10%) by a vote of a two-thirds majority of the Association.

(c) The Board of Directors may fix the Annual Assessment at an amount not in excess of the maximum.

(d) The Association in determining the Common Expenses shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Property.

Section 4. Special Assessments. In addition to the Annual Assessment authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Property, including fixtures and personal property related thereto, provided that any such assessment shall have the approval of two-thirds (2/3) majority vote of the Association unless the Special Assessment is required due to the inadequacy of the insurance proceeds to cover the cost of a repair to Common Property (See Article IX, Section 1) wherein no approval shall be required.

Section 5. Uniform Rate of Assessment. Subject to the provisions of Section 12, below both Annual Assessments and Special Assessments, for the purposes set forth in section 4, above, must be fixed at a uniform rate for all Lots. In the event that an Owner or his family, guest or invitees specifically damage the Common Property as elsewhere provided, owner's such Lots may be subjected to a nonuniform Special Assessment for payment of such costs. There shall be no Assessment against the Common Property.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The Annual Assessments shall commence upon substantial completion of the installation of the Common Roads and utilities serving a specified Lot subject to this Declaration. A Lot shall be deemed substantially complete and subject to Assessments when the Common Roads necessary to provide access to a particular Lot have been constructed, utilities for use of Owner are in place and the Owner is able to obtain a building permit therefore. In the event that any Additional Property is annexed to this Declaration, Assessments for the land annexed shall commence at such time as the roads and utilities serving that portion of the Additional Property are installed. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the Annual Assessment against each Lot 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 Annual Assessment may be payable monthly, quarterly or annually and the due date shall be the first day of such payment period unless specifically changed by the Board of Directors.

Section 7. Association Certificate. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments for a specified Lot have been paid.

A properly executed certificate of the Association as to the status of Assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessment. Remedies of the Association. Any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate of interest permitted by the law. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Property or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any mortgage held by a Mortgagee. Sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessment thereafter becoming due or from the lien thereof. Any such delinquent Assessments which were extinguished pursuant to the foregoing may be reallocated and assessed against all of the Lots as part of the annual budget.

Section 10. Exempt Property. All properties dedicated to, and accepted by, a local public authority or utility company and serving a public use and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Florida and properties owned by the Association shall be exempt from the Assessment created herein, except no land, improvements or Platted residential Lots.

Section 11. Reserves. The board shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Property. This reserve fund shall constitute a portion of the annual budget. In addition, the Board of Directors may establish reserve funds from the Annual Assessments to be held in reserve in an interest bearing account for:

- (a) major rehabilitation or major repairs;
- (b) for emergency and other repairs required as a result of storm, fire, mutual disaster or other casualty loss; and
- (c) initial cost, if any, new service to be performed by the Association,

Section 12. Declarant Payment. The Declarant is obligated to pay the Annual Assessment up to the amount of funds required to operate the Association created by short fall in revenue from Class A voting membership for each Lot it owns which is substantially complete as provided in Section 6 hereof. All Assessments paid by the Declarant during the time the Declarant is a Class B Member shall be placed in the Association's account and shall not be commingled with Declarant's general funds.

Section 13. Assessments for Failure to Maintain. In the event that an owner fails to maintain his Lot or the improvements thereupon as required herein, the Association shall give written notice specifying such failure to the owner and if the Owner fails to correct such unperformed maintenance within ten (10) days from the Association's written notice, the Association may perform such maintenance and the cost of such shall constitute a Special Assessment for which a claim of lien may be filed and enforced.

Section 14. Failure to Revise Budget. The failure or delay of the Board to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of the owner's obligation to pay any Assessment as herein

provided, whenever the same shall be determined. In the absence of an annual budget, each owner shall continue to pay the Assessment as established for the previous year.

ARTICLE V

ARCHITECTURAL CONTROL

Section 1. General Provisions. No building, fence, wall or other structure, landscaping or exterior lighting plan or any other type of improvement, other than those erected by the Declarant, shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, color, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Declarant. Improvements or modifications which are specifically subject to ARB approval include without limitation, painting or alteration of a dwelling (including doors, windows, roof), installation of solar panels or other devices, construction of fountains, swimming pools, jacuzzis, construction of privacy fences: additions of awnings, shelters, gates, flower boxes, shelves, and statues.

Section 2. Architectural Review Board ("ARB")

(a) Composition of the ARB.

The architectural review and control functions of the Declarant shall be administered and performed by the ARB, which shall consist of at least three (3) members who need not be members of the Association. The Declarant shall have the right to appoint all of the members of the ARB, or such lesser number as it may, in its sole discretion, appoint for so long as it is a Class B Member. Members of the ARB as to whom Declarant may relinquish the right to appoint, and all members of the ARB subsequent to the transfer of control shall be appointed by, and shall serve at the pleasure of, the Board of Directors of the Association. At any time that the Board of Directors has the right to appoint one or more members of the ARB, the board shall appoint at least one (1) architect or building contractor thereto. A majority of the ARB shall constitute a quorum to transact business at any meeting at which a quorum is present shall constitute the action of the ARB. Any vacancy occurring on the ARB because of death, resignation, or other termination of service of any member thereof shall be filled by the Board of Directors; except that Declarant, to the exclusion of the Board, shall fill any vacancy created by the death, resignation, removal or other termination of services of any member of the ARB appointed by Declarant.

(b) Powers and Duties of the ARB .

The ARB shall have the following powers and duties:

(ii) To draft Architectural Planning Criteria subsequent to the termination of the Declarant's control of the ARB. The ARB shall recommend to the Board modifications and/or amendments to the Architectural Planning Criteria. Any modification or amendment to the Architectural Planning Criteria shall be consistent with the provisions of this Declaration, and shall not be effective until adopted by a majority of the members of the Board of Directors of the Association at a meeting duly called and noticed and at which a quorum is present and voting. Notice of any modification or amendment to the Architectural Planning Criteria including a verbatim copy of such change or modification, shall be delivered to each member of the Association. However, a receipt of a copy of a modification or amendment to the Architectural Planning Criteria shall not constitute a condition precedent to the effectiveness or validity of such change or modification. No Board approval shall be required during the time the Declarant has control of the ARB.

(ii) To require submission to the ARB of two (2) complete sets of preliminary and final plans and specifications as hereinafter defined for any improvement or structure of any kind, including, without limitation, any buildings, dwelling, fence, wall, sign, site paving, grading, parking and building additions, alterations, screen enclosure, sewer, drain, disposal system, decorative building, landscaping, landscape device or object, exterior lighting scheme or other improvement described in Section 1 ("Proposed Improvement") the construction of placement of which is proposed upon any Lot or Property, together with a copy of any building permits which may be required. The ARB may also require submission of samples of building materials and colors proposed for use on any Lot or the Property, and may require such additional information as reasonably may be necessary for the ARB to completely evaluate the proposed structure or improvement in accordance with the Declaration and the Architectural Planning Criteria.

(iii) To approve or disapprove any Proposed Improvement or change or modification thereto, the construction, erection, performance or placement of which is proposed upon any Lot or the Property and to approve or disapprove any exterior additions, changes, modifications or alterations including the color thereof, therein or thereon. Subsequent to the transfer of control of the ARB by the Declarant, any party aggrieved by a decision of the ARB shall have the right to make a written request to the Board within thirty (30) days of such decision, for a review thereof. The determination of the board upon reviewing any such decision shall in all events be dispositive. Provided, however, during the time the Declarant is a Class B Member determination by the ARB shall be final.

(iv) To evaluate each application for the total effect, including the manner in which the homesite is developed. This evaluation relates to matters of judgment and taste which cannot be reduced to a simple list of measurable criteria. It is possible, therefore, that a Proposed Improvement might meet individual criteria delineated in this Article and the Architectural Planning Criteria and still not receive approval, if in the sole judgment of the ARB, its overall aesthetic impact is unacceptable. The approval of an application for one Proposed Improvement shall not be construed as creating any obligation on the part of the ARB to approve applications involving similar designs for Proposed Improvements pertaining to different Lots.

(v) If any Proposed Improvement as aforesaid shall be changed, modified or altered without prior approval of the ARB of such change, modification or alteration, and the plans and specifications therefore, if any, then the owner shall, upon demand, cause the proposed Improvement to be restored to comply with the original plans and specifications, or the plans and specifications originally approved by the ARB, and shall bear all costs and expenses of such restoration, including costs and reasonable attorneys' fees of the ARB.

(vi) In addition, any Owner making or causing to be made any Proposed Improvement or additions to the Property or a Lot agrees and shall be deemed to have agreed, for such Owner and his heirs, personal representatives, successors and assigns to hold the ARB, Association, Declarant and all other Owners harmless from any liability, damage to the Property and from expenses arising from any Proposed Improvement and such Owner shall be solely responsible for the maintenance, repair and insurance of any Proposed Improvement and for assuring that the Proposed Improvement meets with all applicable governmental approvals, rules and regulations.

(vii) The ARB is hereby authorized to make such charges as it deems necessary to cover the cost of review of the plans and specifications.

Section 3. Procedures for Approval of Plans. The ARB shall approve or disapprove the preliminary and final applications for a Proposed Improvement within thirty (30) days after each has been submitted to it in proper form together with all supporting information. If the plans are not approved within such period, they shall

be deemed disapproved. The applications and plans submitted to the ARB shall meet such standards as are adopted by the ARB from time to time, but may include:

(a) The preliminary application shall be submitted in duplicate and "sketch" form and shall include:

(i) a tree survey and topographic performed by a registered land surveyor.

(ii) landscape plan by landscape company showing location, quantity and species of all plants, trees, shrubs and ground cover to be used;

(iii) a suggested layout of home on Lot at one-fourth inch = 20 feet showing proposed drainage plan, location of all decks, pools, patios, driveways and utility routing;

(iv) dimensioned floor plan at one-fourth inch = 1 foot, one section through main living area of house one to be specified for exterior walls, roofs, window trims and exterior trims;

(v) sketch of improvement showing elevations from all sides of house;

(b) Upon approval of the preliminary application, a final application shall be filed in duplicate and shall include everything shown on preliminary application and actual samples of exterior material with specified paint colors applied to those materials.

Section 4. Architectural Planning Criteria.

(a) **Building Type.** No building shall be erected, altered, placed or permitted to remain on any Lot other than one detached single-family residence containing not less than two thousand (2000) square feet of livable permanently enclosed, heated floor area (exclusive of open or screen porches, patios, terraces, garages and carports) for a single story dwelling and 2,200 square feet for a two story building not to exceed thirty-five (35) feet in height and having a private and enclosed garage (or carport if approved) for not less than two (2) nor more than four (4) cars. Unless approved by the ARB as to use, location and architectural design, no tool or storage room may be constructed separate and apart from the residential dwelling nor can any such structure(s) be constructed prior to construction of the main residential dwelling.

(b) **Set Back Restrictions.** No part of any structure shall be constructed within twenty-five (25) feet of the front property line, twenty-five (25) feet from rear line and ten (10) feet of any side line. A dwelling may be located upon a single platted lot or on a combination of platted lots and in such event the set back lines shall apply to the outermost lot lines. The ARB shall have the right to impose additional set back requirements for all lot lines to preserve line of sight of neighboring properties. The ARB may modify the set back restrictions for an individual lot where in its opinion and sole discretion, such modification is necessary for the preservation of trees or the maintenance of overall aesthetics in the area. A residence may be located wholly within a single Lot or combination of Lots and in such event the set back restrictions shall apply to the most exterior boundary lines.

(c) **Height Limitations.** No structure shall exceed thirty-five (35) feet in height.

(d) **Exterior Color Plan.** The ARB shall have final approval of all exterior color plans and each owner must submit to the ARB prior to initial construction and development upon any Lot a color plan showing the color of the

roof, exterior walls, shutters, trims, which shall be consistent with the homes in the surrounding areas.

(g) **Roof.** Flat roofs shall not be permitted unless approved by the ARB. Protrusions through roofs for power ventilators or other apparatus, including the color and location thereof, must be approved by the ARB. Finished roofing material shall be architectural grade dimensional shingles at a minimum.

(h) **Elevations.** Similar elevations shall not be built directly adjacent or across from each other.

(i) **Garages and Automobile Storage.** In addition to the requirements stated in Paragraph (a) above, all garages shall have a minimum width of twenty (20) feet and a minimum depth of twenty-four (24) feet as measured from the outside walls of the garage. All garages must have either a single overhead door with a minimum door width of sixteen (16) feet for a two-car garage, or two (2) sixteen (16) foot doors for a four-car garage, or two (2), three (3), or four (4) individual overhead doors, each a minimum of nine (9) feet in width, and a service door. All overhead doors shall be electrically operated and shall be kept closed when not in use. No carports will be permitted unless approved by the ARB. The ARB recommends side entry garages. However, where side entry is impractical, the ARB will consider for approval front entry garages. Automobiles shall be stored in garages when not in use. No garage shall be converted to living space unless a garage in compliance with these provisions is constructed in its stead and unless the facade of the enclosed garage is approved by the ARB and a new garage, in compliance with these restrictions, is built. The use of side entry garages is encouraged wherever possible.

(j) **Driveway Construction.** All dwellings shall have a paved driveway of stable and permanent construction of at least sixteen (16) in width at the entrance to the garage. All driveways must be constructed of an approved material.

(k) **Games and Play Structures.** All basketball backboards and play structures shall be located at the rear of the dwelling, or on the inside portion of a corner lot within the setback lines. No platforms, doghouse, playhouse or structure of a similar kind or nature shall be constructed on any part of a lot located in front of the rear line of residence constructed thereon, and any such structure must have prior approval of the ARB.

(l) **Fences and Walls.** The composition, location and height of any fence or wall to be constructed on any lot shall be subject to the approval of the ARB. The ARB shall require the composition of any fence or wall to be consistent with the material used in the surrounding homes and other fences, if any. Wire or chain link fences are prohibited, unless approved by the ARB. If an Owner owns a pet as permitted hereunder, such Owner shall be required either to erect and maintain a fenced enclosure or to construct and maintain another ARB-approved method for keeping and maintaining such permitted pets. Such enclosure shall be of a reasonable design and construction to adequately contain such pets in accordance with the provisions hereof and shall be screened so that the pets are not visible from neighboring property. Any fence, wall, hedge or other similar structure or improvement must be included in the development plan with respect to location, height, and type of material and must be approved by the ARB.

(m) **Landscaping.** A basic landscaping plan shall be prepared for each lot and must be submitted to and approved by the ARB prior to initial construction and development thereon. The plan shall call for landscaping improvements, exclusive of seeding and sprinkling systems, requiring a minimum expenditure of \$1,000.00 by Owner. No artificial grass, plants or other artificial vegetation or sculptural landscape decor shall be placed or maintained on any lot unless approved by the ARB.

(l) **Swimming Pools.** Any swimming pool or tennis court to be constructed on any Lot shall be subject to the requirements of the ARB, which include, but are not limited to the following:

(i) Composition to be of material thoroughly tested and accepted by the industry for such construction;

(ii) The outside edge of any pool wall may not be closer than four (4) feet to a line extended and aligned with the side walls of dwelling unless approved by the ARB;

(iii) No screening of pool areas may stand beyond a line extended and aligned with the side walls of the dwelling unless approved by the ARB;

(iv) Pool screening may not be visible from the street in front of the dwelling unless approved by the ARB;

(v) Any lighting of a pool or other recreation area shall be designed so as to buffer the surrounding residences from the lighting;

if one Owner elects to purchase two (2) adjoining Lots and use one for recreation purposes, no sports courts shall be allowed, the Lot used for recreation purposes must be adequately screened by landscaping and/or walls or fences on both the front and side as required by the ARB.

(m) **Garbage and Trash Containers.** No Lot shall be used or maintained as a dumping ground for rubbish, trash or other waste. All trash, garbage and other waste shall be kept in sanitary containers which shall be kept within an enclosure constructed with each dwelling in a location approved by the ARB. All Lots shall be maintained during construction in a neat nuisance-free condition. Owner agrees that the ARB or the Association shall have the discretion to rectify any violation of this subsection, with or without notice, and that owner shall be responsible for all expenses incurred by the ARB thereby, which expenses shall constitute a lien against the Lot enforceable in appropriate court of equity or law.

(n) **Temporary Structures.** No structures of a temporary character, trailer, basement, tent, shack, garage, barn, or other out building shall be used on any Lot at any time as a residence either temporarily or permanently.

(o) **Removal of Trees.** In reviewing building plans, the ARB shall take into account the natural landscaping such as trees, shrubs and palmettos, and encourage the Owner to incorporate them in his landscaping plan. No tree of six (6) inches in diameter at two (2) feet above natural grade shall be cut or removed without approval of the ARB, which approval may be given when such removal is necessary for the construction of a dwelling or other improvement.

(p) **Window Air Conditioning Units.** No window or wall air conditioning units will be permitted. All air conditioner compressors shall be screened from view and insulated by a fence, wall or shrubbery so as to minimize noise.

(q) **Utility Connections.** Building connections for all utilities, including, but not limited to, water, electricity, telephone and television shall be run underground from the proper connecting points to the building structure in such a manner to be acceptable to the governing utility authority. Approval of water to air heat pumps will not be considered unless excess water can be dispelled directly unto premises.

(r) **Mailboxes.** No mailbox, paperbox or other receptacle of any kind for use in the delivery of mail, newspapers, magazines or similar material shall be erected on any lot without the approval of the ARB as to style and location. If and when the United States Postal Service or the newspapers involved shall indicate a willingness to make delivery to wall receptacles attached to dwellings, each Owner,

on the request of the ARB, shall replace the boxes or receptacles previously employed for such purpose or purposes with wall receptacles attached to dwellings.

(s) **Well Limitation.** Any wells to be installed and constructed on any portion of the Property shall be approved by the ARB and shall be in strict compliance with any regulations of the applicable utility company, any and all wells that supply water to heating or cooling systems and utilize the Florida Aquifer as a supply source shall be fitted with a demand valve. All free flowing artesian wells developed within Island Hammock shall have a drainage valve installed and shall be maintained in good working order. If at any time governmental regulations prohibit this type of well throughout the county, the provisions of this section shall be automatically modified to apply such prohibition to future construction.

(t) **Lot Size.** No Lot which has been improved by the construction of a single family dwelling shall be further subdivided or separated into small lots by any Owner; provided that this provision shall not prohibit corrective deeds or similar corrective instruments. The Declarant shall have the right to modify the subdivision plats of the Property provided that all Owners of the affected Lots consent to such modification, which consent shall not be unreasonably withheld. The Declarant, without the consent of any Owners, may modify a Lot(s) it owns for the purpose of creating a street or right of way and the restrictions as to use contained herein shall not be applicable to such Lot(s).

(u) **Sight Distance at Intersections.** No fence, wall, hedge or shrub planting which obstructs sightlines and deviations between two (2) and six (6) feet above the Common Roads shall be placed or permitted to remain on any corner lot within the triangular area formed by the street and property lines and a line connecting them at points twenty-five (25) feet from the intersection of street lines. No trees shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent construction of such sightlines.

(v) **Waiver of Architectural Planning Criteria.** The Architectural Planning Criteria set forth herein are intended as guidelines to which adherence shall be required by each Owner in the Property; provided, however, the ARB shall have the express authority to waive any requirement set forth herein if, in its professional opinion, it deems such waiver in the best interest of the Property and the deviation requested is compatible with the character of the Property. A waiver shall be evidenced by an instrument signed and executed by the ARB upon approval by a majority of its members.

ARTICLE VI

USE RESTRICTIONS

In order to provide for congenial occupancy of the Property and for the protection of the value of the Lots, the use of the Property and Lots shall be in accordance with the following provisions so long as the Property and Lots are subject to this Declaration.

Section 1. Residential Uses. Lots shall be used for residential living units and for no other purpose, and no business or commercial building may be erected on any Lot and no business may be conducted on any part of any Lot.

Section 2. Antennae. No aerial, antenna, satellite receptor dish or similar device shall be placed or erected upon any Lot or affixed in any manner to the exterior of any building on such Lot without the written consent of the ARB and if approved, must be appropriately screened from view of the neighboring Owners and from the street, such screening to be approved by the ARB.

Section 3. Clothes Drying Area. No portion of any Lot shall be used as a drying or hanging area for laundry of any kind unless screened from the view of neighboring Owners and from the street.

Section 4. Nuisances. Nothing shall be done or maintained on any Lot which may be or become an annoyance or nuisance to the neighborhood. Any activity on a Lot which interferes with television, cable or radio reception on another Lot shall be deemed a nuisance and a prohibited activity. In the event of a dispute or question as to what may be or become a nuisance, such dispute or question shall be submitted to the Board of Directors of the Association and the written decision of the Board shall be dispositive of such dispute or question.

Section 5. Signs. No signs, greater than 3 square feet, may be placed on any Lot, and all signs must be approved by the ARB.

Section 6. Energy Conservation. Solar energy and other energy conservation devices are not prohibited or discouraged, but the design and appearances of such devices will be closely scrutinized and controlled to assure consistency with neighborhood aesthetics. Request for approval of installation of any type of solar equipment shall be included in the development plan and must be approved in accordance therewith.

Section 7. Window Coverings. No reflective window coverings or treatments shall be permitted on any building in the Property. The ARB, at its discretion, may control or prohibit window coverings and treatments not reasonably compatible with aesthetic standards set forth herein.

Section 8. Off-Street Motor Vehicles. No motorized vehicles including, without limitation, two and three wheel all terrain vehicles or "dirt bikes" may be operated off of paved roadways and drives except as specifically approved in writing by the ARB. Without limiting the Association's right to collect and assess fines in other instances, it is specially acknowledged that Owners may be fined for each violation of this provision by themselves, their families, guests, tenants and invitees. Violations will result in automatic fines of \$25.00 for the first offense, \$50.00 for the second offense and \$100.00 for each subsequent offense.

Section 9. Noise. Exterior noise, and noise emanating from within buildings or other improvements, including without limitation, talking, singing, television, radio, record or tape player or musical instruments, shall be maintained from 11:00 p.m. until 7:30 a.m. at such volume that the noise is not audible beyond the boundaries of the Lot from which it originates and at all times so as not to constitute a nuisance or unreasonable annoyance to neighbors.

Section 10. Pets and Animals. No animals except common domestic household pets, within the ordinary meaning and interpretation of such words, may be kept, maintained or cared for in any Lot or within the Property. No pets shall be allowed to make an unreasonable amount of noise or to become a nuisance; and no pets will be allowed on the Property other than on the Lot of the owner of such pets, unless confined to a leash or under voice control. No pet shall be allowed to run at large and all pets shall be kept within an enclosed area, which must be clean, sanitary and reasonably free of refuse and waste. Upon written request of any Owner the ARB may conclusively determine at its sole discretion, in accordance with its rules, whether an animal is a domestic household pet, whether such animal is making an unreasonable amount of noise, whether an animal is being allowed to run at large or whether an animal is a nuisance. The decision of the ARB in such matters is conclusive and shall be enforced as other restrictions contained herein. No pet may be maintained, kept, cared for or boarded for hire or remuneration on the Property and no kennels for boarding or operation shall be allowed. There shall be no more than two dogs allowed nor more than two cats, all cats shall have bell collars.

Section 11. Oil and Mining Operation. No oil drilling, mining operations, oil refining, quarrying or oil development operations, or tanks, tunnels, mineral excavations or shafts shall be permitted upon, in, or under any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 12. Commercial Trucks, Trailers and Boats. No vehicles of any kind including, without limitation, commercial vans, trucks, trailers, boats, recreational vehicles or automobiles shall be permitted to park outside of an enclosed garage or unapproved screening; nor shall any of the above be permitted to be stored on blocks or maintained outside of an enclosed garage or approved screening in an inoperable condition. Approval of screening locations and material shall be at the sole discretion of the ARB and shall be determined on a case-by-case basis.

Section 13. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

Section 14. Additional Use Restrictions. The Board of Directors of the Association may adopt such additional use restrictions, rules or regulations, applicable to all or any portion or portions of the Property and to waive or modify application of the foregoing use restrictions with respect to any Lot(s) as the Board, in its sole discretion, deems appropriate.

Section 15. Maintenance Required and Failure to Maintain. No weeds, underbrush or other unsightly vegetation shall be permitted to grow or remain upon any Lot, and no refuse piles or unsightly objects shall be allowed to be placed or suffered to remain anywhere on any Lot. The Owner shall maintain the exterior of all buildings and improvements on his Lot in good and workmanlike manner, and shall present a neat and clean appearance upon the Lot including painting, repairing, replacing and caring for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. In the event that any Owner fails or refuses to keep his Lot free of weeds, underbrush, refuse piles, debris or other unsightly growth or objects, or to keep the buildings or improvements on his Lot in a good and workmanlike manner, or in a neat and clean appearance, the ARB or the Board may authorize its agents to enter upon the Lot and perform any necessary maintenance at the expense of the Owner, and such entry will not be deemed a trespass. During construction of a dwelling or other improvement, each Owner will be required to maintain his Lot in a clean condition, providing for trash and rubbish receptacles and disposal. Construction debris shall not be permitted to remain upon any Lot.

Section 16. Surface Water or Stormwater Management System. The Association shall be responsible for the maintenance, operation and repair of the surface water or stormwater management system. Maintenance of the surface water or stormwater management system(s) shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the St. Johns River Water Management District. The Association shall be responsible for such maintenance and operation. Any repair or reconstruction of the surface water or stormwater management system shall be as permitted, or if modified as approved by the St. Johns River Water Management District.

ARTICLE VII

RIGHTS OF MORTGAGEES

Section 1. Mortgagee Notice Rights. Upon written request to the Association, identifying the name and address of a Mortgagee, such Mortgagee will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Common Property or any Lot on which there is a first mortgage held, insured or guaranteed by such Mortgagee.

(b) Any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to a first mortgage held, insured or guaranteed by such Mortgagee, which remains uncured for a period of 60 days.

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action which would require the consent of a specified percentage of Mortgagees.

Section 2. Mortgage Information. The Association shall make available to Owners and Mortgagees current copies of this Declaration, Articles, Bylaws and rules and regulations of the Association, as well as books, records and financial statements of the Association. "Available" means available for inspection, upon written request during normal business hours or under other reasonable circumstances.

ARTICLE VIII

INSURANCE AND RECONSTRUCTION

Section 1. Damage to Common Property. In the event that any portion of the Common Property is damaged or destroyed by casualty, it shall be repaired or restored by the Association to substantially its condition prior to the damage or destruction.

Repair or reconstruction of the Common Property shall be substantially in accordance with the plans and specifications pursuant to which the same was originally specified. All insurance proceeds shall be applied to the restoration and repair. If the insurance proceeds and any reserve maintained by the Association for such purpose are insufficient, the deficit shall be assessed against all Owners as a Special Assessment. If there is a surplus of insurance proceeds, it shall become the property of the Association.

Section 2. Damage to the Lots. In the event of damage or destruction to any portion of the improvements on a Lot, the improvements shall be repaired or restored by the Owner. In the event that the damage or destruction renders the improvements uninhabitable or the damage is so substantial that the Owner determines not to rebuild the improvements on the Lot, the Owner shall clear the debris and have the Lot leveled within 60 days from the date of destruction or damage.

Section 3. Damage to Common Property Due to Owner Negligence. In the event that the Common Property is damaged as result of the willful or negligent acts of the Owner, his tenants, family, guests or invitees, such damage shall be repaired by the Association and the cost thereof shall be a Special Assessment as described in Article IV, Section 4.

Section 4. Insurance. The policy of property insurance shall cover all of the Common Property (except land, foundation, excavation and other items normally excluded from coverage) but including fixtures and building service equipment, to the extent that they are part of the Common Property.

The policy shall afford, as a minimum, protection against the following:

(a) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement;

(b) all other perils which are customarily covered with respect to projects similar in construction, location and use, including flood insurance, if applicable, and all perils normally covered by the standard "all risk" endorsement, where such is available. If flood insurance is required, it must be in an amount of 100% of current replacement cost of the improvement or the maximum coverage under the National Flood Insurance Program.

(c) losses covered by general liability insurance coverage covering all Common Property in the amount of at least \$1,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of Common Property and any legal liability that results from lawsuits related to employment contracts in which the Association is a party.

The hazard policy shall be in an amount equal to 100% of the current replacement cost of the insured properties exclusive of land, foundation, excavation and items normally excluded from coverage. The policy shall provide that it may not be canceled or substantially modified without at least 10 days' prior written notice to the Association. The Board may obtain such additional insurance as it in its sole discretion deems reasonable, convenient or necessary. In the event that any of the coverage required herein becomes unavailable or prohibitively expensive, the Association may make such changes in coverage as it deems reasonable and prudent provided such coverage is consistent with the then applicable FNMA standards.

ARTICLE IX

EASEMENTS

Section 1. Utility Easements. For so long as the Declarant is a Class B member, the Declarant hereby reserves the right to grant perpetual nonexclusive easements for the benefit of Declarant or its designees, upon, across, over, through and under any portion of the Property for ingress, egress, installation, replacement, repair and maintenance of utility and service lines and service systems, public and private. Declarant, for itself and its designees, reserves the right to retain title to any and all pipes, lines, cables or other improvements installed on such easements. Upon termination of the Declarant's right to grant such easements, the Association shall have the right to grant the easements described herein.

Section 2. Declarant's Easements of Correct Drainage. For so long as the Declarant is a Class B member, Declarant hereby reserves the blanket easement on, over and under the ground within the Property to maintain and correct drainage of surface waters and other erosion controls in order to maintain reasonable standards of health, safety and appearance.

Section 3. Easement for Unintentional Encroachment. The Declarant hereby reserves an exclusive easement for the unintentional encroachment by any Lot upon the Common Property or vice-versa caused by or resulting from, construction, repair, shifting, settlement or movement of any portion of the Property, which exclusive easement shall exist at all times during the continuance of such encroachment, which easement is appurtenant to the encroaching Property to the extent of such encroachment.

Section 4. Central Telecommunication Receiving and Distribution System. The Declarant hereby reserves unto itself, its successors and assigns, an

exclusive easement for installing, maintaining and supplying the services of any central telecommunication receiving and distribution system serving the Property. Declarant reserves to itself, its successors and assigns, the right to connect to any central telecommunication receiving and distribution system to such source as Declarant may, in its sole discretion, deem appropriate including, without limitation, companies licensed to provide CATV service in St. Augustine Beach for which service the Declarant, its successors and assigns shall have the right to charge the Association and/or individual Owners a reasonable fee not to exceed any maximum allowable charge for CATV services to single family residences as from time to time defined by the Code of Laws and Ordinances of St. Augustine Beach, Florida.

ARTICLE X

GENERAL PROVISIONS

Section 1. Enforcement. The Association, the Declarant for so long as it is a Class B member, or any Owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Provided, however, the foregoing shall not be construed to limit the Declarant's rights under Article V to retain Architectural Control of Island Hammock as provided therein. Failure by the Association, the Declarant or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

The St. Johns River Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the surface water or stormwater management system.

Section 2. Servability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Term. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of forty (40) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless a termination thereof is approved by ninety percent (90%) of the votes of the Association.

Section 4. Amendment. For so long as Declarant retains its Class B Membership, Declarant reserves the right without consent or joinder of any Owner or Mortgagee to (a) amend this Declaration, provided that such amendments shall conform to the general purposes and standards of the covenants and restrictions, herein contained, (b) amend this Declaration for the purpose of curing any ambiguity in or inconsistency between the provisions herein contained, (c) include in any supplemental declaration or other instrument hereafter made any additional covenants, restrictions and easements applicable to the Property which do not lower the standards of the covenants, restrictions or easements herein contained and (d) release any Lot from any part of the covenants and restrictions which have been violated, if Declarant, in its sole judgment determines such violation to be a minor or insubstantial violation. This Declaration may be amended during the first twenty (20) years after recording of this Declaration by an instrument signed by the votes of the Association, and thereafter by an instrument signed by Owners representing not less than seventy-five percent (75%) of all the votes of the members. Any amendment must be recorded.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 4th day of March, 1992.

Witnesses:

ISLAND HAMMOCK, INC.
a Florida Corporation

Kimberley J. Dahlberg
(Name of Witness Typed)
Edith McNulty
(Name of Witness Typed)

By:

SCOTT COLE III
Its President

Corporate Seal

RUNK PROPERTIES, INC.
a Florida Corporation

Kimberley J. Dahlberg
(Name of Witness Typed)
Edith McNulty
(Name of Witness Typed)

By:

CHRISTOPHER RUNK
Its President

STATE OF FLORIDA

COUNTY OF ST. JOHNS

Before me personally appeared SCOTT COLE III to me well known to be the President of ISLAND HAMMOCK, INC., a Florida corporation, the corporation named in the foregoing instrument, and known to me to be the person who as such officer of said corporation executed the same; then and there the said SCOTT COLE III did acknowledge before me that said instrument is the free act and deed of said corporation by him executed as such officer for the purposes therein expressed; that the seal thereunto attached is the corporate seal by him in like capacity affixed; all under authority in him duly vested by the Board of Directors of said corporation.

WITNESS my hand and official seal this 4th day of March, 1992.

Kimberley J. Dahlberg
Notary Public
State of Florida at Large
My Commission Expires: 4-21-92



STATE OF FLORIDA

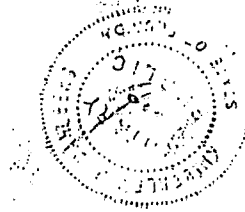
O.R. 929 PG 1336

COUNTY OF ST. JOHNS

Before me personally appeared CHRISTOPHER RUNK to me well known to be the President of RUNK PROPERTIES, INC., a Florida corporation, the corporation named in the foregoing instrument, and known to me to be the person who as such officer of said corporation executed the same; then and there the said CHRISTOPHER RUNK did acknowledge before me that said instrument is the free act and deed of said corporation by him executed as such officer for the purposes therein expressed; that the seal thereunto attached is the corporate seal by him in like capacity affixed; all under authority in him duly vested by the Board of Directors of said corporation.

WITNESS my hand and official seal this 4th day of March, 1992.

Kimberly D. Dabbs
Notary Public
State of Florida at Large
My Commission Expires: 4-21-92



COV-RES

EXHIBIT "A"

Government Lot 8, Less and Except the North 25 feet conveyed for road purposes by deed recorded in Official Records Book 104, Page 190, and the East 50 feet conveyed for use in 100 foot right-of-way for County Road described in Deed Book 216, Page 86, all of the Public Records of St. Johns County, Florida, also known as ISLAND HAMMOCK SUBDIVISION, as described in Map or Plat thereof recorded in Map Book 24, at Pages 43, 44 and 45, Public Records of St. Johns County, Florida.

COV-RES

ISLAND HAMMOCK
DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

THIS DECLARATION, made on the date hereinafter set forth by ISLAND HAMMOCK, INC., a Florida corporation and RUNK PROPERTIES, INC., a Florida corporation, a joint venture partnership, (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the City of St. Augustine Beach, County of St. Johns, State of Florida, which is more particularly described on Exhibit A attached hereto and made a part hereof. ("Property")

WHEREAS, Declarant desires to provide for the orderly development of the Property so as to promote the well being of the residents and the value of the Property.

NOW, THEREFORE, Declarant hereby declares that all of the Property described herein shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, shall inure to the benefit of each owner thereof.

FURTHER PROVIDED that Declarant deems it desirable to create a not-for-profit association to manage the Property. The Association, as hereinafter defined, shall own, operate, maintain and administer all the Common Property, as hereinafter defined, and shall administer and enforce the covenants, conditions, restrictions and limitations set forth herein. The Association shall enforce the easements created herein and collect and disburse the assessments hereinafter created.

ARTICLE I

DEFINITIONS

Section 1. "Additional Property" shall mean and refer to any land which is adjacent or contiguous with the Property or is located such that if such land is annexed to the Declaration by the Declarant, or its successors or assigns, it shall form an integrated community with the Property. Declarant or its successors or assigns may annex the Additional Property by recording in the public records a supplemental declaration subjecting such Additional Property to the covenants and conditions of the Declaration.

Section 2. "Articles" shall mean and refer to the Articles of Incorporation of the Association as amended from time to time.

Section 3. "Association" shall mean and refer to Island Hammock Owners Association, Inc., its successors and assigns.

Section 4. "Bylaws" shall mean and refer to the Bylaws of the Association as amended from time to time.

Section 5. "Common Expenses" shall mean and refer to those items of expense for which the Association is or may be responsible under this Declaration and those additional

items of expense approved by the Owners in the manner set forth in the Declaration, the Articles or the Bylaws.

Section 6. "Common Roads" shall mean and refer to the roads depicted on any plat of the Property which provide ingress and egress to a Lot. The Common Roads shall be considered Common Property of the Association and unless specifically set forth herein to the contrary all rules and regulations and provisions relating to the Common Property shall include the Common Roads.

Section 7. "Common Property" shall mean and refer to those tracts of land which are deeded to the Association and designated in the deed as "Common Property" and such improvements thereon as are specifically conveyed to the Association. The "Common Property" shall also include any personal property acquired by the Association, if the personal property is designed as "Common Property," as well as certain easements conveyed to the Association. All Common Property is to be devoted to and intended for the common use and enjoyment of the Owners and their guests, lessees or invitees and the visiting general public (to the extent permitted by the Board of Directors of the Association) subject to any operating rules adopted by the Association and subject to any use rights made or reserved by Declarant prior to conveyance of such Common Property or the granting of the easements.

Section 8. "Declarant" shall mean and refer to Island Hammock, Inc. and Runk Properties, Inc. a joint venture partnership, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development and provided that such rights of Declarant are specifically assigned and the assignee shall specifically assume the obligations of Declarant under the Declaration, Articles and Bylaws.

Section 9. "Declaration" shall mean and refer to this Island Hammock Declaration of Covenants, Conditions, Restrictions and Easements applicable to the Property.

Section 10. "Lot" shall mean and refer to any plot of land together with the improvements thereon shown upon any recorded subdivision plat of the Property or on any preliminary plan for Additional Property which the Declarant intends to plat as a part of the Property.

Section 11. "Member" shall mean and refer to those persons entitled to Class "A" or "B" Membership in the Association as provided in the Declaration and Articles.

Section 12. "Mortgagee" shall mean and refer to any institutional holder of a first mortgage encumbering a portion of the Property as security for the performance of an obligation; an insurer or guarantor of such mortgage, including without limitation, the Veterans Administration ("VA") of Federal Housing Administration ("FHA") and/or a purchaser of such mortgages in the secondary market including without limitation, Federal National Mortgage Association ("FNMA") and Governmental National Mortgage Association ("GNMA"); and the Declarant, if it is holding a first mortgage on any portion of the Property.

Section 13. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 14. "Property" or "Properties" shall mean and refer to that certain real property described in Exhibit A together with improvements thereon, (except such improvements the title of which are reserved by the Declarant or its assignees), and such portions of the Additional Property as may hereafter be brought within the jurisdiction of the Association by annexation.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Common Property Easements.

Subject to the provisions of the declaration, the rules and regulations of the Association, and any prior use rights granted in the Common Property, every Owner(s), their successors and assigns and their families and every guest, tenant, and invitee of such Owner(s) is hereby granted a right and easement of ingress and egress and enjoyment in and to Common Property which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Board of Directors, without further consent from Owners or their Mortgagees, to dedicate, transfer or grant an easement over all or any part of the Common Property to any public agency, authority or utility company for the purpose of providing utility or cable television service to the Property and the right of the Board to acquire, extend, terminate or abandon such easement.

(b) The right of the Association to sell, convey or transfer the Common Property or any portion thereof to any third party other than those described in Subsection (c) for such purposes and subject to such conditions as may be approved by a majority vote of the Association. (See Section 3, Article III).

(c) The right of the Board of Directors to adopt reasonable rules and regulations pertaining to the use of the Common Property.

(d) The right of the Declarant or the Association to authorize other persons to enter upon or use of the Common Property for uses not inconsistent with the Owners' right therein.

(g) The right of the Board to mortgage any or all of the Common Property for the purpose of improvement or repair of the Common Property with the approval of a majority vote of the Association.

Section 2. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Property to the members of his family, his tenants, or contract purchasers who occupy the Lot within the Property.

Section 3. Owner's Common Road Easements. It is specifically acknowledged that the Common Roads will be conveyed by the Declarant to the Association free and clear of all liens and encumbrances, except taxes and except Declarant's reserved right to install, repair, restore and maintain all utilities, street lighting and signage, including without limitation, cable television in the road right of way and right to grant further easements over the Common Roads. Each Owner of a Lot, his successors and assigns, domestic help, delivery, pickup and fire protection services, police and other authorities of the law, United States mail carriers, representatives of utilities serving the Property, holders of mortgage liens on the Property and such other persons as the

Declarant and/or the Association shall designate, are hereby granted ingress and egress over the Common Roads.

The Declarant and the Association shall have the unrestricted and absolute right to deny ingress to any person who, in the opinion of the Declarant or the Association, may create or participate in a disturbance or nuisance on any part of the Property; provided that, the Declarant or Association shall not deny an Owner or Mortgagee the right of ingress and egress to any portion of the Property owned by such Owner or mortgaged in favor of such Mortgagee. The Declarant and the Association shall have (a) the right to adopt reasonable rules and regulations pertaining to the use of the Common Roads, (b) the right, but no obligation, from time to time, to control and regulate all types of traffic on the Common Roads, including the installation of gatehouses and gate systems, if the Declarant or Association so elects. The Declarant and the Association shall have the right but no obligation to control speeding and impose speeding fines to be collected by the Association in the manner provided for assessments and to prohibit use of the Common Roads by traffic or vehicles (including without limitation, motorcycles, "go-carts", three wheeled vehicles), which in the opinion of Declarant or the Association would or might result in damage to the Common Roads or create a nuisance for the residents, (c) the right, but no obligation, to control and prohibit parking on all or any part of the Common Roads, and (d) the right, but no obligation, to remove or require the removal of any fence, wall, hedge, shrub, bush, tree or other thing, natural or artificial placed or located on the Property, if the location of the same will in the opinion of the Declarant or the Association obstruct the vision of a motorist.

The Declarant reserves the sole and absolute right at any time to redesignate, relocate, or close any part of the Common Roads without the consent or joinder of any Owner or Mortgagee so long as no Owner or his Mortgagee is not denied reasonable access from his Lot to a public roadway by such redesignation, relocation or closure. In such event, the foregoing easement over the Common Road shall be terminated and the Association shall reconvey the Common Road at the request of the Declarant.

Section 4. Conveyance of Common Property. The Declarant may convey the Common Property (other than the Common Roads) to the Association at such time as all the planned improvements, if any, are complete and in the event the Common Property is unimproved at such time as the Declarant determines, but in all events prior to the termination of the Class B membership. Such conveyance shall be subject to easements and restrictions of record and free and clear of all liens and financial encumbrances other than taxes for the year of conveyance. The Declarant may reserve certain rights to itself for use of the Common Property and/or Common Roads which are not adverse to the Owners.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Qualification for Membership: Every Owner of a Lot which is subject to this Declaration shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to this Declaration.

Section 2. Classes of Membership: The Association shall have two classes of voting membership:

(a) Class A. Class A Members shall be all Owners

of Lots, with the exception of the Declarant, and there shall be one vote for each Lot.

(b) Class B. Class B Member shall be the Declarant who shall be entitled to the number of votes equal to the number of Lots from time to time, subject to the Declaration or which are depicted on a preliminary plan for Additional Property which the Declarant intends to plat as a part of the Property, plus one. The total number of votes of the Class B member shall be increased at the time of submission of the preliminary plat for Additional Property to include the number of Lots contained within the Additional Property plus one. The Class B membership shall cease upon the happening of the first of the following events do occur:

- (i) when the Declarant has conveyed one hundred percent (100%) of the Property or Additional Property which it owns;
- (ii) fifteen (15) years from the date of recording this Declaration;
- (iii) when Declarant, in its sole discretion, elects to transfer control to the Class A Members.

(c) For the purpose of this Section, a Lot shall be deemed to be a part of the Property at the time at which the Declarant submits a preliminary plat thereof for the approval of the City of St. Augustine Beach, Florida.

Section 3. Approval by Voting. Whenever in this Declaration a proposed action or issue must be approved by a specified percentage of the vote of the Association such approval may be obtained by:

- (a) the specified percentage of Members casting their respective votes to approve such action or issue in person or by proxy at duly noticed and constituted meeting of the Members at which a quorum is present, or
- (b) the specified percentage of Members holding all votes giving the approval by written consent to approve the action or issue.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments as set forth in Section 4 of this Article, in Section 13 of this Article and Section 15 of Article VI, or Section 3 or Article IX, such assessments to be established and collected as hereinafter provided. The annual and special assessments, (sometimes jointly referred to herein as "Assessments") together with interest, costs, and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall be the joint obligation of the grantor and grantee under a

deed, without affecting the grantee's right to recover the grantor's share from the grantor.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used to promote the recreation, health, safety, and welfare of the Owners and residents of the Property, for the improvement and maintenance of the Common Property, including without limitation the Common Roads, for the operation and administration of the Association, for the establishment of a maintenance, repair and reserve account for the installing and maintaining of street lighting and signage, for payment of taxes and insurance in all Common Property and for such other purposes as are set forth or permitted in this Declaration, the Articles of Bylaws.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Assessment per Lot shall be Five Hundred and 00/100 (\$500.00) Dollars per year.

(a) From and after January 1 of the year immediately following the recording of this Declaration, the maximum Annual Assessment for a Lot may be increased each year not more than 10% above the maximum Assessment for the previous year without approval of the majority vote of each class of membership.

(b) From and after January 1 of the year immediately following the recording of this Declaration, the maximum assessment to be levied against each class of Members may be increased by more than ten percent (10%) by a vote of a two-thirds majority of the Association.

(c) The Board of Directors may fix the Annual Assessment at an amount not in excess of the maximum.

(d) The Association in determining the Common Expenses shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Property.

Section 4. Special Assessments. In addition to the Annual Assessment authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Property, including fixtures and personal property related thereto, provided that any such assessment shall have the approval of two-thirds (2/3) majority vote of the Association unless the Special Assessment is required due to the inadequacy of the insurance proceeds to cover the cost of a repair to Common Property (See Article IX, Section 1) wherein no approval shall be required.

Section 5. Uniform Rate of Assessment. Subject to the provisions of Section 12, below both Annual Assessments and Special Assessments, for the purposes set forth in Section 4, above, must be fixed at a uniform rate for all Lots. In the event that an Owner or his family, guest or invitees specifically damage the Common Property as elsewhere provided, owner's such Lots may be subjected to a nonuniform Special Assessment for payment of such costs. There shall be no Assessment against the Common Property.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The Annual Assessments shall commence upon substantial completion of the installation of the

Common Roads and utilities serving a specified Lot subject to this Declaration. A Lot shall be deemed substantially complete and subject to Assessments when the Common Roads necessary to provide access to a particular Lot have been constructed, utilities for use of Owner are in place and the Owner is able to obtain a building permit therefore. In the event that any Additional Property is annexed to this Declaration, Assessments for the land annexed shall commence at such time as the roads and utilities serving that portion of the Additional Property are installed. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the Annual Assessment against each Lot 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 Annual Assessment may be payable monthly, quarterly or annually and the due date shall be the first day of such payment period unless specifically changed by the Board of Directors.

Section 7. Association Certificate. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments for a specified Lot have been paid. A properly executed certificate of the Association as to the status of Assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessment. Remedies of the Association. Any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate of interest permitted by the law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Property or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any mortgage held by a Mortgagee. Sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessment thereafter becoming due or from the lien thereof. Any such delinquent Assessments which were extinguished pursuant to the foregoing may be reallocated and assessed against all of the Lots as part of the annual budget.

Section 10. Exempt Property. All properties dedicated to, and accepted by, a local public authority or utility company and serving a public use and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Florida and properties owned by the Association shall be exempt from the Assessment created herein, except no land, improvements or Platted residential Lots.

Section 11. Reserves. The Board shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Property. This reserve fund shall constitute a portion of the annual budget. In addition, the Board of Directors may establish reserve funds from the Annual Assessments to be held in reserve in an interest bearing account for:

- (a) major rehabilitation or major repairs;

(b) for emergency and other repairs required as a result of storm, fire, mutual disaster or other casualty loss; and

(c) initial cost, if any, new service to be performed by the Association.

Section 12. Declarant Payment. The Declarant, is obligated to pay the Annual Assessment up to the amount of funds required to operate the association created by short fall in revenue from Class A voting membership for each Lot it owns which is substantially complete as provided in Section 6 hereof. All Assessments paid by the Declarant during the time the Declarant is a Class B Member shall be placed in the Association's account and shall not be commingled with Declarant's general funds.

Section 13. Assessments for Failure to Maintain. In the event that an Owner fails to maintain his Lot or the improvements thereupon as required herein, the Association shall give written notice specifying such failure to the Owner and if the Owner fails to correct such unperformed maintenance within ten (10) days from the Association's written notice, the Association may perform such maintenance and the cost of such shall constitute a Special Assessment for which a claim of lien may be filed and enforced.

Section 14. Failure to Revise Budget. The failure or delay of the Board to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of the Owner's obligation to pay any Assessment as herein provided, whenever the same shall be determined. In the absence of an annual budget, each Owner shall continue to pay the Assessment as established for the previous year.

ARTICLE V

ARCHITECTURAL CONTROL

Section 1. General Provisions. No building, fence, wall or other structure, landscaping or exterior lighting plan or any other type of improvement, other than those erected by the Declarant, shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, color, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Declarant. Improvements or modifications which are specifically subject to ARB approval include without limitation, painting or alteration of a dwelling (including doors, windows, roof), installation of solar panels or other devices, construction of fountains, swimming pools, jacuzzis, construction of privacy fences; additions of awnings, shelters, gates, flower boxes, shelves, and statues.

Section 2. Architectural Review Board ("ARB")

(a) Composition of the ARB.

The architectural review and control functions of the Declarant shall be administered and performed by the ARB, which shall consist of at least three (3) members who need not be members of the Association. The Declarant shall have the right to appoint all of the members of the ARB, or such lesser number as it may, in its sole discretion, appoint for so long as it is a Class B Member. Members of the ARB as to whom Declarant may relinquish the right to appoint, and all members

of the ARB subsequent to the transfer of control shall be appointed by, and shall serve at the pleasure of, the Board of Directors of the Association. At any time that the Board of Directors has the right to appoint one or more members of the ARB, the Board shall appoint at least one (1) architect or building contractor thereto. A majority of the ARB shall constitute a quorum to transact business at any meeting at which a quorum is present shall constitute the action of the ARB. Any vacancy occurring on the ARB because of death, resignation, or other termination of service of any member thereof shall be filled by the Board of Directors; except that Declarant, to the exclusion of the Board, shall fill any vacancy created by the death, resignation, removal or other termination of services of any member of the ARB appointed by Declarant.

(b) Powers and Duties of the ARB.

The ARB shall have the following powers and duties:

(i) To draft Architectural Planning Criteria subsequent to the termination of the Declarant's control of the ARB. The ARB shall recommend to the Board modifications and/or amendments to the Architectural Planning Criteria. Any modification or amendment to the Architectural Planning Criteria shall be consistent with the provisions of this Declaration, and shall not be effective until adopted by a majority of the members of the Board of Directors of the Association at a meeting duly called and noticed and at which a quorum is present and voting. Notice of any modification or amendment to the Architectural Planning Criteria including a verbatim copy of such change or modification, shall be delivered to each member of the Association. However, a receipt of a copy of a modification or amendment to the Architectural Planning Criteria shall not constitute a condition precedent to the effectiveness or validity of such change or modification. No Board approval shall be required during the time the Declarant has control of the ARB.

(ii) To require submission to the ARB of two (2) complete sets of preliminary and final plans and specifications as hereinafter defined for any improvement or structure of any kind, including, without limitation, any building, dwelling, fence, wall, sign, site paving, grading, parking and building additions, alterations, screen enclosure, sewer, drain, disposal system, decorative building, landscaping, landscape device or object, exterior lighting scheme or other improvement described in Section 1 ("Proposed Improvement") the construction of placement of which is proposed upon any Lot or Property, together with a copy of any building permits which may be required. The ARB may also require submission of samples of building materials and colors proposed for use on any Lot or the Property, and may require such additional information as reasonably may be necessary for the ARB to completely evaluate the proposed structure or improvement in accordance with the Declaration and the Architectural Planning Criteria.

(iii) To approve or disapprove any Proposed Improvement or change or modification thereto, the construction, erection, performance or placement of which is proposed upon any Lot or the Property and to approve or disapprove any exterior additions, changes, modifications or alterations including the color thereof, therein or thereon. Subsequent to the transfer of control of the ARB by the Declarant, any party aggrieved by a decision of the ARB shall have the right to make a written request to the Board within thirty (30) days of such decision, for a review thereof. The determination of the Board upon reviewing any such decision shall in all events

be dispositive. Provided, however, during the time the Declarant is a Class B Member determination by the ARB shall be final.

(iv) To evaluate each application for the total effect, including the manner in which the homesite is developed. This evaluation relates to matters of judgment and taste which can not be reduced to a simple list of measurable criteria. It is possible, therefore, that a Proposed Improvement might meet individual criteria delineated in this Article and the Architectural Planning Criteria and still not receive approval, if in the sole judgment of the ARB, its overall aesthetic impact is unacceptable. The approval of an application for one Proposed Improvement shall not be construed as creating any obligation on the part of the ARB to approve applications involving similar designs for Proposed Improvements pertaining to different Lots.

(v) If any Proposed Improvement as aforesaid shall be changed, modified or altered without prior approval of the ARB of such change, modification or alteration, and the plans and specifications therefore, if any, then the Owner shall, upon demand, cause the Proposed Improvement to be restored to comply with the original plans and specifications, or the plans and specifications originally approved by the ARB, and shall bear all costs and expenses of such restoration, including costs and reasonable attorneys' fees of the ARB.

(vi) In addition, any Owner making or causing to be made any Proposed Improvement or additions to the Property or a Lot agrees and shall be deemed to have agreed, for such Owner and his heirs, personal representatives, successors and assigns to hold the ARB, Association, Declarant and all other Owners harmless from any liability, damage to the Property and from expenses arising from any Proposed Improvement and such Owner shall be solely responsible for the maintenance, repair and insurance of any Proposed Improvement and for assuring that the Proposed Improvement meets with all applicable governmental approvals, rules and regulations.

(vii) The ARB is hereby authorized to make such charges as it deems necessary to cover the cost of review of the plans and specifications.

Section 3. Procedure for Approval of Plans. The ARB shall approve or disapprove the preliminary and final applications for a Proposed Improvement within thirty (30) days after each has been submitted to it in proper form together with all supporting information. If the plans are not approved within such period, they shall be deemed disapproved. The applications and plans submitted to the ARB shall meet such standards as are adopted by the ARB from time to time, but may include:

(a) The preliminary application shall be submitted in duplicate and "sketch" form and shall include:

(i) a tree survey and topographic performed by a registered land surveyor.

(ii) landscape plan by landscape company showing location, quantity and species of all plants, trees, shrubs and ground cover to be used;

(iii) a suggested layout of home on Lot at one-fourth inch = 20 feet showing proposed drainage plan, location of all decks, pools, patios, driveways and utility routing;

(iv) dimensioned floor plan at one-fourth inch = 1 foot, one section through main living area of house one to be

specified for exterior walls, roofs, window trims and exterior trims;

(v) sketch of improvement showing elevations from all sides of house;

(b) Upon approval of the preliminary application, a final application shall be filed in duplicate and shall include everything shown on preliminary application and actual samples of exterior material with specified paint colors applied to those materials.

Section 4. Architectural Planning Criteria.

(a) Building Type. No building shall be erected, altered, placed or permitted to remain on any Lot other than one detached single-family residence containing not less than two thousand (2000) square feet of livable permanently enclosed, heated floor area (exclusive of open or screen porches, patios, terraces, garages and carports) for a single story dwelling and 2,200 square feet for a two story building not to exceed thirty-five (35) feet in height and having a private and enclosed garage (or carport if approved) for not less than two (2) nor more than four (4) cars. Unless approved by the ARB as to use, location and architectural design, no tool or storage room may be constructed separate and apart from the residential dwelling nor can any such structure(s) be constructed prior to construction of the main residential dwelling.

(b) Set Back Restrictions. No part of any structure shall be constructed within twenty-five (25) feet of the front property line, twenty-five (25) feet from rear line and ten (10) feet of any side line. A dwelling may be located upon a single platted lot or on a combination of platted lots and in such event the set back lines shall apply to the outermost lot lines. The ARB shall have the right to impose additional set back requirements for all lot lines to preserve line of sight of neighboring properties. The ARB may modify the set back restrictions for an individual lot where in its opinion and sole discretion, such modification is necessary for the preservation of trees or the maintenance of overall aesthetics in the area. A residence may be located wholly within a single Lot or a combination of Lots and in such event the set back restrictions shall apply to the most exterior boundary lines.

(c) Height Limitations. No structure shall exceed thirty-five (35) feet in height.

(d) Exterior Color Plan. The ARB shall have final approval of all exterior colors plans and each Owner must submit to the ARB prior to initial construction and development upon any Lot a color plan showing the color of the roof, exterior walls, shutters, trims, which shall be consistent with the homes in the surrounding areas.

(e) Roof. Flat roofs shall not be permitted unless approved by the ARB. Protrusions through roofs for power ventilators or other apparatus, including the color and location thereof, must be approved by the ARB. Finished roofing material shall be architectural grade dimensional shingles at a minimum.

(f) Elevations. Similar elevations shall not be built directly adjacent or across from each other.

(g) Garages and Automobile Storage. In addition to the requirements stated in Paragraph (a) above, all garages

shall have a minimum width of twenty (20) feet and a minimum depth of twenty-four (24) feet as measured from the outside walls of the garage. All garages must have either a single overhead door with a minimum door width of sixteen (16) feet for a two-car garage, or two (2) sixteen (16) foot doors for a four-car garage, or two (2), three (3), or four (4) individual overhead doors, each a minimum of nine (9) feet in width, and a service door. All overhead doors shall be electrically operated and shall be kept closed when not in use. No carports will be permitted unless approved by the ARB. The ARB recommends side entry garages. However, where side entry is impractical, the ARB will consider for approval front entry garages. Automobiles shall be stored in garages when not in use. No garage shall be converted to living space unless a garage in compliance with these provisions is constructed in its stead and unless the facade of the enclosed garage is approved by the ARB and a new garage, in compliance with these restrictions, is built. The use of side entry garages is encouraged wherever possible.

(h) Driveway Construction. All dwellings shall have a paved driveway of stable and permanent construction of at least sixteen (16) in width at the entrance to the garage. All driveways must be constructed of an approved material.

(i) Games and Play Structures. All basketball backboards and play structures shall be located at the rear of the dwelling, or on the inside portion of a corner Lot within the setback lines. No platforms, doghouse, playhouse or structure of a similar kind or nature shall be constructed on any part of a Lot located in front of the rear line of residence constructed thereon, and any such structure must have prior approval of the ARB.

(j) Fences and Walls. The composition, location and height of any fence or wall to be constructed on any Lot shall be subject to the approval of the ARB. The ARB shall require the composition of any fence or wall to be consistent with the material used in the surrounding homes and other fences, if any. Wire or chain link fences are prohibited, unless approved by the ARB. If an Owner owns a pet as permitted hereunder, such Owner shall be required either to erect and maintain a fenced enclosure or to construct and maintain another ARB-approved method for keeping and maintaining such permitted pets. Such enclosure shall be of a reasonable design and construction to adequately contain such pets in accordance with the provisions hereof and shall be screened so that the pets are not visible from neighboring property. Any fence, wall, hedge or other similar structure or improvement must be included in the development plan with respect to location, height, and type of material and must be approved by the ARB.

(k) Landscaping. A basic landscaping plan shall be prepared for each Lot and must be submitted to and approved by the ARB prior to initial construction and development therein. The plan shall call for landscaping improvements, exclusive of sodding and sprinkling systems, requiring a minimum expenditure of \$1,000.00 by Owner. No artificial grass, plants or other artificial vegetation or sculptural landscape decor shall be placed or maintained on any Lot unless approved by the ARB.

(l) Swimming Pools Any swimming pool or tennis court to be constructed on any Lot shall be subject to the requirements of the ARB, which include, but are not limited to the following:

(i) Composition to be of material thoroughly tested and accepted by the industry for such construction;

(ii) The outside edge of any pool wall may not be closer than four (4) feet to a line extended and aligned with the side walls of dwelling unless approved by the ARB;

(iii) No screening of pool areas may stand beyond a line extended and aligned with the side walls of the dwelling unless approved by the ARB;

(iv) Pool screening may not be visible from the street in front of the dwelling unless approved by the ARB;

(v) Any lighting of a pool or other recreation area shall be designed so as to buffer the surrounding residences from the lighting;

If one Owner elects to purchase two (2) adjoining Lots and use one for recreation purposes, no sports courts shall be allowed, the Lot used for recreation purposes must be adequately screened by landscaping and/or walls or fences on both the front and side as required by the ARB.

(m) Garbage and Trash Containers. No Lot shall be used or maintained as a dumping ground for rubbish, trash or other waste. All trash, garbage and other waste shall be kept in sanitary containers which shall be kept within an enclosure constructed with each dwelling in a location approved by the ARB. All Lots shall be maintained during construction in a neat nuisance-free condition. Owner agrees that the ARB or the Association shall have the discretion to rectify any violation of this subsection, with or without notice, and that Owner shall be responsible for all expenses incurred by the ARB thereby, which expenses shall constitute a lien against the Lot enforceable in appropriate court of equity or law.

(n) Temporary Structures. No structures of a temporary character, trailer, basement, tent, shack, garage, barn, or other out building shall be used on any Lot at any time as a residence either temporarily or permanently.

(o) Removal of Trees. In reviewing building plans, the ARB shall take into account the natural landscaping such as trees, shrubs and palmettos, and encourage the Owner to incorporate them in his landscaping plan. No tree of six (6) inches in diameter at two (2) feet above natural grade shall be cut or removed without approval of the ARB, which approval may be given when such removal is necessary for the construction of a dwelling or other improvement.

(p) Window Air Conditioning Units. No window or wall air conditioning units will be permitted. All air conditioner compressors shall be screened from view and insulated by a fence, wall or shrubbery so as to minimize noise.

(q) Utility Connections. Building connections for all utilities, including, but not limited to, water, electricity, telephone and television shall be run underground from the proper connecting points to the building structure in such a manner to be acceptable to the governing utility authority. Approval of water to air heat pumps will not be considered unless excess water can be dispelled directly unto premises.

(r) Mailboxes. No mailbox, paperbox or other receptacle of any kind for use in the delivery of mail, newspapers, magazines or similar material shall be erected on any Lot without the approval of the ARB as to style and location. If and when the United States Postal Service or the newspapers

involved shall indicate a willingness to make delivery to wall receptacles attached to dwellings, each Owner, on the request of the ARB, shall replace the boxes or receptacles previously employed for such purpose or purposes with wall receptacles attached to dwellings.

(s) Well Limitation. Any wells to be installed and constructed on any portion of the Property shall be approved by the ARB and shall be in strict compliance with any regulations of the applicable utility company, any and all wells that supply water to heating or cooling systems and utilize the Florida Aquifer as a supply source shall be fitted with a demand valve. All free flowing artesian wells developed within Island Hammock shall have a drainage valve installed and shall be maintained in good working order. If at any time governmental regulations prohibit this type of well throughout the county, the provisions of this section shall be automatically modified to apply such prohibition to future construction.

(t) Lot Size. No Lot which has been improved by the construction of a single family dwelling shall be further subdivided or separated into small lots by any Owner; provided that this provision shall not prohibit corrective deeds or similar corrective instruments. The Declarant shall have the right to modify the subdivision plats of the Property provided that all Owners of the affected Lots consent to such modification, which consent shall not be unreasonably withheld. The Declarant, without the consent of any Owners, may modify a Lot(s) it owns for the purpose of creating a street or right of way and the restrictions as to use contained herein shall not be applicable to such Lot(s).

(u) Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sightlines and deviations between two (2) and six (6) feet above the Common Roads shall be placed or permitted to remain on any corner lot within the triangular area formed by the street and property lines and a line connecting them at points twenty-five (25) feet from the intersection of street lines. No trees shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent construction of such sightlines.

(v) Waiver of Architectural Planning Criteria. The Architectural Planning Criteria set forth herein are intended as guidelines to which adherence shall be required by each Owner in the Property; provided, however, the ARB shall have the express authority to waive any requirement set forth herein if, in its professional opinion, it deems such waiver in the best interest of the Property and the deviation requested is compatible with the character of the Property. A waiver shall be evidenced by an instrument signed and executed by the ARB upon approval by a majority of its members.

ARTICLE VI

USE RESTRICTIONS

In order to provide for congenial occupancy of the Property and for the protection of the value of the Lots, the use of the Property and Lots shall be in accordance with the following provisions so long as the Property and Lots are subject to this Declaration.

Section 1. Residential Uses. Lots shall be used for residential living units and for no other purpose, and no business or commercial building may be erected on any Lot and

no business may be conducted on any part of any Lot.

Section 2. Antennae. No aerial, antenna, satellite receptor dish or similar device shall be placed or erected upon any Lot or affixed in any manner to the exterior of any building on such Lot without the written consent of the ARB and if approved, must be appropriately screened from view of the neighboring Owners and from the street, such screening to be approved by the ARB.

Section 3. Clothes Drying Area. No portion of any Lot shall be used as a drying or hanging area for laundry of any kind unless screened from the view of neighboring Owners and from the street.

Section 4. Nuisances. Nothing shall be done or maintained on any Lot which may be or become an annoyance or nuisance to the neighborhood. Any activity on a Lot which interferes with television, cable or radio reception on another Lot shall be deemed a nuisance and a prohibited activity. In the event of a dispute or question as to what may be or become a nuisance, such dispute or question shall be submitted to the Board of Directors of the Association and the written decision of the Board shall be dispositive of such dispute or question.

Section 5. Signs. No signs, greater than 3 square feet, may be placed on any Lot, and all signs must be approved by the ARB.

Section 6. Energy Conservation. Solar energy and other energy conservation devices are not prohibited or discouraged, but the design and appearances of such devices will be closely scrutinized and controlled to assure consistency with neighborhood aesthetics. Request for approval of installation of any type of solar equipment shall be included in the development plan and must be approved in accordance therewith.

Section 7. Window Coverings. No reflective window coverings or treatments shall be permitted on any building in the Property. The ARB, at its discretion, may control or prohibit window coverings and treatments not reasonably compatible with aesthetic standards set forth herein.

Section 8. Off-Street Motor Vehicles. No motorized vehicles including, without limitation, two and three wheel all terrain vehicles or "dirt bikes" may be operated off of paved roadways and drives except as specifically approved in writing by the ARB. Without limiting the Association's right to collect and assess fines in other instances, it is specially acknowledged that Owners may be fined for each violation of this provision by themselves, their families, guests, tenants and invitees. Violations will result in automatic fines of \$25.00 for the first offense, \$50.00 for the second offense and \$100.00 for each subsequent offense.

Section 9. Noise. Exterior noise, and noise emanating from within buildings or other improvements, including without limitation, talking, singing, television, radio, record or tape player or musical instruments, shall be maintained from 11:00 p.m. until 7:30 a.m. at such volume that the noise is not audible beyond the boundaries of the Lot from which it originates and at all times so as not to constitute a nuisance or unreasonable annoyance to neighbors.

Section 10. Pets and Animals. No animals except common domestic household pets, within the ordinary meaning and interpretation of such words, may be kept, maintained or cared for in any Lot or within the Property. No pets shall be

allowed to make an unreasonable amount of noise or to become a nuisance; and no pets will be allowed on the Property other than on the Lot of the owner of such pets, unless confined to a leash or under voice control. No pet shall be allowed to run at large and all pets shall be kept within an enclosed area, which must be clean, sanitary and reasonably free of refuse and waste. Upon written request of any Owner the ARB may conclusively determine at its sole discretion, in accordance with its rules, whether an animal is a domestic household pet, whether such animal is making an unreasonable amount of noise, whether an animal is being allowed to run at large or whether an animal is a nuisance. The decision of the ARB in such matters is conclusive and shall be enforced as other restrictions contained herein. No pet may be maintained, kept, cared for or boarded for hire or remuneration on the Property and no kennels for boarding or operation shall be allowed. There shall be no more than two dogs allowed nor more than two cats, all cats shall have bell collars.

Section 11. Oil and Mining Operation. No oil drilling, mining operations, oil refining, quarrying or oil development operations, or tanks, tunnels, mineral excavations or shafts shall be permitted upon, in, or under any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 12. Commercial Trucks, Trailers and Boats. No vehicles of any kind including, without limitation, commercial vans, trucks, trailers, boats, recreational vehicles or automobiles shall be permitted to park outside of an enclosed garage or unapproved screening; nor shall any of the above be permitted to be stored on blocks or maintained outside of an enclosed garage or approved screening in an inoperable condition. Approval of screening locations and material shall be at the sole discretion of the ARB and shall be determined on a case-by-case basis.

Section 13. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

Section 14. Additional Use Restrictions. The Board of Directors of the Association may adopt such additional use restrictions, rules or regulations, applicable to all or any portion or portions of the Property and to waive or modify application of the foregoing use restrictions with respect to any Lot(s) as the Board, in its sole discretion, deems appropriate.

Section 15. Maintenance Required and Failure to Maintain. No weeds, underbrush or other unsightly vegetation shall be permitted to grow or remain upon any Lot, and no refuse piles or unsightly objects shall be allowed to be placed or suffered to remain anywhere on any Lot. The Owner shall maintain the exterior of all buildings and improvements on his Lot in good and workmanlike manner, and shall present a neat and clean appearance upon the Lot including painting, repairing, replacing and caring for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. In the event that any Owner fails or refuses to keep his Lot free of weeds, underbrush, refuse piles, debris or other unsightly growth or objects, or to keep the buildings or improvements on his Lot in a good and workmanlike manner, or in a neat and clean appearance, the ARB or the Board may authorize its agents to enter upon the Lot and perform any necessary maintenance at the expense of the

Owner, and such entry will not be deemed a trespass. During construction of a dwelling or other improvement, each Owner will be required to maintain his Lot in a clean condition, providing for trash and rubbish receptacles and disposal. Construction debris shall not be permitted to remain upon any Lot.

ARTICLE VII

RIGHTS OF MORTGAGEES

Section 1. Mortgagee Notice Rights. Upon written request to the Association, identifying the name and address of a Mortgagee, such Mortgagee will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Common Property or any Lot on which there is a first mortgage held, insured or guaranteed by such Mortgagee.

(b) Any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to a first mortgage held, insured or guaranteed by such Mortgagee, which remains uncured for a period of 60 days.

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action which would require the consent of a specified percentage of Mortgagees.

Section 2. Mortgagee Information. The Association shall make available to Owners and Mortgagees current copies of this Declaration, Articles, Bylaws and rules and regulations of the Association, as well as books, records and financial statements of the Association. "Available" means available for inspection, upon written request during normal business hours or under other reasonable circumstances.

ARTICLE IX

INSURANCE AND RECONSTRUCTION

Section 1. Damage to Common Property. In the event that any portion of the Common Property is damaged or destroyed by casualty, it shall be repaired or restored by the Association to substantially its condition prior to the damage or destruction.

Repair or reconstruction of the Common Property shall be substantially in accordance with the plans and specifications pursuant to which the same was originally specified. All insurance proceeds shall be applied to the restoration and repair. If the insurance proceeds and any reserve maintained by the Association for such purpose are insufficient, the deficit shall be assessed against all Owners as a Special Assessment. If there is a surplus of insurance proceeds, it shall become the property of the Association.

Section 2. Damage to the Lots. In the event of damage or destruction to any portion of the improvements on a Lot, the improvements shall be repaired or restored by the Owner. In the event that the damage or destruction renders the improvements uninhabitable or the damage is so substantial that the Owner determines not to rebuild the improvements on the Lot, the Owner shall clear the debris and have the Lot

leveled within 60 days from the date of destruction or damage.

Section 3. Damage to Common Property Due to Owner Negligence. In the event that the Common Property is damaged as result of the willful or negligent acts of the Owner, his tenants, family, guests or invitees, such damage shall be repaired by the Association and the cost thereof shall be a Special Assessment as described in Article IV, Section 4.

Section 4. Insurance. The policy of property insurance shall cover all of the Common Property (except land, foundation, excavation and other items normally excluded from coverage) but including fixtures and building service equipment, to the extent that they are part of the Common Property.

The policy shall afford, as a minimum, protection against the following:

(a) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement;

(b) all other perils which are customarily covered with respect to projects similar in construction, location and use, including flood insurance, if applicable, and all perils normally covered by the standard "all risk" endorsement, where such is available. If flood insurance is required, it must be in an amount of 100% of current replacement cost of the improvement or the maximum coverage under the National Flood Insurance Program.

(c) losses covered by general liability insurance coverage covering all Common Property in the amount of at least \$1,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of Common Property and any legal liability that results from lawsuits related to employment contracts in which the Association is a party.

The hazard policy shall be in an amount equal to 100% of the current replacement cost of the insured properties exclusive of land, foundation, excavation and items normally excluded from coverage. The policy shall provide that it may not be canceled or substantially modified without at least 10 days' prior written notice to the Association. The Board may obtain such additional insurance as it in its sole discretion deems reasonable, convenient or necessary. In the event that any of the coverage required herein becomes unavailable or prohibitively expensive, the Association may make such changes in coverage as it deems reasonable and prudent provided such coverage is consistent with the then applicable FNMA standards.

ARTICLE X

EASEMENTS

Section 1. Utility Easements. For so long as the Declarant is a Class B member, the Declarant hereby reserves the right to grant perpetual nonexclusive easements for the benefit of Declarant or its designees, upon, across, over, through and under any portion of the Property for ingress, egress, installation, replacement, repair and maintenance of utility and service lines and service systems, public and private. Declarant, for itself and its designees, reserves the right to retain title to any and all pipes, lines, cables

or other improvements installed on such easements. Upon termination of the Declarant's right to grant such easements, the Association shall have the right to grant the easements described herein.

Section 2. Declarant's Easements of Correct Drainage. For so long as the Declarant is a Class B member, Declarant hereby reserves the blanket easement on, over and under the ground within the Property to maintain and correct drainage of surface waters and other erosion controls in order to maintain reasonable standards of health, safety and appearance.

Section 3. Easement for Unintentional Encroachment. The Declarant hereby reserves an exclusive easement for the unintentional encroachment by any Lot upon the Common Property or vice-versa caused by or resulting from, construction, repair, shifting, settlement or movement of any portion of the Property, which exclusive easement shall exist at all times during the continuance of such encroachment, which easement is appurtenant to the encroaching Property to the extent of such encroachment.

Section 4. Central Telecommunication Receiving and Distribution System. The Declarant hereby reserves unto itself, its successors and assigns, an exclusive easement for installing, maintaining and supplying the services of any central telecommunication receiving and distribution system serving the Property. Declarant reserves to itself, its successors and assigns, the right to connect to any central telecommunication receiving and distribution system to such source as Declarant may, in its sole discretion, deem appropriate including, without limitation, companies licensed to provide CATV service in St. Augustine Beach for which service the Declarant, its successors and assigns shall have the right to charge the Association and/or individual Owners a reasonable fee not to exceed any maximum allowable charge for CATV services to single family residences as from time to time defined by the Code of Laws and Ordinances of St. Augustine Beach, Florida.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, the Declarant for so long as it is a Class B member, or any Owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declarant. Provided, however, the foregoing shall not be construed to limit the Declarant's rights under Article V to retain Architectural Control of Island Hammock as provided therein. Failure by the Association, the Declarant or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Servability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Term. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of forty (40) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless a termination thereof is approved by ninety percent (90%) of the votes of

the Association.

Section 4. Amendment. For so long as Declarant retains its Class B Membership, Declarant reserves the right without consent or joinder of any Owner of Mortgagee to (a) amend this Declaration, provided that such amendments shall conform to the general purposes and standards of the covenants and restrictions, herein contained, (b) amend this Declaration for the purpose of curing any ambiguity in or inconsistency between the provisions herein contained, (c) include in any supplemental declaration or other instrument hereafter made any additional covenants, restrictions and easements applicable to the Property which do not lower the standards of the covenants, restrictions and easements herein contained and (d) release any Lot from any part of the covenants and restrictions which have been violated, if Declarant, in its sole judgment determines such violation to be a minor or insubstantial violation. This Declaration may be amended during the first twenty (20) years after recording of this Declaration by an instrument signed by the votes of the Association, and thereafter by an instrument signed by Owners representing not less than seventy-five percent (75%) of all the votes of the members. Any amendment must be recorded.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, as hereunto set its hand and seal this 28th day of June, 1980.
1990

Witnesses:

ISLAND HAMMOCK, INC.
a Florida Corporation

By: 

its President

Corporate Seal

RUNK PROPERTIES, INC.
a Florida Corporation

By: 

its President

STATE OF FLORIDA
COUNTY OF ST. JOHNS

I HEREBY CERTIFY that on this day, personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments, SCOTT COLE, III, as President of ISLAND HAMMOCK, INC., a Florida corporation, to me well known to be the person described in and who executed the foregoing and he acknowledged before me that he executed the same as such officer for the uses and purposes therein expressed and the same is the act and deed of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 28th day of June, 1990.


Notary Public, State of Florida

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Oct. 4, 1992
Bonded by United States Fidelity & Guaranty Co.

STATE OF FLORIDA
COUNTY OF ST. JOHNS

I HEREBY CERTIFY that on this day, personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments, CHRISTOPHER RUNK, as President of RUNK PROPERTIES, INC., a Florida corporation, to me well known to be the person described in and who executed the foregoing and he acknowledged before me that he executed the same as such officer for the uses and purposes therein expressed and the same is the act and deed of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 28th day of June, 1990.


Notary Public, State of Florida

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Oct. 4, 1992
Bonded by United States Fidelity & Guaranty Co.

EXHIBIT "A"

Government Lot 8, Less and Except the North 25 feet conveyed for road purposes by deed recorded in Official Records Book 104, Page 190, and the East 50 feet conveyed for use in 100 foot right-of-way for County Road described in Deed Book 216, Page 86, all of the Public Records of St. Johns County, Florida, also known as ISLAND HAMMOCK SUBDIVISION, as described in Map or Plat thereof recorded in Map Book 24, at Pages 43, 44 and 45, Public Records of St. Johns County, Florida.

FILED AND RECORDED IN
PUBLIC RECORDS OF
ST. JOHNS COUNTY, FLA.

90 JUN 28 PM 3:39

Paul "Bud" Munkel
CLERK OF CIRCUIT COURT