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DECLARATION OF COVENANTS AND RESTRICTIONS FOR SOUTHWOOD

THIS DECLARATION OF COVENANTS AND RESTRICTIONS is made by MODERN PROPERTIES OF ST. AUGUSTINE, INC., a Florida corporation, whose address is 4475 U. S. 1 South, Suite 202, St. Augustine, Florida 32086 ("Declarant"), as of November 10, 1997.

*Modern Properties
4475 U.S. 1 So. St. 202
St. Aug. Fla. 32086*

ARTICLE I

INTRODUCTION AND DEFINITIONS

Declarant is the owner of the real property located in St. Johns County, Florida more particularly described on Exhibit A attached hereto (the "Property"). Declarant has caused the Property to be surveyed and platted as Southwood P.U.D. Phase 1A, Unit 1 in accordance with the Plat. Declarant hereby restricts the use of the Property and declares that the Property and all portions thereof (except to the extent specifically exempted herein) and all additions made in accordance with this Declaration, shall be held, occupied, sold and transferred subject to the easements, restrictions and covenants of this Declaration, which Declarant is imposing for the benefit of all owners of the Property or portions thereof for the purpose of preserving the value and maintaining the desirability of the Property.

Unless the context expressly requires otherwise, the words defined below whenever used in this Declaration and in the Governing Documents shall have the following meanings:

1.1 **"A.R.C."** means the Architectural Review Committee of the Association as set forth in Article VIII hereof.

1.2 **"Additional Lands"** means the lands in St. Johns County described on Exhibit "B" hereto, as to which Declarant has reserved the right to annex into the Property by extending this Declaration to said lands.

1.3 **"Architectural Criteria"** means the architectural and construction standards from time to time adopted by the Declarant pertaining to improvements constructed within the Property.

1.4 **"Association"** means SOUTHWOOD OWNERS ASSOCIATION, INC., a corporation not for profit organized pursuant to Chapter 617, Florida Statutes, its successors and assigns.

1.5 **"Common Areas"** means all property from time to time owned by the Association or designated for ownership by the Association for the common use and enjoyment of all Owners, together with all improvements, fixtures, and tangible personal property now or hereafter situated thereon and all appurtenant easements. The Common Areas initially will include the lands described on Exhibit "C" hereto.

1.6 **"Common Maintenance Areas"** means all property from time to time designated by the Declarant or the Association as a maintenance responsibility of the Association for the common use and enjoyment of Owners, together with all improvements, fixtures, and tangible personal property now or hereafter situated thereon.

1.7 **"Declarant"** means MODERN PROPERTIES OF ST. AUGUSTINE, INC., a Florida corporation, whose address is 4475 U. S. 1 South, Suite 202, St. Augustine, Florida 32086 or their successors and assigns to whom the Declarant has specifically transferred some or all of its rights and obligations as the Declarant of the Declaration.

1.8 **"Governing Documents"** collectively means this Declaration of Covenants and Restrictions and any supplemental declarations made in accordance herewith, the Association's Articles of Incorporation (the "Articles") and the Association's By-Laws (the "By-Laws"), as the same may be amended from time to time.

1.9 **"Law"** means any statute, ordinance, rule, regulation, or order adopted or enforced by the United States of America, or any agency, officer, or instrumentality thereof, or by the State of Florida, or any agency, officer, municipality, or political subdivision thereof, from time to time applicable to the Property or to any and all activities on or about the Property.

1.10 **"Lot"** means any plot of land within the Property designated by Declarant as the site for the construction of a single family dwelling unit.

1.11 **"Mortgagee"** means the Person(s) named as the obligee under any mortgage, or the successor in interest to any such Person, including the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Authority and similar guarantors or insurers of first mortgages. The term "Mortgage" does not include judgments, involuntary liens, or liens arising by operation of Law.

1.12 **"Owner"** means the record owner, whether one or more Persons, of the fee simple title to any Lot, including contract sellers, but excluding contract buyers and any Person holding such fee simple title merely as security for the performance of an obligation. Declarant is an Owner as to each Lot owned by the Declarant.

1.13 **"Person"** means any natural person or entity having legal capacity.

1.14 **"Plat"** means that subdivision plat of Southwood P.U.D. Phase 1A, Unit 1 recorded in Map Book 33, page 8 of the Public Records of St. Johns County, Florida and the recorded plat of any additional lands made subject to the provisions of this Declaration pursuant to the provisions hereof, and any amendments thereto.

1.15 **"Property"** means the lands in St. Johns County, Florida, described on Exhibit "A" attached to this Declaration together with all other lands that hereafter may be made subject to the provisions of this Declaration in the manner provided herein.

1.16 **"PUD Resolution"** means the Resolution of the Board of County Commissioners of St. Johns County, Florida, adopting a Final Development Plan for a phase of the Southwood PUD, for example, Resolution Number 94-180 applicable to Phase IA of the Southwood PUD.

1.17 **"Regulations"** means any rules and regulations regarding the use of the Property duly adopted by the Association in accordance with the Governing Documents, including the Architectural Criteria.

1.18 **"Southwood PUD"** means the overall development contemplated by St. Johns County Ordinance 88-34, as amended.

1.19 **"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.

1.20 **"Unit"** means a single family dwelling unit, including any single family detached or attached house, garden home, patio home, zero-lot line home, or similar dwelling units.

1.21 **"The Work"** means the initial development of all or any portion of the Property as a residential community by the construction and installation of streets, utility systems, and other improvements, and the sale, lease, or other disposition of the Property in parcels, but does not include the construction of individual Units by Persons other than Declarant. Such term is to be broadly construed to include any and all activities, uses, structures, and improvements necessary, convenient, or desirable to accomplish such construction and disposition.

ARTICLE II

PROPERTY RIGHTS AND EASEMENTS

2.1 **Owner's Common Area Easements.** Subject to the provisions of this Declaration, the Regulations of the Association, and any prior use rights granted in the Common Areas, every Owner, their successors and assigns and their families and every guest, tenant, and invitee of such Owner is hereby granted a right and easement of ingress and egress and enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use and security of any recreational facilities situated upon the Common Areas.

(b) The right of the Association to suspend the voting rights and right to use of the recreational facilities located on the Common Areas by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period, not to exceed sixty (60) days, for any infraction of its published Regulations. In no event may the Association deny an Owner the use of the entrance areas or public or private roads or cul-de-sacs, if any, so as to prohibit ingress and egress to his Lot.

(c) The right of the Board of Directors, without further consent from Owners or their Mortgagees, to dedicate, transfer or grant easements over all or any part of the Common Areas to any public agency, governmental authority or utility company for the purpose of providing drainage, utility or other services to the Property and the right of the Board to amend, extend, terminate or abandon such easement.

(d) The right of the Association to dedicate, convey or transfer the Common Areas or any portion thereof to any public agency, governmental authority or third party for such

purposes and subject to such conditions as may be approved by a two-thirds majority vote of the Association.

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

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

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

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

2.3 Conveyance of Common Areas. The Declarant shall convey the Common Areas to the Association at such time as in its sole discretion it deems appropriate, but not more than one year following completion of all the planned improvements, if any, and in the event the Common Area is unimproved, at such time as the Declarant determines, but in all events prior to the time the United States Department of Housing and Urban Development insures a first mortgage on a Unit or the termination of the Class B membership, whichever shall first occur. 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 Areas which are not adverse to the Owners.

2.4 Private Street Easements and Regulations. Declarant hereby grants to present and future Owners of Lots, the lawful occupants of any Unit, the Association, and the family members, employees, guests, invitees and licensees of any of the foregoing, lawful delivery and pick up personnel, emergency medical and fire protection personnel, police and other authorities of the law, mail and parcel carriers, representatives of utilities authorized to serve the Property, holders of mortgages on the Property or any part thereof, and such other persons as Declarant may from time to time designate, the non-exclusive, perpetual right of ingress and egress to, from, in, and across those portions of the Property identified as Tracts E and F on the Plat (the "Private Streets"), subject to covenants, restrictions, conditions and easements of record and to the rights herein reserved to the Declarant and the Association, including the right for Declarant, and its successors, assigns, authorized agents or designees, to install, erect, construct and maintain electric, water, sewer, telecommunications and other utility lines and facilities therein. Declarant reserves to itself and following conveyance of the Private Streets to the Association, to the Association, the right to limit, restrict or deny ingress to any person, except Owners and their mortgagees, who, in the sole determination of Declarant, does not belong or have business on the Property, or who may create or participate in a disturbance or nuisance on any part of the Property, or who is violating or may violate a provision of this Declaration. Declarant further reserves to itself the right, but not the obligation, to control and regulate all types of vehicular traffic and parking on all or any part of the Private Streets, and to

require the removal of any shrub, bush, fence, wall, tree or other item which in the sole opinion of Declarant or the Association impairs or obstructs a motorist's vision on the Private Streets. Declarant reserves the right to assign in whole or in part the rights reserved herein to any Person, including without limitation, the Association.

The ingress and egress easement granted to Owners is limited to using the Private Streets for its intended purpose in a reasonable manner, and with respect to any particular use or activity, it is limited to those portions of the Private Streets from time to time improved or otherwise suitable for such use or activity.

2.5 General Easements. All Lots are subject to perpetual easements: (a) to the Association for the performance of its duties hereunder, including easements for ingress and egress and for the maintenance, repair, and reconstruction of any landscaped areas, drainage or utility easements, Unit exteriors, or other portions of a Lot, as authorized by this Declaration; and (b) for the drainage of storm and surface waters in the manner established by Declarant as part of the Work; and (c) a non-exclusive easement ten (10) feet wide adjacent to and parallel with the Private Street right-of-way line for all utilities and for the installation, maintenance and use of common mailboxes serving two or more Lots. No person shall alter the drainage of storm and surface waters as established by the Work without the written approval of Declarant.

2.6 Property Boundary Fence. As part of the Work, Declarant may construct an entry wall and privacy fence across portions of the Lots and Common Areas to separate the Property, and provide a buffer, from adjoining right-of-ways or properties (the "Property Boundary Fence"). All portions of Lots upon which a Property Boundary Fence is located, are subject to an exclusive perpetual easement for the location of the Property Boundary Fence and landscaping associated therewith. All such Lots are also subject to non-exclusive easements to the Association for the maintenance, repair and replacement of the Property Boundary Fence and the landscaping associated therewith as provided herein.

2.7 Plat Easements. Reference is made to the utilities, drainage, ingress and egress, and other easements shown on the Plat. The Declarant reserves and shall have the right, without the approval or joinder of any other Person, to designate the use and to alienate, release or otherwise assign the easements shown on the Plat. The easements may be used to construct, maintain and operate water mains, drainage pipes, sewer lines and other suitable installations for drainage and sewage disposal, or for the installation, maintenance, transmission and use of electricity, gas, telephone, cable television, and other utilities, whether or not the easements are shown on the Plat to be for drainage, utilities, or other purposes. The Owners of the Lots subject to easements shown on the Plat shall acquire no right, title or interest in any of the cables, conduits, pipes, mains, lines, or other equipment or facilities placed on, over or under the easement area. No improvements shall be constructed and no landscaping shall be installed in these plat easements that interfere with the exercise of the easement rights. If any improvements are constructed or landscaping installed in such easement areas, the Owner of the Lot shall remove the improvements or landscape items upon written request of Declarant, the Association, or the grantee of the easement. Declarant reserves the right to impose further restrictions and to grant or dedicate additional easements and rights-of-way on any Lots owned by Declarant.

2.8 Lake Related Easements. The Association is hereby granted, perpetual unobstructed drainage easements through those lakes, marshes and other wetlands situated in whole or in part on the Property that are a part of the master drainage plan for the Southwood POD for use and maintenance as an outfall for the drainage of storm and surface waters. Each lakefront Lot is subject to an easement to the Association from the top of the lake embankment to the rear lot lines (including any submerged portions of the Lot) for the installation, use, maintenance, repair and replacement of stormwater filtration and retention systems and related facilities including bulkheads. The Association shall also have perpetual easements across each lakefront Lot for ingress and egress to such lake for the purposes of exercising any right or performing any obligation provided in this Declaration, on a Plat, or by Law.

2.9 Easements for Open Space. Reference is made to those areas identified on the Plat as "Conservation Easement" and "Drainage and Conservation Easement". Declarant hereby grants to the Association for the benefit of all Owners an unobstructed easement over the Open Space and Lake Easement for open space and the drainage and storage of storm and surface waters, and over the Open Space and Buffer Easement an unobstructed easement for open space and a natural vegetative buffer, of the nature and character and to the extent hereunder set forth. The purpose of these easements is to maintain the easement areas as open space and, as to the Open Space and Buffer Easement, in its natural condition to the extent possible. To accomplish this purpose, the following activities and uses are prohibited:

- (a) Construction or placing of buildings, roads, signs, utilities, fences or other structures on or above the ground;
- (b) Dumping or placing of soil or other substance or material as landfill or dumping or placing of trash, waste or unsightly or offensive materials;
- (c) Removal or destruction of tree, shrubs, or other vegetation;
- (d) Excavation, dredging or removal of loam, peat, gravel, soil, rock or other material substances in such a manner as to affect the surface except necessary maintenance of lakes and water retention areas;
- (e) Surface use, except for purposes that permit the land or water area to remain predominantly in its natural condition; and
- (f) Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation.

2.10 All Rights and Easements Appurtenant. The benefit of all rights and easements granted by this Article constitute a permanent appurtenance to, and pass with, the title to every Lot enjoying such benefit. In no event does the benefit of any such easement extend to the general public.

2.11 Platting and Subdivision Restrictions. Declarant may from time to time plat or replat all or any part of the Property or the lands within the Southwood POD owned by Declarant, and may impose modified or supplemental covenants and restrictions on any such lands. Lots may not be further subdivided without the approval of the Declarant.

ARTICLE III**USE RESTRICTIONS**

3.1 Residential Use. Each Lot shall be used for single family residential purposes only in accordance with the applicable PUD Resolution, and no foster care homes, day care homes or community residential homes are permitted. No trade, business, commercial activity or profession may be conducted in, on, or from any Lot, except that a "home office" may be maintained within each Unit, provided that: (i) no work or service is conducted on the Lot that can be seen or heard outside of the Unit; and (ii) such trade, business, commercial activity or profession does not cause an increase in traffic to and from the Lot. The letting, renting, or leasing of Units for non-transient residential purposes shall not constitute a trade or business. No lease shall be for a term of less than six (6) months, unless approved by the Board of Directors of the Association.

3.2 Architectural Standards. No building, fence, wall, mailbox, driveway or other improvements, including landscaping, shall be commenced, installed, constructed or maintained on a Lot, nor may the Lot be cleared for construction of improvements or the installation of landscaping, until plans and specifications, including a site plan and landscape plan for the Lot, showing the nature, kind, height, color, materials, location and other pertinent information about the proposed improvements, have been approved in writing by the Declarant in accordance with the procedures described in Article VIII hereof.

3.3 Minimum Square Footage. Units shall have a minimum square footage of One Thousand (1,000) square feet of interior heated and air conditioned living area, exclusive of garages, porches and patios.

3.4 Other Structures. Without the prior written approval of the Declarant, no sheds, trailers, tanks, storage buildings, clothes lines, gazebos, swimming pools, or structures of any type, whether similar or dissimilar to those herein enumerated and whether intended to be temporary or permanent, may be erected on a Lot, except that children's play structures that are screened from view of the Private Streets may be located in the rear yard of the Lot which is not a lakefront Lot without Declarant approval. No trailer, shed, or outbuilding of any kind shall be at any time used as a residence either temporarily or permanently. No trailer, shed, or outbuildings shall be erected or permitted to remain on any Lot, nor shall any materials or other items be stored on a Lot, prior to the start of construction of the Unit thereon. Temporary construction trailers and sheds are permitted during construction of a Unit.

3.5 Landscaping. Complete landscaping plans for the Lot shall be prepared and submitted with the Lot site plan and the Unit plans and specifications as part of the architectural approval process. All landscaping plans shall include an automatic underground sprinkler system covering the entire Lot including grassed or landscaped areas within the Private Streets. Site plans and landscaping plans shall be designed to preserve to the maximum practical extent existing specimen hardwood trees. No living trees measuring ten (10) inches or more in diameter at a point two (2) feet above the ground may be removed without the written approval of the Declarant unless located within five (5) feet of the approved location of the Unit or within the approved driveway or utility line locations. Any Person removing trees in violation of

this covenant shall pay to the Declarant a stipulated liquidated damage sum of \$200.00 per inch of diameter measured two (2) feet above the ground for each tree.

3.6 Fences and Walls.

(a) General. No fences or walls of any kind shall be placed or installed on the Property without the written approval of the Declarant. Declarant reserves the right to regulate the size, location, style and color of all fences and walls. In general, fences and walls will be permitted only to screen patio areas, service areas, utility areas, heating and air conditioning units, propane tanks and other approved structures, and fences and walls that define property lines are discouraged. Hedges or dense vegetation is the preferred method for privacy screening. No fence or wall may exceed six feet in height. The A.R.C. may require fences or walls to be landscaped with dense vegetation. The A.R.C. may require pool enclosures rather than fences around swimming pools. The A.R.C. may establish more stringent fence criteria for Lake Lots than other Lots.

(b) Property Boundary Fence. Without the prior written approval of the Declarant, the Property Boundary Fence, as described in Article II hereof, may not be removed, altered or modified in any manner whatsoever nor used for any purpose except to provide privacy to the Property.

(c) Preservation of Easement Rights. Specific reference is made to the easements shown on the Plat and reserved in this Declaration. No fence, wall, or other improvements that interfere with exercise of these easement rights violates the open space requirements of such easements may be constructed, installed or maintained in these easement areas. Any improvements or landscaping located in these easement areas are subject to removal at the expense of the Owner of the Lot when requested by Declarant or the grantee of the easement.

3.7 Setback Lines. To assure that structures, driveways and other improvements will be located with regard to adjacent residences and the topography of each Lot and to preserve specimen hardwood trees, the Declarant shall have the right to approve the location of all structures and other improvements on all Lots, subject to compliance with the applicable PUD Resolution.

3.8 Parking Restrictions and Garages.

(a) Parking. No vehicle, boat, or trailer may be parked, stored, or repaired, anywhere within the Property except that functional passenger automobiles, vans, motorcycles, and non-commercial trucks of one ton capacity or less (collectively, "Permitted Vehicles") may be parked in the garage of the Unit, in approved parking spaces on the Lot or in the driveway. Boats, trailers, motor homes, recreational vehicles and other vehicles that are not Permitted Vehicles may be regularly parked only in the garage of a Unit. No parking places may be constructed on any Lot, except as constructed in accordance with approved plans and specifications. Commercial vehicles or any Permitted Vehicles with advertising thereon shall not be parked within public view on a regular basis. No part of the Private Streets shall be regularly used for parking. The Declarant or the Association may enforce the foregoing restrictions in any lawful manner, including the imposition of reasonable, uniform

Art III
Use Restrictions

fines for willful or repeated violations. Nothing in this paragraph prohibits the emergency repair or servicing of Permitted Vehicles, so long as such repair or servicing is completed within 48 hours, or the occasional parking of vehicles by delivery personnel or guests of Owners in a manner not complying with this paragraph.

(b) **Garages.** All Units must be constructed with a garage which shall contain at least one parking place, which shall be utilized for parking purposes. All garages must have electric door openers which shall be maintained in a useful condition and shall be kept closed when not in use. No garage shall be permanently enclosed or converted to another use.

(c) **Driveways.** All improved Lots shall have a paved driveway constructed of a material approved by the Declarant as part of the plans and specifications for the Unit.

3.8 Alterations, Modifications and Maintenance of Exteriors.

An Owner may not cause or permit any alteration, modification, renovation or reconstruction to be made to the exterior appearance of his Unit including driveways and parking areas, nor make any additions to the exterior of his Unit including the installation of window air conditioners, without the prior written approval of the Declarant, except that an Owner shall maintain, repair and replace the exterior of his Unit and lot with materials of the same style and of equal or greater quality as originally constructed in accordance with approved plans and specifications.

3.9 Antenna Systems. No antennas, masts, towers, poles, aerials, or satellite dishes, or similar appurtenances shall be erected, constructed, or maintained on the exterior of any Unit or Lot unless the location, size and design thereof have been approved by the Declarant. One satellite dish of one meter or less may be installed subject to reasonable Architectural Criteria regarding location and screening which do not unreasonably interfere with signal reception.

3.10 Occupancy and Leasing Restrictions. Each of the Units shall be occupied only by the Owner or lessee of a Unit, members of their family, their servants and nonpaying social guests. Entire Units may be rented provided the occupancy is only by the lessee and the members of their family, servants and nonpaying social guests. The Owner will be jointly and severally liable with the tenant to the Association for any amount which is required by the Association to repair any damage resulting from acts or omissions of tenants as determined in the sole discretion of the Association or to pay any claim for injury or damage to property caused by the negligence of the tenant. Special assessments may be levied against the Lot for such amounts. No rooms may be rented and no transients may be accommodated in a Unit.

3.11 Animals. No animals, livestock, or poultry shall be raised, bred or kept anywhere within the Property, except that common household pets may be kept by the occupants of each Unit, provided such pets are not kept, bred or maintained for any commercial purpose and provided further that such pets are neither dangerous nor a nuisance to the residents of the Property. "Common household pets" means dogs, cats, domestic birds, and fish. Owners must maintain control of their dogs or the dogs must be kept within enclosed areas at all times. The Declarant or the Association may establish Regulations limiting the maximum number of pets that may be kept on a Lot requiring pet owner clean-up. All pets are

prohibited from the recreational facilities, if any, located on the Common Area.

3.12 Storage of Fuel Tanks, Garbage and Trash Receptacles. All above ground tanks, cylinder or containers for the storage of liquified petroleum, gas or other fuel, garbage or trash, must be located inside or rear yards and must be screened from view from adjacent Lots and the Private Streets. Except for regular collection and disposal, no rubbish, trash, garbage, or other waste material or accumulations shall be kept, stored, or permitted anywhere within a Lot, except inside the Unit, or in refuse containers concealed from view. No fires for burning of trash, leaves, clippings, or other debris shall be permitted on any part of the Property, including street rights-of-way.

3.13 Utilities. All potable water and sewage facilities and service to the Property shall be supplied by the central water supply and sewage system installed by Declarant as part of the Work. No well of any kind shall be dug or drilled on the Property without the prior approval of the Declarant. No septic tank may be constructed on any Lot, and no wastewater may be discharged on the open ground or into the lakes.

3.14 Signs and Mailboxes. No sign of any kind shall be displayed to public view within the Property except customary address signs and a lawn sign advertising a Lot for sale or rent. All signs permitted by this subsection must be approved by the Declarant. Declarant reserves the right to review standardized for sale and for rent signs. The size, design and color of all mailboxes and the supporting structures must be approved by the Declarant and must comply with Postal Service regulations. Declarant reserves the right to prohibit free standing individual mailboxes for each Lot, provided that common mailboxes serving two or more Lots are made available.

3.15 Outdoor Drying of Laundry. Outdoor drying of laundry or other items must be done in areas that are completely screened from view from Private Streets and lakes located on the Property.

3.16 Window Treatments and Air Conditioners. No reflective foil, reflective glass or other reflective material shall be installed or maintained on any windows of a Unit. The portion of drapes, blinds, and other window coverings visible from the outside of the Unit shall be white, beige or similar light uniform color. No window air conditioning units shall be permitted. All exterior components of air conditioning units shall be screened from view from the Private Streets and other Lots by approved fences, walls or shrubbery, which shall be installed to minimize noise from the air conditioning unit.

3.17 Wetlands and Permits. Reference is made to the St. Johns River Water Management District ("SJRWMD"), Permit No. 40-109-0123, issued November 20, 1993 Permit No. 40-109-0123M2-ERP issued July 18, 1996, and subsequent surface water management permits issued by SJRWMD for the Property. No construction of improvements and no dredging or filling activities are permitted waterward of the wetlands limit lines shown on the Plat or on the plans submitted to SJRWMD in connection with said permit, as amended and supplemented, (copies of which are on file in the offices of the Association) except as allowed by said permit and as may be allowed by subsequent permits. The foregoing provisions may be enforced by the SJRWMD and may not be amended without the approval of the SJRWMD.

3.18 General Prohibitions and Indemnity. No activity is permitted, nor shall any object or substance be kept, stored, or emitted, within the Property in violation of Law. No noxious, destructive, unsightly or offensive activity is permitted within the Property, nor shall anything be done within the Property that may constitute a nuisance to any other Person lawfully occupying any Lot. Each Owner shall defend, indemnify, and hold the Association, Declarant and other Owners harmless against all loss from damage or waste caused by such Owner, or any occupant of such Owner's Lot, or their family members, employees, guests, invitees and contractors, including damage caused by construction vehicles or other vehicles to the roadway, utilities facilities, or other portions of the Work.

3.19 Limitation. The provisions of this Article III are expressly made subject to the provisions of paragraph 9.9 hereof and other rights of the Declarant to complete the work.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

4.1 Membership. Every Owner of a Lot is a member of the Association and is entitled to one membership for each Lot owned. Each membership is appurtenant to the Lot upon which it is based and is transferred automatically by conveyance of title to that Lot, whereupon the membership of the previous Owner automatically terminates. No Person other than an Owner may be a member of the Association, and a membership in the Association may not be transferred or encumbered except by the transfer of title to a Lot; provided however, the foregoing does not prohibit the assignment of membership and voting rights by an owner who is a contract seller to his vendee in possession.

4.2 Classification. The Association has two classes of voting membership:

(a) Class A. So long as there is Class B membership, Class A members are all Owners except Declarant. Class A members are entitled to one vote for each Lot owned. Upon termination of Class B Membership, Class A members are all Owners, including Declarant so long as Declarant is an Owner.

(b) Class B. The Class B member is Declarant who is entitled to six (6) votes for each Lot owned. The Class B membership will cease and be converted to Class A membership upon the happening of either of the following events, whichever occurs first: (i) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or (ii) ten (10) years from the recording date of this Declaration; or (iii) at the election of Declarant by written notice to the Association.

Upon any of the above events occurring, the Class A members shall be obligated to elect the Board of Directors and assume control of the Association. Provided, however, the Class B membership shall be automatically reinstated at any time before the expiration of 10 years from the recording date of the Declaration if additional Lots owned by the Class B member are annexed into the Association as permitted by the Declaration in sufficient numbers to restore a ratio of at least one Class B Lot to six (6) Class A Lots in the overall area subject to the Declaration.

4.3 Co-Ownership. If more than one Person holds the record title to any Lot, all such Persons are members but only one vote may be cast with respect to such Lot, and no fractional votes are permitted. Each co-owner must file the name of the voting co-owner with the secretary of the Association to be entitled to vote at any meeting, unless such co-owners have filed a general voting authority with the secretary applicable to all votes until rescinded. Notwithstanding the foregoing, if title to any Lot is held by husband and wife, either co-owner is entitled to cast the vote for such Lot unless and until a written voting authority is filed with the Association designating a voting co-owner. If title is held by a corporation, the secretary of the corporation shall file with the Association a certificate designating the authorized voting representative of the corporation, which shall be effective until rescinded by the corporation.

4.4 Inspection of Records. All books, records, and papers of the Association will be open to inspection and copying during reasonable business hours by any Owner and by Declarant, so long as Declarant is a member of the Association. Such right of inspection may be exercised personally or by one or more representatives. Upon request, the Association also will furnish to any such Person copies (certified, if requested) of any of its books, records, and other papers, although the Association may make a reasonable, uniform charge for such copies and certification. The Declaration, Articles, and By-Laws must be available for inspection by any Owner or the Declarant at the Association's principal office, where copies also may be purchased at a charge to cover reproduction costs.

4.5 Extraordinary Action. The Association's Articles of Incorporation provide that certain actions of the Association as described in the Articles require the approval of a super-majority of the members. In addition, any such action shall require the written approval of the Declarant for so long as the Declarant is a member of the Association.

4.6 Amplification. The members of the Association shall elect the Board of Directors of the Association, who shall manage the affairs of the Association. The Board of Directors shall appoint officers of the Association to administer the operation of the Association. The provisions of this Article are amplified by the Association's Articles and By-Laws, copies which are attached hereto as Exhibits "D" and "E", but no such amplification shall alter or amend substantially any of the rights or obligations of the Owners set forth in this Article. Declarant intends that the provisions of this Declaration and the Articles and By-Laws be interpreted and enforced to avoid inconsistencies or conflicting results. If any such conflict necessarily results, however, Declarant intends that the provisions of this Declaration control anything in the Articles or By-Laws to the contrary.

ARTICLE V

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

5.1 The Common Area. The Association shall manage and maintain the Common Areas, including but not limited to those parcels dedicated to the Association by the subdivision plats of the Property.

(a) General. Subject to the rights of the Declarant and the Owners, as set forth in this Declaration, the Association has exclusive management and control of the Common

Areas, and all of its improvements, fixtures, furnishings, equipment, and other related personal property located thereon. The Association shall keep the foregoing in a safe, clean, attractive, sanitary, and serviceable condition, and in good order and repair. The Association's duties with respect to the Common Areas commence upon substantial completion of each facility and include the management, operation, maintenance, repair, servicing, replacement, and renewal of all improvements, landscaping, equipment, and tangible personal property installed by Developer as part of the Work, and any replacements or additions thereto made in accordance with the provisions of the Governing Documents.

(b) Private Streets. As initially developed, the streets within the Property shall be owned by the Association. Unless and until the streets within the Property are dedicated to the public, the streets shall be maintained and operated by the Association as Common Areas. The Association shall have the right to prohibit or restrict access to the Property or the use of the private streets by any person creating a nuisance or disturbance, except Owners, their mortgagees and governmental authorities, or as required by Law.

(c) Sidewalks. If an Owner fails to construct a sidewalk adjacent to his Lot as required by paragraph 7.2 hereof, within thirty (30) days following notice from the Association, then the Association shall construct the required sidewalk prior to the expiration of applicable time limits and assess the Owner of the Lot for the cost of same. The Association also may at any time contract to construct the required sidewalks on behalf of Owners subject to the provisions of paragraph 7.2 and shall assess the cost thereof to such Owners.

(d) Landscaping and Signage. The Association shall maintain all Property identification signs and landscaping and grassed areas installed by Developer as part of the Work located in the rights-of-way or on utility sites or adjacent to parcels within the Property. If the private streets are ever dedicated to public use, the Association shall nonetheless continue to maintain such Property identification signs and landscaping.

(e) Insurance. The Association shall keep any insurable improvements located on the Common Areas, including fixtures and personal property of the Association insured to the maximum insurable replacement value, if any as determined by the Board of Directors. The insurance shall provide coverage against loss or damage by fire or other hazards covered by a standard extended coverage endorsement and such other risks as from time to time are customarily covered with respect to improvements similar in construction, location and use as the improvements on the Common Areas, including vandalism and malicious mischief, and flood and water damage, if the Common Areas are at any time located in a federally designated flood area and flood insurance is available under the National Flood Insurance Program. The Association shall carry directors and officers liability insurance with public liability insurance in amounts and with coverage as determined by the Board of Directors, but as to public liability insurance not less than \$1,000,000.00 for bodily injury and property damage for any single occurrence. To the extent from time to time available, the Association's insurance must provide for waiver of

subrogation by the Association's insurer against any Owner because of unintentional acts or omissions.

5.2 Common Maintenance Areas. The Association shall maintain the following items, which are hereby designated as Common Maintenance Areas.

(a) **Lot Lawn Maintenance.** The Association shall be responsible for the maintenance of the lawns initially installed on each Lot in connection with construction of the Unit. Lawn maintenance of Lots with Units shall include regular lawn mowing, fertilizing, edging, and such other maintenance as the Board of Directors determines from time to time as appropriate. The Association shall also have the right, but not the obligation, to mow vacant Lots not properly maintained by the Lot Owner. Owners shall be responsible for maintenance of shrubbery and other landscape plants installed as part of construction of the Unit. Owners may install additional landscaping plants which also shall be the maintenance responsibility of the Owner. The Association may require the removal of such additional plants if two-thirds (2/3) or more of the members of the Board of Directors determine that such plants materially detract from the appearance of the Property or materially interfere with the Association's maintenance responsibilities. The Association shall maintain the common portions of the irrigation system serving Lots to the point of connection to each Lot.

(b) **Surface Water or Stormwater Management.** The Association shall be responsible for the maintenance, operation and repair of the entire Surface Water or Stormwater Management System permitted by St. Johns River Water Management District (SJRWD) Permit No. 40-109-0123 issued November 30, 1993 and Permit No. 40-109-0123M2-ERP issued July 18, 1996, and, all subsequent SJRWD surface water management permits issued with reference to the Southwood PUD, whether located on Common Areas or on Lots or within other portions of the Southwood PUD, and whether now or hereafter constructed. All maintenance, operation and repair shall be done in accordance with requirements of applicable permits and regulations of governmental authorities. Maintenance of the Surface Water or Stormwater Management System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the St. Johns River Water Management District. 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. The Association's responsibilities under this subparagraph extend to all improvements and structures associated with the Surface Water or Stormwater Management System, including catch basins, weirs, bulkheads and fences. The Association shall be obligated to accept an assignment of any and all Stormwater Management System permits and the Association shall execute any acceptance assignment, minutes, or other documents required to cause the permits to be transferred to the Association from the Declarant, and accepting complete responsibility for any and all Stormwater Management System permits for the Southwood P.U.D.

(c) **Entry Road and Landscaping.** The Association shall be responsible for the maintenance, operation and repair of that portion of Southwood Lake Drive located within Tract E-1

of the plat of Southwood P.U.D. Phase IA, Unit 1 (the "Entry Road"), the gatehouse located therein and all landscaping and other improvements associated with the Entry Road that have been installed by Declarant as part of the Work. Reference is made to that Declaration of Covenants, Restrictions and Easements for Southwood Commercial Properties dated November 1, 1996 and recorded in Official Records Book 1205, page 1664 of the Public Records of St. Johns County, Florida (the "Commercial Declaration"). The Association shall be entitled to receive the maintenance cost reimbursements provided for in the Commercial Declaration, and to exercise the rights of the Declarant under the Commercial Declaration regarding collection of such maintenance cost reimbursements, including the lien rights therein provided.

(d) **Transfer of Common Maintenance Areas Obligations.**

Notwithstanding the provisions of subparagraphs (b) and (c) above, the Declarant reserves the right to transfer to another not-for-profit owners association or any other Person, some or all of the maintenance obligations of the Association described in subparagraphs (b) and (c) above. Any such transfer shall be evidenced by a document executed by Declarant which refers to these provisions of this Declaration and which is recorded in the Public Records of St. Johns County, Florida. Upon such transfer, the Association shall no longer be obligated to perform such maintenance, but shall be obligated to collect from the Owners and pay to such transferee the prorata share of such maintenance costs allocable to the Property under the Commercial Declaration.

5.3 Unit Exterior and Lot Maintenance. If an Owner of any Lot shall fail to maintain, repair, or restore the exterior of his Unit or other improvements located therein, in the manner required by the Governing Documents within thirty (30) days following notice from the Association specifying the maintenance or repair item, then the Association after approval by not less than two-thirds (2/3) of the members of the Board of Directors, shall have the right but not the obligation, through its agents and employees, to enter upon the Lot and to perform such repair, maintenance, or restoration. The cost of such exterior maintenance shall be assessed to the Owner of the Lot and shall become due and payable in all respects, together with interest and fees and costs of collection, as provided for other assessments of the Association. Additionally, the Association shall have a lien for all unpaid costs and interest against the Lot, and such costs and interest shall be the personal obligation of the Person who owned the Lot at the time the notice was given by the Association, in the same manner as herein provided for other assessments of the Association. The Association shall not, in exercising its rights hereunder, be liable to an Owner for trespass or otherwise for entry on to the Lot in accordance with this subsection.

5.4 Services. The Association may obtain and pay for the services of any Person to manage its affairs to the extent it deems advisable and may contract for such other personnel as the Association determines are necessary, convenient, or desirable for the proper operation of the Property or the performance of the Association's responsibilities hereunder, whether such personnel are furnished or employed directly by the Association or by any Person with whom it contracts. The Association may obtain and pay for legal and accounting services necessary, convenient, or desirable in connection with the operation of the Property or the

enforcement of the Governing Documents or the Association's Regulations.

5.5 Regulations. The Association is empowered from time to time to adopt, alter, amend, rescind, and enforce reasonable rules and regulations governing the use of the Common Areas so long as such rules and regulations are consistent with the rights and duties established by the Governing Documents. The validity of the Association's rules and regulations, and their enforcement, shall be determined by a standard of reasonableness for the purpose of protecting the value and desirability of the Property as a residential community. The rules and regulations initially shall be promulgated by the Board of Directors and may be amended by a two-thirds (2/3) majority vote of the Board of Directors, or may be amended or rescinded by a majority of both classes of membership present and voting at any regular or special meeting convened for such purpose. No regulation, decision, amendment or other action that reasonably may have the effect of waiving, lessening, or otherwise interfering with the scope or enforcement of any restriction imposed on the Property by this Declaration will be valid without the written approval of the Declarant. No Owner or other Person occupying any Lot, or any invitee, shall violate the Association's Regulations for the use of the Property and at all times shall do all things reasonably necessary to comply with the Regulations. Wherever any provisions of this Declaration prohibit any activity, condition, or structure within the Property except as permitted by the Association's Regulations, such restriction or prohibition shall be in effect until the Association issues Regulations expressly permitting the same. The Association's procedures for enforcing its rules and regulations at all times shall provide the affected Owner with reasonable prior notice and opportunity to be heard, in person or through representatives of the Owner's choosing.

5.6 Implied Rights. The Association may exercise any right, power, or privilege given to it expressly by the Governing Documents and every other right, power, or privilege so granted or reasonably necessary, convenient, or desirable to effectuate the exercise of any right, power, or privilege so granted.

5.7 Access by Association. The Association has a right of entry on to each Lot to the extent reasonably necessary to exercise any right granted or to discharge any duty imposed by the Governing Documents, or for any other purpose reasonably related to the Association's performance of any duty imposed, or exercise of any right granted, by the Governing Documents. Such right of entry must be exercised in a peaceful and reasonable manner at reasonable time and upon reasonable notice whenever circumstances permit, except in the event of an emergency and only then to the extent necessary to prevent personal injury or property damage. No Owner shall withhold consent arbitrarily to entry by the Association for the purpose of discharging any duty or right if such entry is upon reasonable notice, at a reasonable time, and in a peaceful and reasonable manner. The Association's right of entry may be exercised by its agents, employees, contractors, and managers.

5.8 Restriction on Capital Improvements. All capital improvements to the Common Areas, except for replacement or repair of those items installed by Declarant as part of the Work, and except for personal property related to the Common Areas, must be approved by two-thirds (2/3) of each class of those members present in person or by proxy and voting at a meeting duly convened for such purpose.

5.9 **Reserves.** The Association shall establish and maintain an adequate reserve fund for the repair and replacement of improvements and personal property that the Association is obligated to maintain under the provisions of the Governing Documents. Reserves, as determined from time to time by the Board of Directors, shall be funded from the annual maintenance assessment described in Article VI hereof. Reserve funds shall be used only for the purposes for which they were initially collected, unless two-thirds (2/3) of each class of the membership of the Association shall affirmatively vote to use them for another purpose at a duly called meeting of the Association called pursuant to a notice stating that the use of reserve funds for another purpose is to be voted on.

ARTICLE VI

COVENANTS FOR ASSESSMENTS

6.1 **Assessments Established.** For each Lot within the Property, Declarant covenants, and each Owner by acceptance of a deed or other conveyance of record title to a Lot, whether or not it is so expressed in such deed or conveyance, is deemed to covenant and agree to pay to the Association:

(a) An annual maintenance assessment, as described in paragraph 6.2; and

and (b) Special assessments, as described in paragraph 6.3;

(c) Specific assessments against a particular Lot that are established pursuant to any provisions of the Governing Documents, as described in paragraph 6.4;

(d) Special assessments for property taxes and special assessments assessed against the Common Areas, as described in paragraph 6.5; and

(e) All taxes, if any, that from time to time may be imposed upon all or any portion of the assessments established by this Article.

6.2 **Annual Maintenance Assessments.**

(a) **General.** The annual maintenance assessments levied by the Association must be used exclusively to promote the recreation, health, safety, and welfare of the residents and occupants within the Property, and for the operation, management, maintenance, repair, renewal and replacement of the Common Areas, the payment of taxes and insurance, and for the performance of the Association's duties under the Governing Documents, specifically including the maintenance and repair of the Surface Water or Stormwater Management System and all work necessary within drainage structures and drainage easements. The annual assessment shall be used to fund all general activities and expenses of the Association incurred in the administration of the powers and duties granted under the Governing Documents and pursuant to Law including the maintenance of adequate reserve accounts.

(b) **Calculation of Annual Maintenance Assessment.** When preparing annual budgets and determining the amount of the annual maintenance assessment, the Association shall separately identify the cost of providing lawn maintenance to Lots on which Units are constructed ("Unit Lawn Maintenance Costs"). All Lots within the Property shall be assessed a pro

rata share of the total annual operating expenses and reserve contributions of the Association, excluding Unit Lawn Maintenance Costs. All Lots on which a Unit has been constructed shall also be assessed the annual cost of providing lawn maintenance to the Lot as part of the annual maintenance assessment, prorated as of the date of the Association commences lawn maintenance activities.

(c) Amount.

(i) Until January 1 of the year immediately following the maximum annual maintenance assessment for each Lot, shall be One Hundred Dollars (\$100.00). The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

(ii) Commencing with the fiscal year beginning January 1 of the year immediately following the recording date of this Declaration, the Board of Directors, at its annual budgetary meeting next preceding such date, and effective as of each respective January 1 thereafter, shall set the amount of the maximum annual maintenance assessment for the following year. Provided, however, the maximum annual assessment may not be increased more than fifteen percent (15%) above the maximum annual maintenance assessment for the previous year unless approved by two-thirds (2/3) of each class of those members present in person or by proxy and voting at a duly convened meeting. The amount of the annual maintenance assessment shall be fixed by the Board of Directors for each fiscal year and shall be payable in one or more installments as determined by the Board of Directors without interest or late charge so long as not more than thirty (30) days delinquent. In the absence of Board action, the annual maintenance assessment then in effect will continue for the next fiscal year.

(d) Commencement of Annual Assessment

The annual assessment begins as to all Lots within the Property on the first day of the month following conveyance of the first Lot to an Owner, other than Declarant or a Person engaged in the business of constructing Units on Lots for resale. If the operation of this Declaration is extended to the Additional Lands, as provided herein, then the annual assessment begins against all Lots, within such extension on the first day of the first month following the recording in the public records of an amendment to this Declaration extending the operation of the Declaration to all or part of the Additional Lands. The first annual assessment against Lots, shall be prorated according to the number of months then remaining in the fiscal year.

(e) Working Capital Reserve Funds.

Upon the initial transfer of title of a Lot to an Owner (excluding transfer to the Declarant or Persons in the business of constructing Units on Lots for resale purposes), the transferee shall pay to the Association a working capital contribution equal to two months of the then current annual maintenance assessment, plus Fifty and 00/100 Dollars (\$50.00) as a contribution to the Associations Private Street reserve fund. This contribution shall not be considered as an advance payment of the annual maintenance assessment. Each transferor agrees to collect the working capital and reserve contributions at the closing of the sale to such Owner and to promptly pay the same to the Association. The Association may at any time utilize the working capital contribution for any purpose permitted by the Governing Documents, including normal operating expenses. The contribution to the Private Street Reserve shall be used for maintenance, repair and replacement of the Private Streets, unless another use is authorized as herein provided.

6.3 **Special Assessments.** In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment payable in one or more installments 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 on the Common Area or other Association expense that is reasonably expected to be not incurred on a regular basis. Any such assessment must be approved by a two-thirds (2/3) majority of each Class of members who are voting in person or by proxy at a meeting duly called for such purpose. The assessment for special assessments authorized herein shall be equal and uniform for all Lots.

6.4 **Specific Assessments.** Any indebtedness of an Owner to the Association arising under any provision of the Governing Documents, including any indemnity, or by contract express or implied, or because of any act or omission of the Owner or any occupant of such Owner's Lot, or arising by reason of any Owner's failure to properly maintain those portions of the exterior of his Unit as herein provided, also may be assessed by the Association against the Owner's Lot after the Owner fails to pay it when due and the failure continues for thirty (30) days after written notice.

6.5 **Property Taxes.** The Association shall timely pay all ad valorem real estate taxes, special assessments and other taxes, if any, levied on the Common Areas, and shall assess each Owner for the cost thereof as provided in paragraph 6.1 hereof. The amount of the assessment shall be determined by dividing the amount of such taxes by the number of Lots within the property. At the Board's discretion, such assessment may be payable in a lump sum within thirty (30) days after notice or all or any portion thereof may be assessed as a part of the annual maintenance assessment described above. Each year the Board shall determine after receiving notice of the amount of taxes due, whether such assessment shall be levied, and its amount.

6.6 **Uniformity of Assessments.** The annual maintenance assessment and any special assessments must be uniformly assessed throughout the Property, except that: (i) Lots on which a Unit is constructed shall be assessed an additional amount for Unit Lawn Maintenance Costs; and (ii) any Lot owned by Declarant and which is not being occupied as a residence shall be exempt from annual and special assessments for so long as there is a Class B membership, provided that Declarant has elected to fund the deficits, if any, between the aggregate amount assessed Class A members and Declarant, and the total expenses of the Association during the applicable period. Declarant shall be obligated to fund (only operating deficits excluding reserves) and only as such deficits are actually incurred by the Association. The Declarant's right to elect to pay any portion of the deficit of the annual operating expenses of the Association under the provisions of this paragraph shall cease when Declarant is no longer entitled to elect a majority of the Board of Directors of the Association. Thereafter, the Declarant shall pay an annual maintenance assessment amount attributable to any Lots then owned by Declarant and which are not being occupied as a residence at one half (1/2) the rate assessed against Lots owned by Owners other than Declarant. This provision is not and shall not be construed as a guaranty or representation as to the level of assessment imposed under the provisions of this Article. Upon transfer of title of a Declarant owned Lot other than for purposes of completing the Work or to a Person engaged in the business of constructing Units on Lots for resale, such Lot shall be assessed in the applicable amount established against Lots

owned by the Class A members of the Association, prorated as of, and commencing with, the month following the date of transfer of title.

6.7 Certificates of Payment. The Association shall furnish to any interested Person a certificate signed by an officer of the Association setting forth whether assessments against a specific Lot have been paid and, if not, its unpaid balance. To defray its costs, the Association may impose a reasonable, uniform charge for issuing such certificates. A properly executed certificate of the Association as to the status of assessments on a Lot is binding on the Association as of the date of issuance.

6.8 Lien for Assessments. All sums assessed to any Lot, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, shall become a lien on such Lot in favor of the Association upon the recording of a claim of lien signed by an officer of the Association. The Association may record a claim notice of lien against any Lot when any assessment is delinquent. Each such assessment, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, also is the personal obligation of the Person who was the Owner of such Lot when the assessment became due.

6.9 Remedies of the Association.

(a) **Personal Obligation.** Any assessment not paid within thirty (30) days after its due date bears interest from the due date, at the rate established from time to time by the Board of Directors, not to exceed the maximum lawful rate from time to time permitted under the laws of the State of Florida, nor to be less than ten percent (10%) per annum, plus a monthly late fee of Twenty-Five and 00/100 Dollars (\$25.00) for each month or portion thereof the assessment is delinquent. The Association may bring an action at law against any Owner personally obligated to pay such assessment, or foreclose its lien against the Lot. No Owner may waive or otherwise escape liability for the Association's assessments by nonuse of the Common Areas or by abandonment of such Owner's Lot, or for any other reason except as determined by a court of competent jurisdiction. A suit to recover a money judgment for unpaid assessments may be maintained without foreclosing, waiving, or otherwise impairing the Association's lien, or its priority.

(b) **Foreclosure.** The Association's lien may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property from time to time may be foreclosed in the State of Florida. In any such foreclosure, the Owner is required to pay all costs and expenses of foreclosure, including reasonable attorneys' fees, and any assessments against the Lot that become due during the period of foreclosure. All such costs and expenses and assessments are secured by the lien foreclosed. The Association has the right to bid at the legal sale to acquire the lot foreclosed, or to acquire such Lot by deed or other proceeding or conveyance in lieu of foreclosure, and thereafter to hold, convey, lease, encumber, and otherwise deal with such Lot as an owner, but for purposes of resale only.

6.10 Homesteads. By acceptance of a deed or other conveyance of title to any Lot, the Owner of each Lot is deemed to acknowledge that the assessments established by this Article are for the

improvement and maintenance of any homestead thereon and that the Association's lien has priority over any such homestead.

6.11 Subordination of Lien. The lien for the assessments provided in this Article is subordinate to the lien of any First Mortgage, unless the Association's lien was recorded prior to the recording of the Mortgage. Sale or transfer of any Lot does not affect the assessment lien, except that the sale or transfer pursuant to a First Mortgage foreclosure or any proceeding or conveyance in lieu thereof, extinguishes the assessment lien as to payment that became due before such sale or transfer, unless such assessment was secured by a claim of lien for assessments that is recorded prior to recording of said First Mortgage. Any assessment extinguished by the foreclosure of a First Mortgage or conveyance in lieu thereof, shall be deemed to be an expense of the Association collectible from all Owners (including the foreclosing First Mortgagee) in accordance with the Association's normal assessment procedures. No such sale or transfer relieves such Lot from liability for assessments thereafter becoming due, or from the Association's lien. The Association shall report to any First Mortgagee of a Lot any assessments remaining unpaid for more than 30 days and shall give such First Mortgagee 30 days in which to cure such delinquency before instituting foreclosure proceedings against such Lot, provided the First Mortgagee has given the Association written notice of its mortgage, designating by a proper legal description the Lot encumbered and stating the address to which notices shall be given. Nothing herein shall be construed to impose on the First Mortgagee any duty to collect assessments.

ARTICLE VII

OBLIGATIONS OF OWNERS

7.1 Compliance. Each Owner and his family members, guests, invitees, contractors, and lessees and their family members, guests, invitees or subtenants shall comply with the provisions of the Governing Documents, the reasonable rules and regulations of the Association, and all requirements of Law applicable to the Property. The conduct of the foregoing parties shall be considered to be the conduct of the Owner responsible for, or connected in any manner with, the presence of such persons within the Property. The Owner shall be liable to the Declarant or the Association for the cost of any maintenance, repair or replacement of any real or personal property rendered necessary by his act, neglect or carelessness, or by that of any other of the foregoing parties, which shall be immediately due and payable by the Owner as a specific assessment as provided in Article VI. Failure of an Owner to notify any Person of the existence of the covenants, conditions, restrictions, and other provisions of this Declaration shall not in any way act to limit the right of enforcement of these provisions against the Owner or such other person.

7.2 Maintenance. Each Owner at his expense, shall maintain in a good order and repair and keep in an attractive condition all portions of the Unit located thereon, including without limitation all landscaping and the irrigation system located on his Lot, the roof, gutters, downspouts, exterior building surfaces, all portions of privacy fences within the Lot, all glass surfaces and screening, doors, electric and plumbing equipment, air conditioner and heating units, driveways and other equipment, structures, improvements, or attachments located on the Lot, except only the lawn maintenance, Storm Water and Surface Water Management System, and the Property Boundary Fence(s) which the Association is expressly required to maintain under the provisions of the Governing Documents. Vacant

Lots must be kept free of litter, debris and nuisances, and shall be mowed not less than three (3) times a year. The foregoing obligations include any maintenance, repair, or replacement required by the occurrence of any fire, wind, vandalism, theft, or other casualty. All maintenance and repair shall be performed by each Owner at regular intervals as shall be necessary to keep his Unit in an attractive condition. Failure to properly maintain a Unit shall permit the Association to perform such maintenance as provided in Paragraph 5.2 hereof, and to levy assessments to recover the cost thereof. Each Owner shall be liable for all direct loss or damage sustained by other Owners, the Declarant, or the Association caused by reason of his failure to promptly perform such maintenance and repair following written notice to such Owner specifying the items of maintenance or repair.

7.3 Casualty Damage. In the event of damage or destruction by fire or other casualty to the improvements on any Lot, the Owner shall repair or rebuild such damaged or destroyed improvements in a good workmanlike manner, within a reasonable time not to exceed one year, except in cases of total or substantially total destruction where the Owner elects not to restore the Unit. All debris must be removed and the Lot restored to an orderly condition as soon as possible, but not to exceed sixty (60) days after such damage or destruction. The improvements shall be reconstructed in accordance with the most recently approved plans and specifications, including placement on the Lot and material types, in which case no approval shall be required under Article VIII hereof, or the Owner shall obtain approval of any modified plans and specifications in accordance with Article VIII hereof.

7.4 Damage to the Subdivision Improvements. Each Owner shall be responsible for and agrees to pay to, and indemnify and hold harmless, the Declarant or the Association as the case may be, for the cost of correcting any damage caused by the Owner, its agents, employees or contractors to any portion of the Property, of any equipment or improvements located thereon or any adjacent lands, streets or ways, including but not limited to Lots, the Private Streets, telephone lines, water lines, electrical lines, other utility conduits, lines and facilities, the Surface Water or Stormwater Management System, irrigation system and trees and landscaped areas. The foregoing specifically includes restoring damage to any portion of the Surface Water or Stormwater Management System if damaged by the actions of an Owner or his contractors, agents or employees. Declarant or the Association may, but shall not be obligated to, repair any such damage, and the Owner shall promptly reimburse Declarant or the Association for all expense incurred together with interest thereon at the rate of eighteen percent (18%) per annum from the date the expense is incurred. If an Owner within fifteen (15) days from receipt of written notice from Declarant or the Association has not promptly repaired and paid any damages or reimbursements, Declarant or the Association shall be entitled to institute legal proceedings for damages or specific performance to enforce the provision of this paragraph, and additionally shall be entitled to record a lien against any Lot of the Owner in the amount of the damages sustained.

7.5 Removal of Debris. Each Owner agrees to require his builder, during construction activities to remove stumps, trees, debris and all other waste from the Property and to keep the building site in an orderly condition. Each Owner agrees for themselves and their contractors not to dump debris or waste in any area of the Property. Each Owner agrees to promptly repair any damage caused by construction vehicles or activities to the Private Street, drainage or utility lines or facilities, or the irrigation

system serving the Property. If an Owner fails to comply with this paragraph, Declarant or the Association at their sole discretion may remove such debris and shall have all of the rights and remedies provided for under paragraph 7.4 hereof.

7.6 **Sidewalks.** If St. Johns County or other governmental authority requires sidewalks to be constructed adjacent to any Lots within the Property, the Owner of those Lots must complete construction of his portion of the sidewalk within applicable time limitation in compliance with applicable specifications and at his expense whether or not a Unit has been constructed on the Lot. If an Owner fails to construct the sidewalk before such date, the Association shall do so after thirty (30) days written notice and assess the Owner for such costs.

ARTICLE VIII

ARCHITECTURAL CONTROL

8.1 Architectural Approval.

(a) **General.** No buildings or structures, including bulkheads, fences, mailboxes, walls, landscaping or exterior lighting plan or other improvements other than those erected by Declarant, shall be commenced, erected or maintained upon the Property, nor shall any grading, excavating, or tree removal be commenced, exterior addition to or change be made until all construction, grading and landscape plans and specifications showing the nature, kind, shape, height, color, materials and location of the same have been submitted to and approved in writing by the Architectural Review Committee composed of the Declarant or such agent or agents as may be appointed by said Declarant, in its sole discretion, as to quality of workmanship and materials, harmony of external design with existing buildings or structures, location of said building or structure with respect to topography and finish grade elevation and as to compliance with the provisions of this Declaration. Said plans shall be either approved or disapproved by the Architectural Review Committee within thirty (30) days following submittal of same. Construction of approved improvements shall be completed within a period of six (6) months from date construction is begun. The power to regulate includes the power to prohibit and require the removal of (when constructed or modified without approval), those exterior appearances, uses or activities inconsistent with the provisions of this Declaration, or contrary to the best interests of other Owners in maintaining the value and desirability of the Property as a residential community.

(b) **Assignment to Association.** The Declarant shall retain the right to appoint the Architectural Review Committee until the first to occur of: i) construction of a Unit on the last vacant Lot in the Property not to exceed fifteen (15) years from the recording date of the Declaration; or ii) the effective date of an assignment of the architectural approval rights herein reserved from Declarant to the Association. Declarant may assign, and the Association shall accept, all or some of the architectural approval rights herein reserved.

8.2 **Architectural Review Committee.** The Architectural Review Committee (hereinafter ("ARC")) shall have the following powers and duties:

(a) To draft and adapt, from time to time, architectural planning criteria, standards and guidelines relative to architectural styles or details and rules and regulations regarding the form and content of plans and specifications to be submitted for approval all as it may consider necessary or appropriate.

(b) To require submission to the ARC of two (2) complete sets of preliminary and final plans and specifications as hereinafter defined for any buildings or structures of any kind, including, without limitation, any 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, docks or bulkheads ("Proposed Improvement") the construction or placement of which is proposed upon any Lot or Property, together with a copy of any building permits which may be required. The ARC 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 ARC to completely evaluate the proposed structure or improvement in accordance with the Declaration and the Architectural Planning Criteria adopted by the ARC.

(c) 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 ARC by the Declarant, any party aggrieved by a decision of the ARC shall have the right to make a written request to the Board of Directors of the Association 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 appoints the ARC, a Class B member determination by the ARC shall be final.

(d) To evaluate each application for the total effect, including the manner in which the homesite is developed or the proposed changes are to be implemented. 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 the sole judgment of the ARC, 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 ARC to approve applications involving similar designs for Proposed Improvements pertaining to different Lots.

(e) If any Proposed Improvement as aforesaid shall be changed, modified or altered without prior approval of the ARC of such change, modification or alteration, and the plans and specifications therefor, 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 ARC, and shall bear all costs and expenses of such restoration, including costs and reasonable attorneys' fees of the ARC.

(f) 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 ARC, 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.

(g) The ARC is hereby authorized to make such uniform reasonable charges as it deems necessary to cover the cost of review of the plans and specifications.

(h) The Declarant or the Association (following assignment) may retain the services of an architect, landscape architect, or designer (the "Professional Advisor") to assist in the architectural review process. No member of the committee shall be entitled to compensation for services performed, except that the Professional Advisor, if any, shall be paid a uniform reasonable fee approved by the Declarant or the Board of Directors of the Association, plus any actual expenses incurred in the performance of their duties. The fee and an estimation of expenses shall be paid by the applicant for approval at the time the application is submitted as hereinafter provided.

8.3 Inspection. The Declarant, the Association, or the A.R.C., or their designate may inspect construction to assure compliance with the approved plans and specifications and shall issue a certificate of compliance if requested by an Owner and if the improvements substantially comply with the approved plans and specifications and any non-compliance does not materially violate the provisions of this Declaration or the Architectural Criteria.

8.4 Limited Liability. In connection with all reviews, acceptances, inspections, permissions, consents or required approvals by or from the Declarant or the Association or the A.R.C., neither the Declarant, the Declarant members, the Board of Directors, the Professional Advisor nor the Association shall be liable to an Owner or to any other Person on account of any claim, liability, damage or expense suffered or incurred by or threatened against an Owner or such other Person arising out of or in any way related to the subject matter of any such reviews, inspections, consents or required approvals, whether granted or denied. Architectural approvals shall not be deemed to be a representation or opinion as to compliance with applicable zoning and building code requirements, or that the proposed improvements have been properly designed or constructed or that they are fit for their intended purpose.

ARTICLE IX

OPERATION AND EXTENSION

9.1 Additional Lands. Declarant reserves the right to include all or a portion of those lands described on Exhibit "B" attached hereto (the "Additional Lands") as a part of the Property subject to this Declaration, without the consent of any Owner, the Association, or any other Person, except the record owner of the Additional Lands. With respect to the Additional Lands, the provisions of this Declaration are not self-executing and shall be

of no legal force and effect unless from time to time extended to all or any portion of the Additional Lands by a recorded amendment to this Declaration that declares all or a part of the Additional Land to be subject to the provisions hereof. Declarant agrees that any extension shall be in accordance with the general plan of development established by this Declaration, however, Declarant reserves the right to amend specific provisions herein or to impose additional restrictions, conditions, or easements with reference to the Additional Lands. Declarant or any person to whom Declarant has assigned its rights to develop the Additional Lands may execute and record such an amendment or amendments without the consent or joinder of any Owner, the Association, or any other Person, except the record owner of the Additional Lands. The provisions of this Declaration, as amended or supplemented, then automatically shall be extended to the portion of the Additional Lands described in such amendment and shall run with such lands and be binding upon all Persons having any right, title or interest therein or any part thereof, their respective heirs, successors, and assigns. Until the foregoing occurs, this Declaration does not constitute an encumbrance or restriction upon the title to all or any portion of the Additional Lands. If the provisions of this Declaration have not been so extended to the Additional Lands on or before fifteen (15) years from the date this Declaration is recorded, then the Declarant, its successors or assigns shall no longer have the right to extend the provisions of this Declaration as provided in this Article.

9.2 Other Extensions. The extension of the provisions of this Declaration to any lands other than the Additional Lands requires the approval of two-thirds (2/3) of each class of the members of the Association. Such extension shall become effective upon recording an amendment to this Declaration, executed by the Association and the Owners of all interests in lands to which the provisions of this Declaration are to be extended with the formalities from time to time required for a deed under the laws of the State of Florida.

9.3 Enforcement.

(a) **Rights of Declarant and Association.** Declarant reserves the right, but shall not be obligated, for the Declarant or the Association, following twenty (20) days written notice to the Owner of any portion of the Property specifying a violation of the Governing Documents, to enter upon such property to correct any violation of the Governing Documents or to take such other action at the expense of the Owner as Declarant or the Association deems necessary to enforce these covenants and restrictions. The owner of such property shall pay Declarant or the Association on demand the actual cost of such enforcement plus twenty percent (20%) of the cost of performing the enforcement. In the event that such charges are not paid on demand, the charges shall bear interest at the rate of eighteen percent (18%) per annum from the date of demand. Declarant or the Association may, at its option, bring action at law against such owner personally obligated to pay the same, or upon giving the owner ten (10) days written notice of an intention to file a claim of lien against a Lot, may file and foreclose such lien.

(b) **Legal Proceedings.** The Declarant, the Association, or any Owner has the right to enforce by any appropriate proceeding all restrictions, covenants and easements now or hereafter imposed by, or pursuant to, the provisions of the Governing Documents. If any Owner obtains the enforcement of

any provision of the Governing Documents against any Owner other than Declarant, or the Association, or if the Association or the Declarant is the prevailing party in any litigation involving the Governing Documents or any of the Association's Regulations, then such party may recover all costs and expenses, including reasonable attorneys' fees incurred in trial and appellate proceedings from the nonprevailing party. In no event may such costs and expenses be recovered against the Association unless otherwise provided by law. If the Association is the prevailing party against any Owner, such costs and expenses, including reasonable attorneys' fees, may be assessed against the Lot or other property owned within the Property, as provided in Article VI. If any Owner or class of Owners is a prevailing party against any other Owner or class of Owners, such Owner or Owners may be reimbursed by the Association for all or any part of the costs and expenses incurred, including reasonable attorneys' fees, in the discretion of the Board of Directors.

(c) **Sanctions.** In addition to other remedies afforded the Association, the Board of Directors may impose sanctions upon an Owner or the occupant of a Lot, or both, for failure of an Owner, occupant, tenant, guests, invitees, contractors or employees, to comply with any of the terms of the Governing Documents or amendments thereto, provided the procedures set forth herein are adhered to. Sanctions may include the levying of fines or the suspension of the right to use recreational or other common facilities within the Property.

(i) **Notice:** The party against whom the sanction is to be imposed shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days, if requested by such party. The notice shall also state the provisions of the Governing Documents or the Rules which have allegedly been violated, and a short and plain statement of the matters asserted by the Association.

(ii) **Hearing:** If a written request for a hearing is made by the party against whom the sanction is to be imposed within fourteen (14) days of the Association's notice, the alleged violation shall be presented to a committee of at least three (3) Owners (the "Committee") who are not officers, directors or employees of the Association, or the spouse, parent, child, brother or sister of such persons. The party against whom the sanctions may be imposed shall have an opportunity to respond and to present evidence. A written decision of the Committee shall be submitted to the Owner or other party not later than twenty-one (21) days after the hearing. If the Committee does not agree with the fine or suspension, it shall not be levied or imposed.

(iii) **Penalties:** For each non-compliance or violation the Board of Directors may impose a fine not in excess of Fifty and 00/100 Dollars (\$50.00) or such greater amount authorized by Law. However, every day a non-compliance or violation is allowed to exist after the Association's notice may be deemed another violation, provided that no such fine shall in the aggregate exceed One Thousand and 00/100 Dollars (\$1,000.00).

(iv) **Payment of Penalties:** Fines shall be paid not later than fifteen (15) days after receipt of notice of

*Hearing Committee
at least 3
Owner
Not officers
Director or
employee
of the Assn*

the imposition or assessment of a fine or the written decision of the Committee, whichever is later, and thereafter shall bear interest until paid at the interest rate adopted by the Board of Directors for delinquent assessments as provided in the Governing Documents.

(v) Collection of Penalties: Fines shall be treated as an assessment subject to the provisions for the collection of assessments as set forth in Article VI herein.

(vi) Application of Penalties: All monies received from penalties shall be allocated as directed by the Board of Directors.

(vii) The provisions of this section do not apply to the imposition of sanctions by the Association on an Owner or occupant of a Unit by reason of the failure of the Owner or occupant to pay assessments or other charges when due.

(d) No Waiver. Failure by the Declarant, the Association or by any Owner to enforce any covenant, restriction, Regulation will not constitute a waiver of the right to do so at any time, nor shall such failure to enforce create any liability for the Declarant or the Association to any Owner or any other Person.

(e) Other Enforcement. 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.

9.4 Term and Renewal. The provisions of this Declaration shall run with and bind the Property, and all other lands to which it may hereafter be extended as provided herein, and shall be binding on all Persons having any right, title, or interest therein, their respective heirs, successors, and assigns and shall inure to the benefit of and be enforceable by the Declarant, the Association or any Owner, their respective heirs, successors, and assigns, for a period of 40 years from the date this Declaration is recorded, whereupon these provisions shall be extended automatically for successive renewal periods of ten years each, unless sixty-seven percent (67%) of the then Owners elect not to reimpose them as evidenced by an instrument executed by such Owners and recorded during the one year period immediately preceding the beginning of any renewal period.

9.5 Amendment.

(a) Declarant. The Declarant reserves and shall have the sole right without the joinder or consent of any Owner, the Association, the holder of any mortgage, lien or other encumbrance affecting the Property, or any other Person: (i) to amend this Declaration to comply with any requirements of a governmental agency, institutional First Mortgagee, or other Person (including the Federal National Mortgage Association, Veterans Administration, or the Federal Housing Authority) willing to make, insure, guaranty, or purchase mortgage loans secured by a Lot; or (ii) to amend this Declaration or the other Governing Documents to cure any ambiguity or error or any inconsistency between these provisions and the other

Governing Documents or the Plat; or (iii) to comply with the requirements of Law or any governmental permit or approval applicable to the Property.

(b) Owners. Subject to specific provisions of this Declaration which shall supersede the provisions of this paragraph, this Declaration may be amended by the Association with the formalities from time to time required of a deed under the laws of the State of Florida and signed by not less than sixty-seven percent (67%) of all Owners. No amendment shall be effective until recorded but the Association's proper execution shall entitle it to public record, notwithstanding the informal execution by the requisite percentage of Owners.

(c) Water Management District. Any amendment to this Declaration which alter the Surface Water or Stormwater Management System, beyond maintenance in its original condition, must have the prior approval of the St. Johns River Water Management District.

9.6 Other Approvals. All of the following actions require the prior approval of the Declarant (for so long as Declarant owns any vacant Lots within the Property) and the holders of sixty-seven percent (67%) of the First Mortgagees within the Property and, if the Veterans Administration or the Federal Housing Authority is guaranteeing any first mortgage loans while there is a Class B membership, the Federal Housing Authority, the Veterans Administration and the United States Department of Housing and Urban Development: (a) amendment of this Declaration, except as herein expressly provided regarding the Declarant's right to amend without the consent of other Persons; (b) the merger, consolidation, or dissolution of the Association; (c) alienation or encumbering of all or a portion of the Common Areas, except as specifically set forth herein, and (d) the annexation of additional lands or the extension of the provisions of this Declaration to lands other than the Additional Lands.

9.7 Reservation of Right to Release Restrictions. Subject to applicable zoning regulations and other requirements of Law, in each instance where a structure has been erected, or the construction thereof is substantially advanced, in such a manner that some portion of the structure encroaches upon any set-back or easement area or violates some other provision of the Governing Documents, Declarant reserves for itself the right to release the Lot from the encroachment or violation and to grant an exception to permit the encroachment or violation by the structure without the consent or joinder of any Person irrespective of who owns the affected lands, so long as Declarant, in the exercise of its sole discretion, determines that the release or exception will not materially and adversely affect the health and safety of Owners, the value of adjacent Lots and the overall appearance of the Property. Upon granting of an exception to an Owner, the exception granted shall be binding upon all subsequent Owners of the affected Lots.

9.8 Rights of First Mortgagees. My First Mortgagee and insurers or guarantors of First Mortgages have the following rights:

(a) Inspection. During normal business hours, and upon reasonable notice and in a reasonable manner, to inspect current copies of the Governing Documents and Regulations and the books, records, and financial statements of the Association; and

(b) Financial Statements. Upon written request to the Secretary of the Association, to receive copies of the annual financial statements for the immediately preceding fiscal year of the Association, provided, however, the Association may make a reasonable, uniform charge to defray its cost incurred in providing such copies; and

(c) Meetings. To designate a representative to attend all meetings of the membership of the Association, who is entitled to a reasonable opportunity to be heard in connection with any business brought before such meeting but in no event entitled to vote thereon

(d) Notices. By written notice to the Secretary of the Association, and upon payment to the Association of any reasonable, uniform annual fee that the Association from time to time may establish for the purpose of defraying its costs, any First Mortgagee, insurer, or guarantor of a first mortgage shall be entitled to receive any notice that is required to be given to the Class A members of this Association under any provision of the Governing Documents. Additionally, any such First Mortgagee, insurer, or guarantor of a First Mortgage giving written notice to the Association shall be entitled to written notice of: (i) any condemnation or casualty loss affecting a material portion of the Property or any Lot encumbered by its First Mortgage; (ii) any 60 day delinquency in the payment of assessments or charges owed by the Owner of any Lot encumbered by its First Mortgage; (iii) lapse, cancellation or material modification of any insurance coverage or fidelity bond maintained by the Association; and (iv) any proposed action requiring the consent of a specified percentage of mortgage holders.

9.9 Provisions Inoperative as to Initial Construction. Nothing contained in this Declaration shall be interpreted, or enforced to prevent Declarant, or its contractors, subcontractors, agents, employees, successors or assigns from doing or performing on all or any part of the Property owned or controlled by Declarant whatever it or they determine to be necessary, convenient, or desirable to complete the Work. The foregoing includes the right for Declarant and any Person designated by Declarant in writing to construct and use signs, construction trailers, or buildings, model units, design centers, and offices for sales and resales of Units.

9.10 Assignment. Declarant may assign to any Person, including Persons engaged in the business of constructing improvements on Lots for resale purposes, all or some of the rights, privileges and exemptions granted herein to Declarant in connection with the ownership, use, or development of a portion of the Property including by way of example the rights, privileges and exemptions described in paragraph 9.8 hereof. Any such assignment shall be non-exclusive unless otherwise noted, and shall be effective only for so long as such right, privilege or exemption would inure to the benefit of Declarant.

9.11 Severability. Invalidation of any provision of the Governing Documents by judgment or court order will not affect any other provision, all of which will remain in full force and effect; provided, however, any court of competent jurisdiction is hereby empowered, to the extent practicable, to reform any otherwise invalid provision contained in the Governing Documents when necessary to avoid a finding of invalidity while effectuating Declarant's intent of providing a comprehensive plan for the use, development, sale, and beneficial enjoyment of the Property.

9.12 **Notices.** Any notice required to be sent to any Owner, or the Declarant under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as the Owner on either the records of the Association or the public records of St. Johns County, Florida at the time of such mailing. Notices to the Association shall be sent in the manner described above to the registered office of the Association.

9.13 **Interpretation.** Unless the context expressly requires otherwise, the use of the singular includes the plural and vice versa; the use of one gender includes all genders; the use of the terms "including" or "include" is without limitation; and the use of the terms "will", "must", and "should" have the same effect as the use of the term "shall". Wherever any time period is measured in days, if any such time period expires on a Saturday, Sunday, or bank holiday (those holidays that financial institutions regulated by the United States Department of Treasury are authorized not to open for business), it shall be extended to the next succeeding calendar day that is not a Saturday, Sunday, or bank holiday. The terms "Lot" and "Property" mean all or any portion applicable to the context and include any and all improvements, fixtures, trees, vegetation and other property from time to time situated thereon, and the benefit of all appurtenant easements. This Declaration shall be construed liberally in favor of the party seeking to enforce its provisions to effectuate its purpose of protecting and enhancing the value, marketability, and desirability of the Property by providing a common plan for the development and enjoyment thereof. Headings and other textual divisions are for indexing purposes only and are not to be used to interpret, construe, apply, or enforce any substantive provisions. The provisions of this subparagraph apply to the interpretation, construction, application, and enforcement of all the Governing Documents.

IN WITNESS WHEREOF, Declarant has executed this Declaration the date first stated above.

DECLARANT:

MODERN PROPERTIES OF ST. AUGUSTINE, INC., a Florida corporation

By: J. Wesley Thompson
J. Wesley Thompson,
Vice-President

STATE OF FLORIDA
COUNTY OF DUVAL

Before me personally appeared J. Wesley Thompson, Vice-President of Modern Properties, Inc., a Florida corporation, on behalf of said corporation. This 10th day of November, 1997 personally known to me.

Brenda Stevens Denham
Notary Public, State and County
Afbresaid



Brenda Stevens Denham
Print Name
My Commission Expires:

40530.dec\November 10, 1997

LIST OF EXHIBITS

A	-	Legal Description of the Property
B	-	Legal Description of the Additional Lands
C	-	Legal Description of Initial Common Areas
D	-	Association Articles of Incorporation
E	-	Association By-Laws

COPY

COPY

Southwood P.U.D., Phase 1A, Unit 1

A PORTION OF GOVERNMENT LOTS 5, 6, 8 AND 9, SECTION 18, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS: COMMENCE AT THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE U.S. HIGHWAY #1 AND THE SOUTH LINE OF SAID GOVERNMENT LOT 9; THENCE ALONG SAID EAST RIGHT-OF-WAY LINE, NORTH 08°27'33" WEST, 1547.85' TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH 08°27'33" WEST, 101.51'; THENCE NORTH 88°09'17" EAST, 600.00'; THENCE NORTH 08°27'33" WEST, 911.25'; THENCE NORTH 51°38'09" EAST, 231.37'; THENCE SOUTH 41°25'13" EAST, 254.77'; THENCE NORTH 81°32'27" EAST, 17.07'; THENCE SOUTH 08°27'33" EAST, 80.00'; THENCE SOUTH 81°32'27" WEST, 73.47'; THENCE SOUTH 17°36'21" WEST, 29.85'; THENCE SOUTH 08°27'33" EAST, 118.00'; THENCE NORTH 81°32'27" EAST, 51.72'; THENCE SOUTH 11°50'16" EAST, 670.95'; THENCE SOUTH 42°56'24" WEST, 289.38'; THENCE SOUTH 61°52'04" WEST, 47.84'; THENCE SOUTH 24°22'46" EAST, 38.76'; THENCE SOUTH 10°52'29" EAST, 37.62'; THENCE SOUTH 58°02'22" EAST, 26.18'; THENCE SOUTH 15°46'54" EAST, 22.85'; THENCE SOUTH 34°56'47" WEST, 28.96'; THENCE SOUTH 00°41'31" WEST, 24.34'; THENCE SOUTH 26°07'50" EAST, 46.44'; THENCE SOUTH 58°34'03" EAST, 37.36'; SOUTH 20°43'28" EAST, 17.44'; THENCE 78°24'20" EAST, 20.36'; THENCE SOUTH 04°33'55" WEST, 97.61'; THENCE SOUTH 12°55'15" EAST, 471.97'; THENCE SOUTH 29°09'18" EAST, 87.67'; THENCE SOUTH 16°09'38" EAST, 64.43'; THENCE SOUTH 18°42'36" WEST, 58.43'; THENCE SOUTH 88°09'17" WEST, 236.19'; THENCE NORTH 17°28'48" WEST, 219.94'; THENCE NORTH 15°46'05" WEST, 441.33'; THENCE NORTH 27°18'26" WEST, 295.89'; THENCE NORTH 07°24'52" WEST, 231.01'; THENCE NORTH 88°34'21" WEST, 379.28' TO THE POINT OF BEGINNING.

COPY

COPY

PART OF GOVERNMENT LOTS 5,6,7,8 AND 9 LYING EAST OF US NO 1 IN SECTION 18, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA AND DESCRIBED AS FOLLOWS; COMMENCE AT A CONCRETE MONUMENT FOUND ON THE EAST SIDE OF US NO 1 AND ON THE SOUTH LINE OF GOVERNMENT LOTS 7,8, AND 9 AND RUN WITH SAID EAST RIGHT OF WAY LINE N08 27'33"W 381.20 FEET TO THE POINT OF BEGINNING, THENCE STILL N 08 27' 38"W 1268.16 FEET TO A CONCRETE MONUMENT, THENCE WITH THE SOUTH LINE OF SOUTHERN BELL PROPERTY RECORDED IN OFFICIAL RECORDS BOOK 224 PAGE 336, N88 09'17"E 600.00, THENCE N08 27'33"W ALONG THE EAST LINE OF SOUTHERN BELL PROPERTY AND ALEX HEIN PROPERTY RECORDED IN OFFICIAL RECORDS BOOK 517 PAGE 244 FOR A DISTANCE OF 911.25 FEET TO THE SOUTHEAST LINE ST. AUGUSTINE SHORES UNIT ONE RECORDED IN MAP BOOK 11 PAGE 77, THENCE WITH SAID SUBDIVISION N51 38 09"E 1404.53 FEET TO A MONUMENT FOUND THENCE S01 38'48"E ALONG THE WEST LINE OF SAID SUBDIVISION RECORDED IN MAP BOOK 11 PAGE 79 AND 80, FOR A DISTANCE OF 2474.26 FEET TO A MONUMENT FOUND, THENCE STILL ALONG SAID SUBDIVISION N59 05'46"E 1560.0 FEET, THENCE N59 04'13"E 571.56 FEET TO A MONUMENT FOUND, THENCE LEAVING ST. AUGUSTINE SHORES SUBDIVISION AND RUNNING WITH THE WEST LINE OF CAPTAINS POINT SUBDIVISION RECORDED IN MAP BOOK 19 PAGE 62, S02 10'31"E 723.50 FEET TO A MONUMENT FOUND, THENCE S02 54'06"E 838.67 FEET TO THE NORTH LINE OF FLORIDA POWER & LIGHT PROPERTY RECORDED IN OFFICIAL RECORDS BOOK 261 PAGE 67, THENCE ALONG THE NORTH LINE OF SAID FLORIDA POWER & LIGHT COMPANY PROPERTY S88 09'17"W 3351.92 FEET TO THE PLACE OF BEGINNING, CONTAINING 122.617 ACRES OF LAND MORE OR LESS.

LESS AND EXCEPT

Lands described on Exhibit A hereto;

and

(SHOPPING CENTER PARCEL)

A PORTION OF GOVERNMENT LOTS 5 AND 9, SECTION 18, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE INTERSECTION OF THE SOUTH LINE OF SAID GOVERNMENT LOT 9 AND THE EASTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 1; THENCE NORTH 08 DEGREES 27 MINUTES 33 SECONDS WEST, ALONG SAID EASTERLY RIGHT-OF-WAY LINE, 381.35 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH 08 DEGREES 27 MINUTES 33 SECONDS WEST, 809.85 FEET; THENCE NORTH 81 DEGREES 32 MINUTES 27 SECONDS EAST, 302.44 FEET; THENCE NORTH 08 DEGREES 27 MINUTES 33 SECONDS WEST, 304.49 FEET; THENCE SOUTH 88 DEGREES 34 MINUTES 21 SECONDS EAST, 72.27 FEET; THENCE SOUTH 07 DEGREES 24 MINUTES 52 SECONDS EAST, 231.01 FEET; THENCE SOUTH 27 DEGREES 18 MINUTES 26 SECONDS EAST, 295.89 FEET; THENCE SOUTH 15 DEGREES 48 MINUTES 05 SECONDS EAST, 441.33 FEET; THENCE SOUTH 17 DEGREES 28 MINUTES 48 SECONDS EAST, 219.94 FEET; THENCE SOUTH 88 DEGREES 09 MINUTES 17 SECONDS WEST, 559.37 FEET TO THE POINT OF BEGINNING.

ABOVE DESCRIBED PROPERTY CONTAINS 9.86 ACRES, MORE OR LESS.

and

(MAYO PARCEL)

A PORTION OF GOVERNMENT LOTS 5 AND 9, SECTION 18, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE INTERSECTION OF THE SOUTH LINE OF SAID GOVERNMENT LOT 9 AND THE EASTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 1; THENCE NORTH 08 DEGREES 27 MINUTES 33 SECONDS WEST, ALONG SAID EASTERLY RIGHT-OF-WAY LINE, 1191.20 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH 08 DEGREES 27 MINUTES 33 SECONDS WEST, 356.80 FEET; THENCE SOUTH 88 DEGREES 34 MINUTES 21 SECONDS EAST, 307.00 FEET; THENCE SOUTH 08 DEGREES 27 MINUTES 33 SECONDS EAST, 304.09 FEET; THENCE SOUTH 81 DEGREES 32 MINUTES 27 SECONDS WEST, 302.44 FEET TO THE POINT OF BEGINNING.

SAID DESCRIBED PARCEL CONTAINS 99,939.5 SQUARE FEET, MORE OR LESS.

COPY