

DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS
FOR
HAMMOCK LAKES

THIS DECLARATION is made on this 28 day of August, 1997, by PAUL H. FREEMAN, individually and as Trustee (hereinafter referred to as "Declarant").

RECITALS:

WHEREAS, Declarant owns certain property in the County of Indian River, State of Florida, which is more particularly described in Exhibit "A" attached hereto (hereinafter referred to as the "HAMMOCK LAKES COMPLEX"); and

WHEREAS, Declarant intends to create a residential community upon the HAMMOCK LAKES COMPLEX pursuant to a general plan of development for all of the HAMMOCK LAKES COMPLEX; and

WHEREAS, the general plan of development conceived by Declarant contemplates the various portions of the HAMMOCK LAKES COMPLEX shall be set aside for the collective use of all of the residents of the community created by Declarant upon all or a portion of the HAMMOCK LAKES COMPLEX; and

WHEREAS, Declarant is desirous of preserving and enhancing the value of the dwelling units which are constructed upon Lots within the HAMMOCK LAKES COMPLEX and of promoting their owners' and occupants' welfare, and accordingly, Declarant wishes to submit certain portions of the HAMMOCK LAKES COMPLEX to various easements, covenants, restrictions, conditions, reservations, equitable servitudes, liens and charges, all running with the said properties as hereafter set forth; and

WHEREAS, in order to promote the objectives described above, Declarant has caused the formation of a non profit corporation known as the HAMMOCK LAKES HOMEOWNERS' ASSOCIATION, INC. to maintain and administer various portions of the HAMMOCK LAKES COMPLEX and to enforce the covenants, restrictions, conditions, reservations, easements, equitable servitudes, charges and liens created or provided for by this Declaration; and

WHEREAS, Declarant is further desirous of making provision for the execution, acknowledgment and recordation of supplemental or amendatory declarations for so long as Declarant owns any portion of the HAMMOCK LAKES COMPLEX and for providing in such supplemental or amendatory declarations such further conditions, covenants and restrictions for the

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operation, amenities, protection and maintenance of the HAMMOCK LAKES COMPLEX as may be necessary or then desired.

NOW, THEREFORE, the Declarant declares that the real property described in Exhibit "A" hereto (including any and all Improvements thereon), together with such additions thereto as are hereafter made pursuant to this Declaration shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the easements, restrictions, covenants, conditions and equitable servitudes expressly declared as applicable to the HAMMOCK LAKES COMPLEX, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability thereof, and in furtherance of a general plan for the protection, maintenance, improvement and sale of residential dwellings within the HAMMOCK LAKES COMPLEX, or any portion thereof. The covenants, conditions, restrictions, reservations, easements, and equitable servitudes set forth herein and as expressly declared as applicable to the Properties (or Lots thereon) shall inure to the benefit of and run with the title to the Lots upon which Dwelling Units are situate and shall be binding upon all persons having any right, title or interest therein, or any part thereof, their heirs, successors and assigns; and shall inure to the benefit of and be binding upon Declarant, its successors and assigns, the Association and its successors in interest and each Owner and his respective successors in interest; and may be enforced by any owner, and his successors in interest, by the Association, and by the Declarant and its successors and assigns so long as it or they own any portion of the HAMMOCK LAKES COMPLEX.

ARTICLE I DEFINITIONS

Unless otherwise expressly provided, the following words and phrases when used herein shall have the meanings hereinafter specified:

Section 1. "Architectural Committee" shall mean and refer to the committee established pursuant to Article IX hereof.

Section 2. "Articles" shall mean the Articles of Incorporation of the HAMMOCK LAKES HOMEOWNERS' ASSOCIATION, INC. which have been or will be filed in the office of the Secretary of State, the State of Florida, in substantially the form as that of which is attached hereto, marked Exhibit "D" and incorporated herein by reference, and as such Articles may be amended from time to time.

Section 3. "Association" shall mean the HAMMOCK LAKES HOMEOWNERS' ASSOCIATION, INC., a Florida nonprofit corporation, and its successors and assigns.

Section 4. "Assessment" shall mean any of the types of assessments defined below in this Section.

(a) "Common Assessment" shall mean the charge against each Owner and his Dwelling Unit representing a portion of the total costs incurred by the Association in owning, maintaining, improving, repairing, replacing, insuring, managing and operating the lands, personalty or other properties of the Association.

(b) "Special Assessments" shall mean a charge against one or more (but not necessarily all) Owners and their Dwelling Units equal to the cost incurred by the Association in connection with the enforcement of the provisions of this Declaration, including but not limited to costs of enforcement of liens and assessments, and fines for violations of this Declaration, the By Laws or the rules and regulations promulgated by the Association.

(c) "Reconstruction Assessment" shall mean a charge against each Owner and his Dwelling Unit representing a portion of the cost incurred by the Association for reconstruction of any portion or portions of the Improvements pursuant to the provisors of this Declaration.

(d) "Capital Improvement Assessment" shall mean a charge against each Owner and his Dwelling Unit, representing a portion of the cost incurred by the Association for installation or construction of any Improvements on any portion of the HAMMOCK LAKES COMPLEX which the Association may from time to time authorize.

Section 5. "Board" shall mean the Board of Directors of the Association elected in accordance with the By Laws of the Association.

Section 6. "By Laws" or "Bylaws" shall mean the By Laws of the Association, which have been or shall be adopted by the Board substantially in the form set forth in Exhibit "E" attached hereto and incorporated herein by this reference, and as such By Laws may be amended from time to time.

Section 7. "Common Expenses" shall mean the actual and estimated costs of ownership, maintenance, management, operation, repair and replacement of the lands, personalty or other properties of the Association (including unpaid Special Assessments, Reconstruction Assessments and Capital Improvement Assessments and including those costs not paid by the Owner responsible for payment); the costs of maintaining, repairing, improving and restoring any real or personal property available for the use and benefit of Owners of Lots upon the HAMMOCK LAKES COMPLEX (including all facilities on Recreation Lands); the costs of any and all commonly metered utilities, cable or master television

charges, and other commonly metered charges for the HAMMOCK LAKES COMPLEX; costs of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and employees and costs of insurance bonds covering those personnel; the costs of all utilities, gardening and other services benefiting the HAMMOCK LAKES COMPLEX; the costs of fire, casualty and liability insurance, worker's compensation insurance, and other insurance covering the lands, personalty or other properties of the Association; the costs of bonding of the members of the Board and any management body; taxes paid by the Association; the costs of any other item or items so designated by, or in accordance with, other expenses incurred by the Association for any reason whatsoever in connection with the HAMMOCK LAKES COMPLEX for the benefit of the Owners; and reserves for capital improvements and deferred maintenance of the real and/or personal property available for the use and benefit of Owners of Lots upon the HAMMOCK LAKES COMPLEX.

Section 8. "Common Properties" shall mean those portions of the HAMMOCK LAKES COMPLEX which are more particularly described in Exhibit "F" hereto together with such other lands as may now or hereafter be declared to be Common Properties in any Supplemental Declaration (including all Improvements thereon), less whatever portions of the HAMMOCK LAKES COMPLEX are declared to be withdrawn from the provisions of this Declaration in any Supplemental Declaration.

Section 9. "Declaration" shall mean (except as otherwise provided in Section 15 of this Article) this instrument as it may be amended from time to time, together with any supplemental declarations.

Section 10. "Declarant" shall mean and refer to PAUL H. FREEMAN, as Trustee, and any successor or assign thereof, which acquires any portion of the HAMMOCK LAKES COMPLEX from the Declarant for the purpose of development and to which Declarant specifically assigns all or part of the rights of the Declarant hereunder by an express written assignment recorded in the Public Records of Indian River County, Florida.

Section 11. "Declarant's Permittees" shall mean the Declarant's officers, directors, parents or other contractors or developers expressly designated as such by Declarant (and the officers, directors and employees of any such corporate parent entity or other designated contractor or developer), as well as the employees, agents, independent contractors (including both general contractors and subcontractors), suppliers, visitors, guests, licensees and invitees of all of the foregoing.

Section 12. "Dwelling Unit" or "Unit" shall mean and refer to a constructed dwelling which is designed and intended for use and occupancy as a Family residence.

Section 13. "Family" shall mean: (a) a group of natural persons related to each other by blood or legally related to each other than by marriage or adoption; or (b) a group of not more than six (6) persons not so related who maintain a common household in a Dwelling Unit.

Section 14. "Improvement" shall mean all structures or artificially created conditions and appurtenances thereto of every type and kind located upon the Common Properties or upon Lots but benefiting Owners of Lots and which may, but not necessarily, include buildings, swimming pool, sidewalks, walkways, sprinkler pipes, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, entrance features and the like.

Section 15. "Initial Declaration" shall mean this Declaration as initially recorded in the Public Records of Indian River County, Florida.

Section 16. "Institutional Mortgage" shall mean a first mortgage upon a Dwelling Unit held by an institutional mortgagee.

Section 17. "Institutional Mortgagee" shall mean any bank, savings and loan association, insurance company, mortgage company, real estate investment trust, agency of the United States government, or a lender generally recognized in the community as an institutional lender if it holds a mortgage on one or more Lots, as well as the Declarant, and any assignee of a loan made by one of the foregoing to finance the purchase of a Dwelling Unit. An Institutional Mortgagee may also include, but is not limited to, pension or profit sharing plan, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, Federal Housing Administration, Veterans Administration, any other agency of the United States or any other governmental authority, or any other similar type of lender generally recognized as an institutional type lender.

Section 18. "Limited Common Properties" shall mean any portions of the HAMMOCK LAKES COMPLEX that are declared by this Declaration (including any supplemental declaration) to be for the use of fewer than all of the Owners.

Section 19. "Lot" shall mean one of the plots of land described in Exhibit "C" hereto together with the improvements thereon less any portion of the HAMMOCK LAKES COMPLEX that has been declared to be a Lot

but has been subsequently withdrawn from the provisions of this Declaration applicable to the Lots by a Supplemental Declaration.

Section 20. "Management Company" shall mean the person, firm or corporation which may be appointed by the Association hereunder as its agent and delegated certain duties, powers or functions of the Association.

Section 23. "Member" shall mean any person or entity holding a membership in the Association as provided herein.

Section 24. "Notice and Hearing" shall mean written notice and a public hearing before a tribunal appointed by the Board, at which the Owner concerned shall have an opportunity to be heard in person or by counsel at Owner's expense, in the manner as the Board of Directors may from time to time prescribe.

Section 25. "Owner" shall mean and refer to the person or persons or other legal entity or entities holding fee simple interest of record to any Lot, including Declarant and sellers under the executory contracts of sale, but excluding those having such interests merely as security for the performance of an obligation and excluding purchasers under executory contracts of sale of a Lot. For purposes of the Article entitled "Use Restrictions" only, unless the context otherwise requires, Owner shall also include the family, invitees, guests, licensees and lessees and sublessees of any Owner, and any other permitted occupants of a Dwelling Unit.

Section 26. "Person" shall mean a natural individual or any other entity with the legal right to hold title to real property.

Section 27. "Properties" shall mean the property described in Exhibit "B" hereto (including all Improvements thereon), and, in addition, such portions of the HAMMOCK LAKES COMPLEX (together with all Improvements thereon) as are declared to be Properties in any Supplemental Declaration, less whatever portions of the HAMMOCK LAKES COMPLEX (together with all Improvements thereon) which have been declared to be Properties but have been subsequently withdrawn from the provisions of this Declaration applicable to the Properties by any Supplemental Declaration.

Section 28. "Record", "Recorded", "Filed" and/or "Recordation" shall mean, with respect to any document, the recordation of such document in the office of the Clerk of the Circuit Court of Indian River County, Florida.

Section 29. "Supplemental Declaration" shall mean any instrument recorded by Declarant in the Public Records of Indian River County, Florida, for the purpose of clarifying or supplementing this Declaration, for the purpose of declaring certain properties to be Common Properties or Limited Common Properties (or withdrawn as such), for the purposes of declaring certain properties to be added as, and constitute, Properties, or of withdrawing properties from the Properties, or for the purposes of adding or withdrawing Lots, or for the purposes of adding to or withdrawing properties from the HAMMOCK LAKES COMPLEX.

Section 30. "HAMMOCK LAKES COMPLEX" or "COMPLEX" shall mean the real property described in Exhibit "A" hereto, and such additions as are so declared in any Supplemental Declaration, less whatever portions thereof have been subsequently withdrawn" from the provisions of this Declaration by any Supplemental Declaration.

Section 31. "Surface Water Management System or Stormwater Management System" shall mean a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use, or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity or quality of discharges.

ARTICLE II
DECLARATION - GENERAL PLAN OF DEVELOPMENT

Section 1. DESCRIPTION OF THE PROPERTIES. The Properties shall, subject to the provisions of Sections 4 and 5 of this Article II and Section 8 of Article I, be comprised of Lots and Common Properties. Fee Simple, detached Dwelling Units are contemplated to be constructed upon the Lots as more particularly described in Exhibit "C" hereto, subject, however, to the provisions of Sections 2, 3, 4 and 5 of this Article II.

The Properties shall include any portions of the lakes, Surface Water Management System, landscape buffer areas that are dedicated to the Association.

Section 2. DESCRIPTION OF THE HAMMOCK LAKES COMPLEX. The HAMMOCK LAKES COMPLEX is expected to be composed of the Properties, Lots and Common Properties, all as more particularly defined by this Initial Declaration or any Supplemental Declaration. The real property comprising the HAMMOCK LAKES COMPLEX is more particularly described in Exhibit "A" hereto. Declarant contemplates that it may construct, but it shall not be obligated to construct, upon the portion of the HAMMOCK LAKES COMPLEX designated as the Properties, Dwelling Units and that such plan of development may be undertaken in two (2) or more distinct phases,

each of which is to be comprised of The Properties, containing Lots and Common Properties thereon. The implementation of any such development of any and all such phases shall be subject to Declarant's reservation of rights and plan for the addition or withdrawal of the Properties, Common Properties, Lots and/or lands comprising the HAMMOCK LAKES COMPLEX, as more particularly set forth in the Initial Declaration. Construction and development of the portions of the HAMMOCK LAKES COMPLEX (which do not constitute the Properties) is a projected plan of development only and nothing contained herein shall be construed as making it obligatory upon Declarant to construct Dwelling Units upon Lots within the balance of the HAMMOCK LAKES COMPLEX or, if constructed, to construct the same in accordance with a contemplated plan for development. Attached hereto as Exhibit "G" is a description of the real property which is intended to constitute Phase II of the HAMMOCK LAKES.

Declarant expressly reserves the rights to: (i) commence construction and development of Lots if and when Declarant so desires; (ii) withhold construction of any portion or of any Improvements upon any portion of the HAMMOCK LAKES COMPLEX; (iii) sever one or more phases of development into two or more phases or combine all phases composing the COMPLEX at the outset; (iv) develop the HAMMOCK LAKES COMPLEX upon such time table as it in its sole discretion chooses; and (v) modify the plan for development of the HAMMOCK LAKES COMPLEX in such manner as it, in its sole discretion, chooses. In the event, however, that Declarant does, in accordance with its rights herein reserved, develop the COMPLEX and not declare portions of the same to be withdrawn from the Properties, all improvements thereon shall be of comparable style and quality and in accordance with the conditions and requirements imposed by Indian River County, Florida, as conditions or requirements of the granting of Declarant's request for its site plan approval for the COMPLEX.

Section 3. COMPLETION OF CERTAIN IMPROVEMENTS. Subject to Declarant's reservations of rights pursuant to this Declaration, Declarant covenants that, by the time of its conveyance of each Lot hereunder, it shall have completed Improvements to an extent sufficient to provide: (i) paved access for pedestrian and vehicular traffic from the public roadway adjacent to the HAMMOCK LAKES COMPLEX to such Lot; (ii) related utilities services required as a condition to the granting of a certificate of occupancy or equivalent municipal authorization by the municipal authorities for such Lot, all in accordance with the plan for development disclosed in this Declaration; and (iii) green areas as required by Indian River County, and such other landscaping as Declarant deems appropriate or necessary.

Declarant's general plan of development for the Common Properties shall include such facilities and amenities as Declarant considers in its sole judgment to be appropriate to and for the Properties. By way of

example, but not limitation, such facilities may include private rights-of-way and sidewalks, roads or rights-of-way dedicated to the public, utility and maintenance buildings, and whatever recreational facilities Declarant may elect, in its sole discretion, to build or have built.

The HAMMOCK LAKES COMPLEX plan for development contemplates the completion of a recreational area hereafter referred to as "Recreation Lands". In the event that Declarant shall construct upon the Recreation Lands any recreation facilities, the use, operation, upkeep, maintenance and control thereof shall be in accordance with the provisions of the Declaration which are applicable to the Common Properties. The Recreation Lands are designated as Tract A on the Plat of HAMMOCK LAKES, as recorded in the Public Records of Indian River County, Florida.

Declarant shall have no obligation to build or have built any recreational facilities whatsoever upon the Recreation Lands until and unless certificates of occupancy for not less than fifty (50) Dwelling Units located upon Lots have been issued. In the event that such number of certificates of occupancy have been issued, it is contemplated that Recreation Lands may contain a swimming pool together with a pool deck; a clubhouse containing men's and ladies' bathroom facilities, a kitchen area; lighted outdoor tennis court; and open green area, which may be available for future recreational use.

Section 4. ADDITIONS. Declarant may, from time to time, by recording appropriate Supplemental Declarations in the Public Records of Indian River County, Florida, add lands to the HAMMOCK LAKES COMPLEX as defined by the Initial Declaration and may declare all or part of such additional property (including any Improvements thereon) to be Common Properties or Lots, or both. To be effective, any such Supplemental Declaration must be executed by both the Declarant and the record fee owner or owners, if any, of the property which the Supplemental Declaration purports to add. In such event, the joinder in or consent to such Supplemental Declaration by Unit Owners (except for the Declarant and the record fee owners of the additional property) or by lienors or the Association, shall not be necessary for such Supplemental Declaration to be effective. The acceptance of title to Units by Unit Owners shall constitute full acknowledgment and approval of the foregoing contained in this Section and nothing shall be construed to require the joinder by or entitle a right to consent by Owners of Lots or any other lands which are not so added by any such Supplemental Declaration.

Section 5. WITHDRAWALS. Anything herein to the contrary notwithstanding, Declarant reserves the absolute right at any time to withdraw portions of the HAMMOCK LAKES COMPLEX and any Lots or Common Properties thereon from the provisions of this Declaration by recording

an appropriate Supplemental Declaration in the Indian River County, Florida, Public Records, provided that, to be effective, any such Supplemental Declaration must be executed by the Declarant, the Owner of each Dwelling Unit located on the property sought to be withdrawn (if any), each holder of an Institutional Mortgage on a Dwelling Unit located on the property sought to be withdrawn (if any), and the holder of any other mortgage located on the property sought to be withdrawn (if any). The execution of a joinder in or consent to any such Supplemental Declaration by Owners, (except as prescribed by the preceding sentence), or by lienors or the Association, shall not be necessary for such Supplemental Declaration to be effective, and the joinder in or consent to this Initial Declaration by any such parties shall constitute the full acknowledgment and approval of the foregoing. However, for so long as Class B Membership shall exist, withdrawals pursuant to this section shall have the prior approval of the Veterans Administration or the Federal Housing Administration, if any Institutional Mortgage encumbering a Dwelling Unit has been insured or guaranteed by either of such agency. The certification of either: (i) receipt of such approval by Declarant; or (ii) that no Institutional Mortgage has been guaranteed or insured in such Supplemental Declaration; shall have the same effect as the recordation of a document conclusively evidencing such status. Nothing contained in this Section shall be construed to require the joinder by or entitle a right to consent by Owners of Lots upon the portion of the Properties which is not withdrawn by such Supplemental Declaration.

Section 6. IDENTIFICATION OF LOTS. Lots may be conveyed by reference to the plat identifying such Lots or by a metes and bounds legal description for the same and, in the event of a conflict between the legal description for a specifically numbered Lot as set forth in Exhibit "C" hereto and that set forth in the deed conveying such Lot, the legal description in the deed of conveyance shall govern and control. In such event, any portions of the lands declared as a Lot pursuant to Exhibit "C" which is not included within the lands described as a Lot in the deed conveying such Lot shall forthwith be excluded from the Lot as described in the deed of conveyance therefor and any other portions of the Properties which are included in the legal description for the Lot in its deed of conveyance shall be and constitute a portion of the Lot thereby conveyed. In the event of any conflict, Declarant may (but need not) record a Supplemental Declaration correcting the legal description set forth in Exhibit "C" hereto which, to be effective, need only be executed by Declarant.

ARTICLE III
OWNER'S PROPERTY RIGHTS

Section 1. OWNER'S EASEMENTS OF ENJOYMENT. Every Owner shall have a nonexclusive, common right and easement of ingress and egress over,

enjoyment in, and use of commonly used areas, facilities, or personalty, or if so declared, the use of Common Properties, which right and easement shall be appurtenant to and shall pass with title to his Dwelling Unit subject to the following conditions and limitations:

(a) The right of the Association to reasonably limit the number and nature of guests and invitees of Owners or of an Owner's lessees using the Common Properties.

(b) The right of the Association to establish uniform rules and regulations pertaining to the use of the Common Properties (including the recreational facilities) of the HAMMOCK LAKES COMPLEX including, but not limited to, the right and obligation of the Association to enforce parking restrictions, and to regulate the use of the pool and the clubhouse.

(c) The right of the Association to establish uniform rules and regulations pertaining to the portions of each Lot visible from any portion of the HAMMOCK LAKES COMPLEX for the purposes of enhancing the aesthetic uniformity of the HAMMOCK LAKES COMPLEX including, but not limited to, prohibitions against or guidelines for: outside lighting; fencing; the planting of trees, flowers, hedges and other plants; or the temporary or permanent placement of personalty including swings, hammocks, toys or other recreational devices.

(d) The right of the Association in accordance with its Articles, Bylaws and this Declaration, with the vote or written assent of two-thirds (2/3) of each class of Members, to borrow money for the purpose of improving the Common Properties and facilities, and, in aid thereof, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of such mortgagee shall be subordinated to the use rights of the Owners.

(e) The right of the Association to dedicate, release, alienate or transfer all or any part of the utilities or road systems serving the HAMMOCK LAKES COMPLEX to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. In any event, no such dedication, release, alienation or transfer shall be effective, unless Members entitled to cast two-thirds (2/3) of the voting power of the Class A Members, or one-third (1/3) of the Class A Members, and all of the Class B Members, if any, agree to such dedication, release, alienation or transfer.

(f) The right of the Declarant and Declarant's Permittees to the nonexclusive use of the HAMMOCK LAKES COMPLEX and the facilities

thereof, without charge, for sales or promotion, display, access, ingress, egress, community service, construction and exhibit purposes.

(g) The right of the Association (by action of the Board) to reconstruct, replace or refinish any Improvement or portion thereof, in accordance with the original design, finish or standard of construction of such Improvement, or of the general Improvements within the Common Properties, as the case may be.

(h) The easements provided elsewhere in this Article and in Article XIV hereof.

Section 2. DELEGATION OF USE. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to any Common Properties and facilities to the members of his Family, or to the tenants who reside in his Dwelling Unit, subject to all rules and regulations presently in effect and any which may become effective in the future, and further subject to reasonable regulation by the Board. The delegation of a right of enjoyment to a Family member or a tenant shall not relieve the Owner of the duty or obligation for any violation of this Declaration, the By Laws or the rules and regulations by the Family member or the tenant.

Section 3. EASEMENTS FOR VEHICULAR TRAFFIC. In addition to the general easements for use of the Common Properties reserved herein, there shall be, and Declarant hereby reserves, grants and covenants for itself and all future Owners, their invitees, and Institutional Mortgagees and any holder of a first purchase money mortgage encumbering the Properties (or portions thereof), and for the Association (the "beneficiaries") that all such beneficiaries shall have a nonexclusive easement appurtenant for vehicular traffic over all private or public streets or drives, as well as alcoves, cul-de-sacs and other paved areas abutting or serving the same within or upon the HAMMOCK LAKES COMPLEX, paved and intended for such purposes. The foregoing grant of easements shall be in addition to, and not a limitation upon, the grants of easements conferred in Article XIV of this Initial Declaration.

Section 4. EASEMENTS FOR PUBLIC SERVICE USE. In addition to the foregoing easements over the HAMMOCK LAKES COMPLEX, there shall be, and Declarant hereby reserves and covenants for itself and all future Owners, easements for municipal and private utility companies (including, but not limited to, electric, telephone, water, sewer and gas utilities), and other governmental public services, including, but not limited to, the right of the police, fire, health, sanitation and other public service personnel to enter upon (with or without vehicles or animals) any part of the HAMMOCK LAKES COMPLEX for the purpose of carrying out their duties

and the right of all utility companies to install, maintain, replace or supplement their equipment and facilities.

Section 5. ACCESS EASEMENT. Declarant hereby reserves perpetual nonexclusive easements of ingress and egress over and across any and all streets (as well as alcoves, cul-de-sacs and other private, paved areas abutting or serving the same) and any private driveways within or upon the HAMMOCK LAKES COMPLEX and all other portions of the HAMMOCK LAKES COMPLEX which are necessary or convenient for enabling Declarant to carry on the work described in Article X, Section 13 hereof, which easements shall be for the use of Declarant, Declarant's Permittees, Declarant's successors and assigns, Owners, and the respective lessees, employees, agents, invitees and licensees of Declarant and Owners.

Section 6. WAIVER OF USE. No Owner, other than Declarant, may exempt himself from personal liability for Assessments duly levied by the Association. No Owner may release the Dwelling Unit owned by him from the liens and charges hereof (including fines), whether by waiver of the use and enjoyment of the Common Properties and the facilities thereon or by abandonment of his Dwelling Unit, or otherwise.

Section 7. TITLE TO THE COMMON PROPERTIES. Declarant shall convey to the Association by plat dedication, and/or quit claim deed or deeds, the fee simple title to the Common Properties intended to be owned by the Association, if any, on the earlier of: (i) the date on which fifty (50) Lots have been conveyed to purchasers thereof and certificates of occupancy for Dwelling Units upon such Lots have issued; or (ii) December 31, 2000. If, however, an Institutional Mortgage encumbering a Dwelling Unit has been insured or guaranteed by the Veterans Administration or the Federal Housing Administration, then notwithstanding the foregoing provisos, and promptly upon the recordation of such insured or guaranteed Institutional Mortgage, and in no event, later than thirty (30) days from the date thereof, Declarant shall convey to the Association, by plat dedication, quit claim deed or deeds, the fee simple title to the Common Properties (as defined in the Initial Declaration). Such conveyance shall be free and clear of any liens but subject to:

(a) Any real estate taxes and assessments for the year in which the Common Properties are transferred;

(b) Any covenants, conditions, restrictions, reservations, limitations and easements then of record; and

(c) Any zoning ordinances then applicable.

The Association shall accept this conveyance of the Common Properties and shall pay all costs of such conveyance including

documentary stamps and other taxes of conveyance, recording charges, title insurance expense, and attorneys' fees. The Association shall thereafter hold title to the Common Properties for the benefit of those persons entitled to use them under the provisions of the Declaration. The conveyance shall not impair in any way the Declarant's rights and easements set forth elsewhere in the Declaration including, without limiting the generality of the foregoing, Section 13 of Article X and Section 4 of Article XIV of this Declaration.

ARTICLE IV.
MEMBERSHIP IN ASSOCIATION

Section 1. MEMBERSHIP. Every Owner of a Lot and the Declarant shall be a Member of the Association. Memberships in the Association shall not be assignable, except to the successor in interest of the Owner, and every membership of an Owner in the Association shall be appurtenant to and may not be separated from the fee ownership of his Lot. Ownership of such Lot shall be the sole qualification for membership of an Owner in the Association.

ARTICLE V.
VOTING RIGHTS

Section 1. CLASSES OF VOTING MEMBERSHIP. The Association shall have two (2) classes of voting Members as follows:

Class A: Class A Members shall originally be all Owners with the exception of Declarant for so long as there exists a Class B Membership. Class A Members shall be entitled to one (1) vote for each Lot which is subject to assessment, as further provided in this Declaration. Declarant shall become a Class A Member with regard to Lots owned by Declarant upon termination of Declarant's Class B Membership as provided below.

Class B: The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot owned by Declarant. The Class B Membership shall cease and be converted to Class A Membership upon the first to occur of any of the following: (a) ninety (90) days after the time at which ninety (90%) percent of the Lots in all phases of HAMMOCK LAKES have been conveyed to individual Lot Owners; or (b) thirty (30) days after the effective date of termination if Declarant elects to terminate the Class B Membership; whereupon, the Class A Members shall assume control of the Association and elect the Board.

Section 2. VOTE DISTRIBUTION. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for

membership. When more than one person holds such interest or interests in any Lot (such persons being referred to in this Section as "Co-owners"), all such Co-owners shall be Members and may attend any meetings of the Association, but only one such Co-owner shall be entitled to exercise the vote to which the Lot is entitled. Such Co-owners may from time to time designate in writing one of the Co-owners to vote. Fractional votes shall not be allowed, and the vote for each Lot shall be exercised, if at all, as a unit. Where no voting Co-owner is designated, or if such designation has been revoked, the vote for such Lot shall be exercised as the majority of the Co-owners of the Lot mutually agree. Unless the Board receives a written objection from a Co-owner, it shall be presumed that the appropriate voting Co-owner is acting with the consent of his or her Co-owners. No vote shall be cast for any Lot where the majority of the Co-owners cannot agree to said vote or other action. The non-voting Co-owner or Co-owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly owned Lot and shall be entitled to all other benefits of ownership. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established herein, and/or in the Bylaws of the Association, shall be binding on all Co-owners, their successors and assigns. If a Lot is owned by a corporation, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by the president or vice president and attested by the secretary or assistant secretary of the corporation and filed with the secretary of the Association.

ARTICLE VI.

DUTIES AND POWERS OF ASSOCIATION

Section 1. DUTIES AND POWERS. The Association, acting through the Board of Directors, shall also have the power and duty to:

(a) Maintain, repair and otherwise manage the Common Properties, if any, and all facilities, Improvements and landscaping thereon in accordance with the provisions of this Declaration;

(b) Maintain all private streets, if any, utilities (including lines, meters, lift stations, etc.), driveways and sidewalks within or upon the Common Properties, if any, including cleaning and periodic resurfacing;

(c) Obtain, for the benefit of the HAMMOCK LAKES COMPLEX, if desired, commonly metered water and/or wastewater, a central lot irrigation system, sanitary sewage and electric services, as well as refuse collection and cable or master television service (if any);

(d) Grant easements, rights-of-way or strips of land, where necessary, for utilities, sewer facilities, cable TV and other services over the Common Properties to serve the Lots and other portions of the HAMMOCK LAKES COMPLEX;

(e) Maintain such policy or policies of liability, fire and casualty insurance with respect to the Common Properties and personal property, if any, located thereon or used in connection therewith and owned by the Association or the Declarant as provided herein for furthering the purposes of and protecting the interests of the Association and Members and as directed by this Declaration and the Bylaws and/or Articles of the Association;

(f) Employ staff or contract with a management company (which may be an affiliate of Declarant) to perform all or any part of the duties and responsibilities of the Association, and to delegate its powers to committees, officers and employees;

(g) Install and maintain such security devices, gates, detectors and communication facilities, and employ or contract for employment of security services, guards and watchmen for such portions of the HAMMOCK LAKES COMPLEX and such Common Properties, if any, as the Board deems necessary or appropriate;

(h) Promulgate, amend and alter rules and regulations governing the use of the Common Properties;

(i) Seek (as a matter of right, but not as a duty) the dedication of privately maintained, or vacation of publicly dedicated streets upon or serving the Properties;

(j) Enforce the provisions of this Declaration including, without limitation, maintenance, upkeep, replacement and repair obligations of Owners with regard to all visible portions of their Lots and the Dwelling Units thereon, including the obligations to periodically repaint each Dwelling Unit and to mow and keep grass and vegetation attractive and well maintained;

(k) Take such other action which the Board shall deem advisable with respect to the HAMMOCK LAKES COMPLEX as may be permitted hereunder or under the law.

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ARTICLE VII.
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. Declarant, for each Lot now or hereafter owned by it and located upon lands now or hereafter added as the Properties, hereby covenants, and each Owner of any Lot upon the Properties by acceptance of a deed therefor (or who accepts title thereto as an heir or devisee) whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) Common Assessments for Common Expenses; (b) Capital Improvement Assessments; (c) Special Assessments; and (d) Reconstruction Assessments; all of such assessments are to be established and collected as hereinafter provided (whether or not the covenant or agreement is expressly mentioned in the deed or other instrument by which he, she, or it acquired title). Such Assessments, together with any related interest, penalties, and costs of collection including reasonable attorneys' fees, shall be a charge on the Lot and Dwelling Unit located thereon (and any other improvements thereon) and shall be and constitute a continuing lien thereon. Each such Assessment, together with interest, penalties, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Property against which the Assessment is made or on which the Assessment constitutes or gives rise to a lien and, except as otherwise provided therein, the personal obligation of his successors and assigns. If the Owner consists of more than one (1) person or entity, each such person or entity shall be jointly and severally liable for the aforementioned obligations. Subject to provisions of this Declaration protecting Institutional Mortgagees, the personal obligation for delinquent assessments shall pass with the Lot and successors in title to such Lot must pay the same at or before closing. The Board of Directors shall deposit all monies collected in one or more accounts as it shall elect. Maintenance funds collected by Common Assessments may, prior to the time control of the Association is assumed by the Class A membership, and shall, after the time control of the Association is assumed by the Class A membership, include monies for either: (i) a Common Properties Reserve Fund for the replacement, repair, painting, resurfacing and other maintenance of the Common Properties (including facilities); or (ii) specific budgetary reserves for the replacement, repair, painting, resurfacing and other maintenance of the Common Properties (including facilities), to the extent necessary under the provisions of this Declaration. Beginning with the first fiscal year after such time as the control of the Association is assumed by the Class A membership, as provided for in Article V, Section 1 hereof, the Board shall not commingle any amounts deposited for reserve fund purposes with other funds received by it.

Section 2. PURPOSE OF COMMON ASSESSMENTS. The Assessments imposed by this Article shall be used for the Association's operation and administration and fulfillment of its duties hereunder. Such duties shall include the promotion of the common health, safety, benefit, recreation, welfare and aesthetics of the Owners and the Improvements, the maintenance of the Common Properties and the Properties as provided herein. Disbursements shall be made by the Board for such purposes as are deemed necessary for the discharge of its responsibilities herein for the common benefit of the Owners and to reimburse Declarant for start-up expenses advanced by the Declarant. However, disbursements from the Common Properties Reserve Fund or other reserve funds, (after the control of the Association is assumed by the Class A membership as provided for in Article V, Section 1 hereof), shall be made by the Board of Directors only for the specific purposes specified in this Article VII, except as noted above. Disbursements of funds other than funds held for Common Properties reserves shall be made by the Board of Directors for such purposes as are necessary for the discharge of its responsibilities herein for the common benefit of all of the Owners.

Section 3. DAMAGE TO COMMON PROPERTIES BY OTHERS. The foregoing maintenance, repairs or replacements within the Common Properties or facilities arising out of or caused by the willful or negligent act of an Owner, his family, guests, invitees or lessees shall be effected at said Owner's expense or a Special Assessment therefor shall be made against his Lot together with all Improvements thereon (unless proceeds of insurance are collected with respect thereto).

Section 4. CAPITAL IMPROVEMENT AND OTHER ASSESSMENTS. In addition to the Common Assessments authorized above, the Board of Directors of the Association may levy, in any assessment year, a Capital Improvement Assessment or Reconstruction Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital Improvement or other such addition upon the HAMMOCK LAKES COMPLEX, including fixtures and personal property related thereto; provided that any such Reconstruction Assessment in excess of Ten Thousand (\$10,000.00) Dollars, or Capital Improvement Assessment' in excess of Five Thousand (\$5,000.00) Dollars, shall require the vote or written assent of a majority of the Members who are subject to such Assessments. The Board of Directors of the Association shall levy a Special Assessment to defray, or to reimburse the Association for the cost of construction, reconstruction, removal, repair or replacement occasioned by its fulfillment of its authority to act under Section 2(e) of Article VIII below. No action authorized in this Section shall be taken without the prior written consent of Declarant as long as Declarant owns any portion of the HAMMOCK LAKES COMPLEX.

Section 5. NOTICE AND QUORUM FOR ACTION AUTHORIZED UNDER ARTICLE VII. SECTION 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 of this Article shall be sent to all Members not less than fifteen (15) days, nor more than sixty (60) days, in advance of the meeting. At the first such meeting so called, the presence of Members constituting a majority of all votes of each class of membership shall constitute a quorum, whether in person or by proxy. If the required quorum is not present, another meeting shall be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. If no quorum is present at the second meeting, then a third meeting shall be held, and the required quorum at the meeting shall be on half (1/2) of the required quorum at the preceding meeting, et. seq.

Section 6. DATE OF COMMENCEMENT OF UNIT OWNERS' OBLIGATION FOR COMMON ASSESSMENTS. Every Owner other than the Declarant shall be required to pay Assessments under this Article with respect to his Lot upon acquiring title thereto. The Declarant shall be required to pay any Assessment or, alternatively, to elect to pay other sums due (in accordance with its rights under Section 10 of this Article) on any Lot owned by Declarant.

Section 7. SETTING OF COMMON ASSESSMENTS; DUE DATE.

(a) Annual Budgets. The Board of Directors shall fix the proposed amount of the annual Common Assessment to be levied against each Owner subject to assessment approximately thirty (30) days in advance of the period covered by the assessment. The Board of Directors shall have the right to increase or decrease the amount of such annual Common Assessment at any time during such period if it, in the exercise of its judgment, deems such increase or decrease to be necessary or appropriate. In such event, written notice of any change in the amount of the annual Common Assessment shall be sent to every Owner at least thirty (30) days prior to the effective date of such change. Approximately thirty (30) days before the beginning of each fiscal year, the Board of Directors shall prepare and distribute to the Members of the Association a written, itemized operating budget of the expenses estimated to be incurred by the Association during such year in performing its functions under this Declaration. The Assessments shall be based upon an Estimated Operating Budget that includes reasonable reserves for deferred maintenance of Improvements which the Association is responsible for maintaining and may (but need not) include reserves for contingencies. The Board may provide in its absolute discretion that the periodic Assessments be payable either quarterly or monthly. The failure of the Board to change assessments or submit the estimated budget to the Members of the

Association prior to the beginning of a fiscal year shall not invalidate such budget or the assessments to be collected thereunder.

(b) Annual Reports. As soon as is reasonably practical after the end of each fiscal year of the Association, the Board of Directors shall cause to be prepared an annual balance sheet and operating statement for each fiscal year, and shall cause a copy of each such statement to be distributed to each Member and to each institutional mortgagee who has filed a written request for copies of the same with the Board.

(c) Certificate Regarding Status of Assessments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer or agent of the Association, setting forth whether the Assessments upon a specified Dwelling Unit have been paid. A properly executed Certificate of the Association as to the status of the Assessments upon such Lot, together with Dwelling Unit thereon, shall be binding upon the Association as of the date of its issuance.

Section 8. EXEMPT PROPERTY. Common Expenses shall be assessed only against Lots, together with Dwelling Units thereon, which are subject to assessment under the provisions hereof, and no portions of the Common Properties shall be subject to assessment for Common Expenses.

Section 9. SHARE OF ASSESSMENTS. The periodic Common Assessments provided for hereinabove that are to be levied upon Owners shall be divided evenly among the Lots subject to the assessment.

Section 10. DECLARANT EXEMPTION. Anything to the contrary herein notwithstanding, Declarant shall only be liable for the payment of any Assessments upon any Lots owned by it, in accordance with the provisions as hereinafter set forth. Declarant shall not be liable for any Assessments as long as the Declarant pays all deficits in operating the Association above the total amount of assessments collectible from other Owners. In calculating such deficit, only the actual current expenses (without regard to capital expenses and reserves) in excess of the total assessments collectible from other Owners shall be required to be contributed by the Declarant. The Declarant may, at any time and from time to time, be relieved of all obligations to fund deficits by electing, for any assessment period or periods, to pay assessments imposed on Lots for which it is the Owner pursuant to the formula set forth in Section 9 of this Article (except that, after control of the Association is assumed by the Class A membership, no assessments need be paid by Declarant for any Lot it owns until a certificate of occupancy on a Dwelling Unit is issued therefor).

Notwithstanding the first paragraph of this Section 10, the following provisions will supersede and control the maintenance payment obligations of Declarant if, but only if, an Institutional Mortgage encumbering a Dwelling Unit has been insured or guaranteed by the Veterans Administration or the Federal Housing Administration. From the date of conveyance of the first Lot upon the Properties until the date each Lot upon the Properties owned by Declarant, is conveyed to an Owner other than the Declarant, the Declarant shall, with respect to such Lots, pay the greater of: (i) twenty-five (25%) percent of the periodic Assessments due for such lots; or (ii) deficits in operation of the Association above assessments collectable from other Owners. In calculating such deficit, only the actual current expenses (without regard to capital expenses and reserves) in excess of the total assessments collectible from other Owners shall be required to be contributed by the Declarant.

Section 11. ASSOCIATION'S REMEDIES FOR NONPAYMENT.

(a) Penalties for Delinquency. Any assessment that is unpaid for more than thirty (30) days after the date it is due shall bear interest at the highest rate permitted by law from the date it is due until the date it is paid.

(b) Enforcement of Lien. The Association may bring an action in its name to foreclose any lien on a Lot upon which a Dwelling Unit is located in the manner in which mortgages of real property are foreclosed in Florida and may also bring an action to recover a money judgment for unpaid periodic or special assessments with interest thereon (plus the costs and expenses mentioned in Section 11(c) of this Article) without waiving any claim of lien, provided that in either case the Association must give the delinquent Owner at least thirty (30) days' written notice of its intentions and, in the case of a foreclosure, must file a claim of lien in the Public Records of Indian River County, Florida. Upon the timely curing of any default (including the payment of fees, costs and attorneys' fees secured by the Association's lien) for which a claim of lien was filed, the Owner curing the default is entitled to have a satisfaction of lien recorded upon payment to the Association of a reasonable fee to be determined by the Association, provided that this fee shall not exceed Fifty (\$50.00) Dollars prior to December 31, 2005.

(c) Attorneys' Fees and Other Costs of Enforcement. Reasonable attorneys' fees incurred by the Association or its agent incident to the collection of an unpaid periodic or special assessment or the enforcement of any lien provided for by Section 1 of this Article (including attorneys' fees in connection with any review of a judicial or administrative proceeding by appeal or otherwise), together with all sums advanced and paid by the Association or its agent for taxes and

payments on account of superior liens or encumbrances that may be required to be advanced by the Association or its agent in order to preserve and protect its lien, shall be payable by the Owner liable for the assessment and be secured by the Association's lien.

(d) Subordination of the Lien to Mortgages. The lien for periodic or special assessments provided for in this Article shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien and every grantee in a voluntary conveyance of a Lot shall be jointly and severally liable for all unpaid periodic or special assessments against the grantor for his share of the Assessments up to the time of conveyance. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or in any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

(e) Cumulative Remedies The remedies provided in this Section 12 shall be cumulative and not mutually exclusive.

Section 12. ASSOCIATION'S CERTIFICATE. Each Owner of an assessable Lot and every holder of a mortgage thereon shall have the right to require from the Association a certificate showing the amount of unpaid periodic or special assessments against the Owner with respect to his Lot upon payment to the Association of a reasonable fee, which fee shall not exceed Twenty (\$20.00) Dollars on or before December 31, 2005. Any person other than the Owner of the Lot in question who relies upon such a certificate shall be protected thereby.

ARTICLE VIII.

MAINTENANCE AND REPAIR OBLIGATIONS

Section 1. BY THE ASSOCIATION.

(a) Maintenance of Common Properties. The Association shall maintain, or provide for the maintenance of, all of the Common Properties and all Improvements thereon, including all privately owned, paved roadways (but not publicly dedicated roadways) and related areas, commonly metered utilities, any and all utility facilities, the Recreational Lands and Improvements thereon, all perimeter vegetative buffers, and structures on the Common Properties. In the event such roadway and/or utility systems or facilities are subsequently dedicated to a public or quasi-public benefit body, the Association shall thereafter cease to have such maintenance obligations. In addition, the Association shall provide all necessary landscaping and gardening to properly maintain and periodically replace the trees, plants, grass and

other vegetation which are on lands declared as Common Properties, when necessary. All of the foregoing obligations of the Association shall be discharged when and in such manner as the Board of Directors of the Association shall determine in its judgment to be appropriate.

(b) Entrance Features. For the purposes of this Section 1, the entrance features planned for location at the entrance to the HAMMOCK LAKES COMPLEX or beautification easements on Tracts or on the corners of certain Lots as may be described herein, (whether within areas of Lots as depicted as entrance beautification easements upon the Plat thereof, or whether said Lots are only described in this Section) shall be treated as Common Properties for assessment, maintenance, upkeep, replacement, use restriction and similar purposes. The beautification easements are indicated as such on the Plat. The entrance feature, labeled as Tract "D" may contain signage, plantings and other features. Minor encroachments of the entrance beautification easement areas onto adjoining Lots shall not entitle adjoining lot owners to disturb the entrance beautification easement areas, or the structures or plantings which are a part of the entrance features. The Owners of Lots, including Lots on which beautification easements may be located, or on which such easements may encroach, shall not deface, alter, relocate or otherwise interfere with landscaping or other features located within the easement areas; similarly such Owners shall in no way hinder or interfere with the viewing or maintenance of such landscaping or other features. All of the foregoing obligations of the Association shall be discharged when and in such manner as the Board of Directors of the Association shall determine in its judgment to be appropriate. Notwithstanding the foregoing reservations and provisions, Declarant shall have no obligation to construct entrance features or improvements upon any such lots or Tracts.

(c) Perimeter Buffer Areas. For the purposes of this Section 1, a perimeter buffer surrounding the HAMMOCK LAKES COMPLEX will be located within the easement areas depicted on the Plat of HAMMOCK LAKES. The perimeter buffer area will contain landscaping required by Indian River County, and the Association shall maintain the buffer area according to all requirements of the subdivision. The maintenance of the grass and the watering of the plantings within the perimeter buffer areas that abut Lots, shall be the responsibility of the Owners of the Lots adjoining the planted buffer for the distance the buffer adjoins the lot line. The Association shall be responsible for weeding and fertilizing the trees and shrubs in the buffer area, and for the normal replacement of dead trees and shrubs. Minor encroachments of the berm or plantings within the perimeter buffer area onto adjoining lots shall not entitle adjoining lot owners to disturb the berm or the plantings. The Owners of Lots, including Lots on which plantings for the perimeter buffer area may encroach, shall not deface, alter, relocate or otherwise interfere with the berm or plantings; similarly such Owners shall in no way hinder

or interfere with the viewing or maintenance of the plantings. Notwithstanding the foregoing reservations and provisions, neither Declarant nor the Association shall have an obligation to construct a perimeter buffer or other landscape materials within such Tracts, except as required by Indian River County. Additionally, with respect to buffer maintenance, the Association shall have the ultimate maintenance responsibility as it relates to Indian River County requirements, but a lot owner that breaches his duty to maintain as described herein shall be responsible to the Association for the cost incurred as a result of the breach by the Owner.

Section 2. BY THE OWNERS.

(a) Maintenance of Dwelling Unit and Appurtenances. Each Owner shall be responsible for keeping the exterior of his Dwelling Unit in a clean, safe and first class condition and in good repair. Each Owner shall be responsible for the maintenance in first class condition, replacement or repair of all roofs, doors, windows, screens, underground sprinkler systems (other than commonly metered irrigation systems serving front yard areas, if any), and other exterior portions of his Dwelling Unit. Similarly, each Owner shall be responsible for the maintenance in first class condition, replacement or repair of all appurtenances to his Dwelling Unit including, without limitation, fences, walls, spas, pools, patio enclosures, balconies and their enclosures or railings, and paved driveways and related surfaces upon the front yard areas. Each Owner shall also be responsible for the maintenance in first class condition and replacement of all landscaping, including the mowing, trimming, watering, weeding, fertilization and removal of all dead, dying or diseased sod, plants, shrubs or trees, and in addition, unsightly weeds underbrush and growths. Each Owner shall replace all dead sod, and in addition, such quantities of shrubs, plants and trees as are necessary to maintain the quantity and quality of landscaping as originally supplied by Declarant. In recognition that it is the intention of Declarant that the HAMMOCK LAKES COMPLEX continuously maintain an aesthetically pleasing and uniform appearance, and an Owner shall only be deemed to have fulfilled his maintenance obligations regarding his Lot and Dwelling Unit in first class condition if the same is maintained in substantially identical condition as that which exists at the time title thereto is acquired from Declarant. By way of example, but not of limitation, each Owner shall: (i) paint all exterior painted areas as often as is necessary so as to prevent the appearance of rust or other stains, discoloration or peeling of paint; (ii) treat or replace all decorative facing; (iii) replace torn or stained screening; (iv) clean and remove from all sidewalks, driveways and parking areas all debris and repair and resurface all cracks or damaged areas; (v) replace and/or repaint the mailboxes on each Lot so that the mailbox maintains a neat and clean look and is consistent with all other mailboxes in the HAMMOCK

LAKES COMPLEX; and (vi) clean, repair and maintain all other exterior portions of the Lot and Dwelling Unit for which the Owner has responsibilities hereunder in accordance with such rules and regulations as the Association may from time to time enact. All exterior maintenance shall be consistent with the provisions of the Article IX of this Declaration relating to Architectural Control.

(b) Lake Bank - LCP Areas. Each Lot, the rear property line for which is adjacent to a lake or pond, shall have and enjoy as an appurtenance thereto a lake bank Limited Common Properties area of land which shall be appurtenant to title to the subject Lot, the rights for which shall be inseparable from the fee title to the said Lot. Each lake bank Limited Common Properties area shall be bounded by the rear Lot line, an extension of said Lot's side Lot lines to the point of intersection with the lake shore line ("Lake Bank - LCP Area"). Each Owner shall properly maintain and periodically fertilize, irrigate and replace the grass or other vegetation which is located upon his Lake Bank - LCP Area provided, however, that the exclusive use rights conferred pursuant to this section shall be junior and inferior to any access and maintenance easements now existing or herein created for the purposes of enabling the Association and any other private, quasi-public or public benefit body to fulfill obligations of maintenance, upkeep, treatment, administration, regulation, clearing or other services or fulfillment of other duties with respect to the lake and any related appurtenance constituting a portion of the stormwater retention and/or surface water management system serving the HAMMOCK LAKES COMPLEX. Each Owner, by acceptance of a deed, does irrevocably agree to the use restrictions and maintenance and access easements more fully described in the Declaration and in Article X and XIV below. Each Owner, by acceptance of a deed, covenants and agrees that no fence, other than a pool fence, will be constructed in the rear of a residence that is located on a lake, so as to not obstruct the view from the rear of other lots abutting the lake.

(c) Green Areas. In acknowledgment that each Lot upon the Properties shall have and enjoy adjacent to the front Lot line and, with respect to corner Lots, adjacent to the street side, side lot line as well, green areas, each Owner shall provide all necessary landscape and gardening to properly maintain and periodically replace when necessary the grass, landscaping and other vegetation located upon such green areas. Each Owner shall periodically mow, trim, weed and fertilize all such sod and landscaping and, in connection with the maintenance of each Owner's irrigation system, maintain the same so as to afford water and irrigation to such green area. Each Owner shall replace such dead, dying or diseased sod, plants or other vegetation with such quantities or types of species as the Board of Directors in its sole discretion deems necessary or appropriate to the maintenance of the architectural and

aesthetic integrity of the HAMMOCK LAKES COMPLEX, regardless of whether such loss is caused by such Owner's or an adjacent Owner's negligence, willful vandalism, acts of God or otherwise; provided, that the foregoing shall not be deemed to constitute a limitation or prohibition against any Owner's rights of contribution or reimbursement from third parties.

(d) Landscape Buffer Areas. In recognition that governmental authorities having jurisdiction over the HAMMOCK LAKES COMPLEX have required, as a condition of the development thereof, the installation of a perimeter buffer area, Owners of Lots affected thereby, all as hereafter described, shall, by the acceptance of a deed of conveyance for the Lots, covenant and agree to the following restrictions, limitations, and maintenance responsibilities. Specifically, and with respect to all Lots for which a rear landscape perimeter buffer has been required to be installed by governmental authorities having jurisdiction thereof, each Owner thereof shall provide necessary watering and gardening to properly maintain the buffer, and the Association, at the cost of the Association, shall periodically weed, fertilize, and replace, when necessary, the trees, plants, and other vegetation located within such landscape buffer area, provided the Owner shall have used reasonable care in watering the buffer, and if not, the Association may charge the cost of replacement to the Owner. Each Owner shall therefor periodically mow, water and irrigate, all such landscaping and periodically remove all dead, dying or diseased sod, and in addition, unsightly weeds, underbrush or growths. The obligations of the Owners hereunder shall be subordinate to the rights of the Association to elect to maintain the buffer areas as described under Section 1, (d) of this Article VIII.

(e) Repair and Reconstruction After Casualty. If a Dwelling Unit is damaged by fire or other casualty, its Owner shall promptly restore it to at least as good a condition as it was in before the casualty occurred. Any such work shall be in accordance with the Dwelling Unit's original plans and specifications unless otherwise authorized and shall be otherwise subject in all respects to the provisions of Article IX hereof entitled, "Architectural Control".

(f) Insurance. Each Owner shall keep his Dwelling Unit insured in an amount not less than its full insurable value against loss or damage by fire, other hazards covered by standard extended coverage endorsements, and whatever other risks are customarily covered with respect to dwellings similar to his Dwelling Unit in construction, location and use (such as flooding, vandalism and malicious mischief). Evidence of such coverage shall be furnished to the Association promptly upon the Board's request.

(g) Failure to Perform. If an Owner fails to comply with the foregoing provisions of this Section 2, the Association may proceed in

court to enjoin compliance with them, or may levy fines in the nature of Special Assessments, as may be authorized by the Board in its rules and regulations. In addition, if the failure relates to the Owner's insurance obligations, the Association shall be entitled (though not obligated) to obtain the required coverage itself and to levy on the offending Owner a special assessment equal to the cost of the premiums and, if it relates to his maintenance or restoration obligations, shall take such steps as the Board deems appropriate to compel such maintenance or restoration, and shall be entitled (though not obligated) to restore the neglected Lot and/or Dwelling Unit to the condition required by this Section and to levy on the offending Owner a special assessment equal to the cost of the work that was the Owner's responsibility and to enforce the collection thereof by recordation of a lien in the same manner as provided for collection of Assessments pursuant to this Declaration.

ARTICLE IX.
ARCHITECTURAL CONTROL

Section 1. MEMBERS OF COMMITTEE. The Association shall appoint an Architectural Committee, (sometimes referred to in this Declaration as the "Committee"), which shall consist of three (3) members. The initial members of the Committee shall consist of persons designated by Declarant. Each of said persons (or their successors or replacements, as determined by Declarant) shall hold office until certificates of occupancy for Dwelling Units upon all Lots have been issued and all Lots and such Dwelling Units have been conveyed, or at such earlier time as the Declarant may, at its sole option, elect. Turnover of control of the Association by the Declarant shall not require turnover of control of the Architectural Committee by Declarant to the Board of Directors. Thereafter, each new member of the Committee shall be appointed by the Board of Directors and shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided herein. Members of the Committee, other than those designated by the Declarant, may be removed at any time without cause. The Board of Directors shall have the right to appoint and remove all members of the Committee, other than those designated by Declarant.

Section 2. REVIEW OF PROPOSED CONSTRUCTION. Subject to Section 8 of this Article, no building, fence, gutters or rain spout, antenna, wall, aerial, microwave dish, digital satellite dish, external enclosure, patio fencing, covers, spa, decking, pool or other Improvement (including landscaping) shall be commenced, painted, erected, installed, planted or maintained on the Properties, nor shall any canopy, awning, or shutter be attached to or placed upon outside walls or roofs of any Dwelling Unit by any Owner other than Declarant until and unless the plans and specifications showing the nature, kind, shape, height, materials and location of the same, shall have been submitted to and approved in

writing by the Architectural Committee. The Committee shall approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alterations, repairs, landscaping or additions contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area of the HAMMOCK LAKES COMPLEX as a whole, and that the appearance of any structure or Lot affected thereby will be in harmony with the surrounding structures and landscaping, and is otherwise desirable. The Committee may also issue such rules or guidelines setting forth procedures for the submissions of plans and specifications submitted for its review as it deems proper, including, without limitation, the submission of floor plans, site plans, drainage plans, elevation drawings and description or samples of exterior materials and colors. If the proposed construction alterations, landscaping, repairs or additions are to a portion of the Improvements which the Association is obligated to maintain, said approval may also be subject to approval by the Board of the Association. The Committee may condition its approval of proposals and plans and specifications in such manner as it deems appropriate and may require the submission of additional information prior to approving or disapproving such request. Until receipt by the Committee of any required plans and specifications, or other additional information requested by it, (including appropriate detail and color samples), the Committee may postpone review of any plans submitted for approval. The Committee shall have thirty (30) days after delivery of all required materials to approve or reject any such plans, and if not rejected within such thirty (30) day period, such plans shall be deemed approved. Notwithstanding any provision in this Article IX to the contrary, the approval of the Architectural Committee shall not be required for any additions, changes or alterations to Dwelling Units that are contained within such structures if such additions, changes or alterations are not visible from outside such Dwelling Units. All changes and alterations shall be subject, independently, to all applicable governmental laws, statutes, ordinances, rules, regulations, orders and decrees. No construction, reconstruction, addition, alteration or change by Declarant shall require the prior approval or any certificate of consent of the Committee.

Section 3. MEETINGS OF THE COMMITTEE. The Committee shall meet, from time to time, as necessary to perform its duties hereunder. The Committee may, from time to time, by resolution unanimously adopted in writing, designate a Committee Representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the Committee, except the granting of variances pursuant to Section 8 hereof. In the absence of such designation, the vote of any two (2) members of the Committee shall constitute an act of the Committee.

Section 4. NO WAIVER OF FUTURE APPROVALS. The approval of the

Committee to any proposals, plans and specifications, or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matter whatsoever subsequently or additionally submitted for approval or consent.

Section 5. COMPENSATION OF MEMBERS. The members of the Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder. However, the Committee may seek the advisory services of an architect, engineer, landscape architect, etc., and such persons shall be compensated on an arms length basis. The Committee may, in addition to any other authorized charges, pass on the cost of any advisor, consultant, or expert hired by the Committee to the person or entity seeking the approval of the Committee.

Section 6. INSPECTION OF WORK. Inspection of work and correction of defects therein shall proceed as follows:

(a) Upon the completion of any work for which approved plans are required under this Article IX, the submitting party shall give written notice of completion to the Committee.

(b) Within sixty (60) days thereafter, the Committee or its duly authorized representative may inspect such Improvement. If the Committee finds that such work was not done in substantial compliance with the approved plans it shall notify the submitting party in writing of such noncompliance within such 60-day period, specifying the particulars of noncompliance, and shall require the submitting party to remedy the same.

(c) If upon the expiration of thirty (30) days from the date of such notification, the submitting party shall have failed to remedy such noncompliance, the Committee shall notify the Board of the Association of such failure, in writing. Upon Notice and Hearing, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If noncompliance exists, the submitting party shall remedy or remove the same within a period of not more than forty-five (45) days from the date of announcement of the Board ruling. If the submitting party does not comply with the Board ruling within such period, the Board, at its option, may either remove the noncomplying improvement or remedy the noncompliance, and the submitting party shall reimburse the Association, upon demand, for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the submitting party to the

Association, the Board shall levy a Special Assessment against such submitting party for reimbursement.

(d) If for any reason, the submitting party shall give the Committee notice of completion, and the Committee shall fail to notify the submitting party of any noncompliance within sixty (60) days after receipt of said written notice of completion from the submitting party, then the Improvement and/or alteration shall be deemed to be in accordance with said approved plans.

Section 7. NON-LIABILITY OF COMMITTEE MEMBERS. Neither the Committee nor any member thereof, nor its duly authorized Committee Representative, shall be liable to the Association or to any Owner or any other person or entity for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties hereunder, unless due to the willful misconduct or bad faith of a member and only that member shall have any liability. The Committee shall review and approve or disapprove all plans submitted to it for any proposed Improvement, alteration or addition, solely on the basis of aesthetic considerations, and the overall benefit or detriment which would result to the immediate vicinity and to the community then planned to be created upon the HAMMOCK LAKES COMPLEX. The Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, street scape, color schemes, exterior finishes and materials and similar features. The Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the stand point of structural safety or conformance with building or other codes.

Section 8. VARIANCE. The Committee may authorize variances from compliance with any of the architectural provisions of this Declaration or any Supplemental Declaration when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. Such variance must be evidenced in writing and must be signed by at least two (2) members of the Committee. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted, but only to the extent of the conditions contained in the variance approval. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration or of any Supplemental Declarations for any purpose except as to the particular property and particular provisions hereof covered by the variance, nor shall it affect, in any way, the Owner's obligation to comply with all governmental laws and regulations affecting the use of the premises, including, but not limited to, zoning ordinances and Lot set-back lines or requirements imposed by any governmental or municipal authority.

Section 9. APPROVED BUILDERS; FEES FOR APPROVAL. The declarant may grant to certain contractors the right to build homes within the HAMMOCK LAKES COMPLEX on a preferred basis. Such contractors shall be referred to as the "Approved Builders". The Approved Builders shall have the right to have their plans approved on a master plan basis, and shall have the right to have all approval fees and construction inspection fees waived. In order to protect the quality and consistency of construction in the HAMMOCK LAKES COMPLEX, and in order to ensure that the construction meets the submission requirements, the Declarant, so long as it is in control of the Architectural Committee, reserves the right to charge a builder approval and inspection fee, and also a plan review fee. The builder approval and inspection fee shall be established by the Architectural Committee, from time to time, but shall not exceed Five Thousand (\$5,000) Dollars per Lot, and the plan review fee shall not exceed Five Hundred (\$500) Dollars per Lot. These fees may be imposed or removed by the Declarant, from time to time, at the election of the Declarant, on a lot by lot basis. These fees may also be waived, at the election of the Declarant, on a lot by lot basis. After the Architectural Committee is turned over to the Association (which need not occur at the time of the transfer of control to the Class A members) the Architectural Committee shall no longer be allowed to charge a builder approval fee, but shall be allowed to charge plan review fee and construction inspection fees, provided the plan review fee does not exceed the greater of the cost to the Association or Five Hundred (\$500) Dollars, and the inspection fee does not exceed the actual cost of the inspections to the Association.

Section 10. MINIMUM HOME SIZE AND OTHER RESTRICTIONS. Each Dwelling Unit built in the Hammock Lakes Complex shall: (i) contain no less than One Thousand Two Hundred Fifty (1250) square feet of air conditioned living area; (ii) have a minimum roof pitch of 5/12; (iii) be constructed with two (2) car garages; (iv) have a driveway constructed with concrete, pavers, stamped concrete or other material approved by the Committee, other than asphalt; and (v) be built using concrete block with a stucco finish.

ARTICLE X.
USE RESTRICTIONS

All of the Properties, including Lots and Dwelling Units thereon, shall be held, used and enjoyed subject to the following limitations and restrictions, subject, however, to the exemption of Declarant in Section 14 of this Article.

Section 1. NUISANCES. No noxious or offensive activity shall be carried on about any portion of the HAMMOCK LAKES COMPLEX, including the Dwelling Units and Lots, nor shall anything be done therein which may be

or become an unreasonable annoyance or a nuisance to any Owner. No use or practice shall be allowed in or around any Dwelling Unit which is a source of annoyance to Owners or occupants thereof or which interferes with the peaceful possession or proper use of the Dwelling Units or the surrounding Common Properties. No loud noises or noxious odors shall be permitted in any Dwelling Units, Lots, or on the Common Properties, and the Board of Directors shall have the right to exercise reasonable discretion in determining, in accordance with the By Laws, if any noise, odor or activity producing such noise, odor or interference constitutes a nuisance. Without limiting the generality of any of the foregoing provisions, no exterior speakers (other than intercom-like entrance or patio speakers), horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, large power equipment or large power tools, non licensed off-road motor vehicles or any items which may unreasonably interfere with television, telephone or radio reception of any Owner, or which create a nuisance shall be located, used or placed on any portion of the Lots which are exposed to the view of other Owners (or in the case of noise generators, which are heard on other Properties in the HAMMOCK LAKES COMPLEX at a level which the Board of Directors reasonably determines to be offensive).

Section 2. SIGNS. No sign, poster, display, billboard or other advertising device of any kind (including real estate "For Sale" signs) shall be displayed to the public view on any portion of the Dwelling Units, Lots, Common Properties, or any portion of the HAMMOCK LAKES COMPLEX without the prior written consent of the Board of Directors, except signs, regardless of size, used by Declarant, its successors or assigns, for advertising during the construction and sale period of any and all of the HAMMOCK LAKES COMPLEX, and excepting such reasonable signs as Declarant shall authorize. Notwithstanding the foregoing, real estate "for sale" signs shall be limited to one per Lot, shall be placed in the front yard, and shall be no larger than six (6) square feet, may be mounted on the ground or on a 4" by 4" post, and shall contain no tag lines or sign attachments other than the realtor's name or a "sold" tag, unless rules and regulations are otherwise adopted by the Association, which rules and regulations shall only affect the size of allowable signage.

Section 3. PARKING, GARAGES, AND VEHICULAR RESTRICTIONS. Parking of vehicles by Owners, their guests, tenants or their invitees is hereby restricted to the enclosed garages constituting portions of their Dwelling Units, and paved driveway portions of Lots affording access thereto, unless otherwise authorized hereunder. Automobiles, vans, trucks and sport utility vehicles which are designed as noncommercial passenger vehicles with permanent rear seats and side windows, or other ground transport vehicles designed as noncommercial passenger vehicles,

may be parked upon the paved portions of Lots affording access to garages. Each Owner shall exercise due care to park and store overnight within his garage any vehicle on which commercial signs or lettering have been affixed, including any truck, or other commercial vehicle, it being intended hereby that trucks and commercial vehicles shall be kept clean and free of debris and portable materials. Trucks which are considered to be noncommercial vehicles under the provisions hereof, if parked in a driveway area and not in an enclosed garage, shall not have any material stored in the bed (other than a permanently affixed and well maintained tool box), which may be seen from any portion of the HAMMOCK LAKES COMPLEX. Automobiles and/or sport utility vehicles used for law enforcement, fire, and/or E.M.S. purposes in connection with a governmental entity, and automobiles and/or sport utility vehicles with permanently affixed decals, each less than one square foot (1.00 sq. ft.) per decal, shall not be considered commercial vehicles for purposes hereof. No Owner shall park, store or keep any other vehicle outside of his garage which is deemed to be a nuisance by the Board; unsightly, inoperative or damaged vehicles shall be treated as violations of this provision. No boats and trailers, or other recreational vehicles including campers, motorcycles, or mobile homes may be parked outside of Dwelling Unit garages. No Owner shall conduct repairs (except in an emergency) or restorations of any motor vehicle, boat, trailer, or other vehicle upon any portion of the Properties visible from any Lot, or upon any portion of Lots other than garages.

Section 4. ANIMAL RESTRICTION. No animals (including livestock, reptiles or poultry) of any kind shall be raised, bred or kept on the Common Properties. No dog, cat or other pet may run loose and unattended on portions of the Lots other than enclosed rear yard areas. No animal maybe kept in any Dwelling Unit unless the animal is either a dog, a cat or another type of household pet (as defined by the Association). No Unit Owner may keep more than three pets, without the prior consent of the Board. No pets may be kept, bred or maintained for any commercial purpose nor may pets be kept which The Board determines are a nuisance or annoyance to neighbors. Owners must cleanup all wastes of their pets and dispose of them appropriately, and animal waste shall not be allowed on roadways or other areas determined, from time to time, by the Board of Directors of the Association. No dogs may be kept or left upon a Lot outside of a Dwelling Unit when such Dwelling Unit's Owner is not present. Violation of any provision of this Section shall entitle the Association to all of its usual rights and remedies (including, but not limited to, the right to fine Owners as provided herein, in the Association's Bylaws or in any applicable rules and regulations). So long as the Owner is not raising or breeding pets, this section shall not limit an Owner from keeping fish in an aerated home tank or a limited number of household pets which are permanently caged, and not taken outside the Dwelling Unit, (such as gerbils), provided the Association

shall have the right to adopt rules and regulations to limit or restrict the number and/or size of such animals in a household, prohibit certain types of caged animals allowed, and limit the cage size, to avoid such animals from becoming a nuisance.

Section 5. TRASH AND OTHER MATERIALS. No rubbish, trash or garbage or other waste material shall be kept or permitted on the Lots and/or any other portion of the HAMMOCK LAKES COMPLEX except in sanitary, self-locking containers screened from view by plantings, lattice work or other means of screening approved by the Architectural Committee, and located in appropriate areas, and no odor shall be permitted to arise therefrom so as to render the HAMMOCK LAKES COMPLEX or any portion thereof unsanitary, unsightly, offensive or detrimental to Owners or to any other property in the vicinity thereof or to its occupants. The hanging and airing of clothing or household fabrics in such a way as to be visible is discouraged and shall only be undertaken upon retractable or removable line systems. No such fabrics shall remain in view for a period in excess of twenty-four hours. No lumber, grass, shrub or tree clippings or plant waste, metals, bulk material or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Properties except within an enclosed structure appropriately screened from view, except when accumulated during construction by Declarant or except when accumulated for imminent pickup and discard.

Section 6. TEMPORARY BUILDINGS. No outbuilding, tent, shack, shed or other detached temporary building or improvement of any kind shall be placed upon any portion of the Properties, either temporarily or permanently. The foregoing shall not be construed however, as a limitation upon either recreational structures or upon the installation of storage structures permanently affixed to a Dwelling Unit provided that the same have been approved by the Architectural Control Committee. Declarant shall be exempt from this Section.

Section 7. COMMON PROPERTIES FACILITIES. Nothing shall be altered or constructed in or removed from the Common Properties or from portions of Lots upon which entrance features are located except upon the written consent of the Board of Directors.

Section 8. RULES AND REGULATIONS. The Board may promulgate rules and regulations as to the use of the HAMMOCK LAKES COMPLEX which are in addition to restrictions, rules and regulations set forth elsewhere in this Declaration. Notwithstanding any other provision to the contrary in this Declaration, the Board may, from time to time as it deems necessary or prudent, amend, add to, delete or alter the rules and regulations as originally enacted (or as are then in effect) without necessity of amending this Declaration. A rule and regulation made, amended, added to, deleted or altered by the Board shall become effective

as and when copies of same shall be mailed to Owners. Each Owner, lessee, and their respective families, invitees and guests, and other users of the Properties must strictly adhere to the rules and regulations as the same may from time to time be amended, altered, added to or deleted, and to the restrictions, rules and regulations specified elsewhere in this Declaration. The Association shall have the rights, remedies and privileges specified in the Enforcement section of this Declaration to enforce such obligations, or the breach of any rule, regulation or restriction constituting a breach of the covenants of this Declaration. However, the Declarant, for so long as it shall be a Member shall be exempt from adherence to such rules and regulations.

Section 9. ALTERATIONS. No Owner shall cause or allow additions or changes to any exterior portion of his Dwelling Unit including, but not limited to, painting or other decorating of any nature, installing of any electrical wiring, television antenna, shutters, machinery or air conditioning units or in any manner changing the appearance of any exterior portion of such Dwelling Unit if prohibited by this Declaration, or, if not prohibited, without obtaining approval therefor as required below. No Owner shall cause or allow any changes or additions to the landscaping of his Lot, (including the removal of standard street scape trees unless such tree is replaced with the same type of tree) or pave or cover with artificial materials any portions thereof, or otherwise install or permit the placement of recreational personalty without obtaining approval therefor as required below. Approvals called for in this section shall mean receipt of such approvals from the Architectural Committee, as are required by Article IX hereof.

Section 10. GARAGE SALES; NO IMPROPER USES. No garage, estate or other type sales of used or new goods or property shall be conducted on a Lot, whether from the Dwelling Unit, the garage, the driveway, the front lawn or other portion of the Lot. This prohibition shall include sales in which the public is invited. This prohibition shall not include the sale of an automobile or tangible property where the sale is for a very limited number of items, where the means of advertisement for each item is in the classified section of a newspaper of general circulation, or the like, the advertisement describes each article for sale with particularity, the initial contact with a prospective purchaser is by phone, and where the automobile or other property is viewed on a one customer at a time basis and by appointment. No improper, offensive, hazardous or unlawful use shall be made of any Dwelling Unit and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereover, relating to any Dwelling Unit shall be corrected by, and at the sole expense of, the party obligated to maintain or repair such portion of the Dwelling Unit as elsewhere herein set

forth.

Notwithstanding the foregoing, the Association may elect to hold a community wide garage sale or bazaar in which Lot Owners may sell new or used goods or property, provided however, that each sale sponsored by the Association shall be: (i) community wide; (ii) limited to no more than two (2) times per year; (iii) on either a Saturday, Sunday or both; and (iv) during hours established by the Association; but no longer than between the hours of 8:00 a.m. and 5:00 p.m. on the days of the sale.

Section 11. LEASES. No portion of a Dwelling Unit (other than an entire Dwelling Unit) may be rented. All leases shall provide, and be subject to the requirement that the Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration, of the Articles of Incorporation and the Bylaws of the Association, of applicable rules and regulations, or of any other agreement, document or instrument governing the Lots or Dwelling Units. The Owner of a leased Dwelling Unit together with his tenant shall be jointly and severally liable to the Association to pay any claim for injury or damage to property caused by the negligence of the tenant. Every lease shall be subordinated to any lien filed by the Association whether before or after such lease was entered into.

Section 12. EXTERIOR IMPROVEMENTS. Without limiting the generality of Section 9 of this Article, no Owner shall, without first obtaining approval therefor from the Association: (i) cause anything to be affixed or attached to, displayed or placed on, or hung from the exterior walls, doors, windows, patios, or fencing of his Dwelling Unit (including, but not limited to, awnings, signs, solar panels, storm or other shutters, screens, furniture, fixtures and equipment); or (ii) cause any additions to his Lot, including without limitation, installation of permanent barbecues, pools, spas, landscaping, or other fixtures or Improvements; or (iii) install or store in view from other Lots or from the Common Properties, swings, barbecues, basketball hoops, backboards and poles, or other recreational devices, flagpoles, lighting (whether for decoration, security, or any other purpose), or any other moveable personalty or fixtures. Approvals called for in this section shall mean receipt of such approvals from the Architectural Committee as are required by Article IX hereof. The Declaration authorizes the Architectural Committee to, among other things, refuse approval or require screening of such improvement or such other conditions deemed appropriate by the Architectural Committee prior to approving the installation of any exterior improvement.

Section 13. DECLARANT EXEMPTION. Declarant plans to cause the construction of Dwelling Units upon the HAMMOCK LAKES COMPLEX and may undertake the work of constructing other dwelling units and/or public or commercial improvements upon other portions of the HAMMOCK LAKES COMPLEX.

The completion of that work and the sale, rental and other disposal of Dwelling Units and commercial improvements is essential to the establishment and welfare of the HAMMOCK LAKES COMPLEX as a residential community. In order that such work may be completed and a fully occupied community be established on the HAMMOCK LAKES COMPLEX as rapidly as possible, neither Owners nor the Association shall do anything to interfere with Declarant's and/or Declarant's Permittees activities. Without limiting the generality of the foregoing, nothing in this Declaration shall be understood or construed to:

(a) Prevent Declarant and Declarant's Permittees from doing on any real property owned by them whatever they determine to be necessary or advisable in connection with the completion of said work, including, without limitation, such alteration of its construction plans and designs as Declarant deems advisable in the course of development (all models or sketches showing plans for future development of the HAMMOCK LAKES COMPLEX may be modified by the Declarant any time and from time to time, without notice); or

(b) Prevent Declarant or Declarant's Permittees from erecting, constructing and maintaining on any property owned or controlled by Declarant such structures as may be reasonably necessary for the conduct of its or their business of completing said work and establishing a residential community upon the HAMMOCK LAKES COMPLEX and disposing of Dwelling Units thereon by sale, lease or otherwise; or

(c) Prevent Declarant or Declarant's Permittees from conducting on any property owned or controlled by Declarant its or their business of developing, subdividing, grading and constructing Improvements upon the HAMMOCK LAKES COMPLEX and of disposing of Dwelling Units therein (or disposing of dwelling units upon neighboring lands owned and developed by or at the direction of Declarant or Declarant's predecessor in interest or affiliates) by sale, lease or otherwise; or

(d) Prevent Declarant or Declarant's Permittees from determining in its or their sole discretion the nature of any type of Improvements to be initially or ultimately constructed by it or them on the HAMMOCK LAKES COMPLEX;

(e) Prevent Declarant or Declarant's Permittees from selling and leasing existing and planned Dwelling Units (including Dwelling Units on property not intended for submission to, or subsequently withdrawn from, this Declaration and including dwelling units or commercial improvements upon neighboring lands owned or developed by Declarant, Declarant's Permittees or its designees) including, but not limited to, constructing and maintaining sales offices, a sales and administrative and/or construction trailer or trailers, parking areas, fencing and

landscaping adjacent to such facilities (and signs thereon) and model Dwelling Units on any portion of the HAMMOCK LAKES COMPLEX, soliciting and receiving the visits of unlimited numbers of prospective purchasers, visitors, and tenants (all of whom shall have the right while visiting to park upon Lots owned by Declarant or other portions of the HAMMOCK LAKES COMPLEX that have been set aside for such purposes by Declarant or Declarant's Permittees, and to visit and inspect the facilities upon the Common Properties), and the placing of signs and other promotional devices upon any portion or portions of the HAMMOCK LAKES COMPLEX without regard to their size, aesthetic appeal or the project developed by Declarant (or its designee) to which such items relate.

(f) Prevent Declarant or Declarant's Permittees from utilizing the HAMMOCK LAKES COMPLEX for the driving, storage or use of motor and construction vehicles and apparatus of any nature deemed necessary or proper by it or them for the construction, sale, leasing, maintenance or repair of the HAMMOCK LAKES COMPLEX.

Section 14. EFFECT ON DECLARANT: SELECTIVE RELIEF. In general, the restrictions and limitations set forth in this Article shall not apply to Declarant, Declarant's Permittees, or to Dwelling Units owned by the Declarant, nor to Institutional Mortgagees, the holder of any purchase money first mortgage or Dwelling Units owned by Institutional Mortgagees. The foregoing shall not, however, be construed to exempt such Institutional Mortgagees from the payment of applicable Assessments or to exempt vested Institutional Mortgagees from use restrictions where the Dwelling Units are occupied. Declarant shall specifically be exempt from any restrictions which interfere in any manner whatsoever with Declarant or Declarant's Permittees, plans for the development, construction, sale, lease or use of the HAMMOCK LAKES COMPLEX and to the Improvements thereon. Declarant shall be entitled to injunctive relief for any actual or threatened interference with its rights under this Article, in addition to whatever remedies at law to which it might be entitled. The Association shall have the power (but not the obligation) to grant relief in particular circumstances from the provisions of specific restrictions contained in this Article for good cause shown.

Section 15. OUTSIDE INSTALLATIONS. No radio station of any kind shall operate from any Dwelling Unit. No exterior radio antenna, television antenna, or other antenna of any type shall be erected or maintained upon the Properties and Improvements thereon except that the Architectural Committee shall have the right to establish standards for the installation of television antennae which are aesthetically acceptable to it. Television and/or satellite dishes are prohibited if the same are visible to third parties located upon any other portion of the Properties or other lands subject to the Declaration. The Architectural Committee shall have the right to permit small television

satellite dish installations (no larger than eighteen (18") inches in diameter), provided each such installation is approved by the Architectural Committee. In approving small television satellite dish installations the Architectural Committee shall endeavor to require each installation to be ground installed and landscaped, unless no signal may be received from a ground installation, in which the installation shall be as unobtrusive as is possible. In this regard the Architectural Committee will attempt, to the extent practical, to provide methods of screening such installations from view from portions of the HAMMOCK LAKES COMPLEX outside of the Lot upon which such installation is located.

Section 16. LAKE USAGE. Swimming, boating (other than canoeing), wading, windsurfing, or the use of power-driven recreational personalty, (including radio controlled devices which emit any audible noise) upon the lakes is prohibited. Each Owner, in acknowledgment that the lakes, canals and watercourses constitute latent, dangerous conditions and a menace to the health, welfare and safety of others, covenants and agrees to disclose the foregoing restrictions to all occupants of his Dwelling Unit, and tenants, guests and invitees of his Lot.

Section 17. INSURANCE RATES. Nothing shall be done or kept in the Properties or Improvements thereon which will increase the rate of insurance on any property insured by the Association without the approval of the Board; nor shall anything be done or kept in the Properties or Improvements thereon which would result in the cancellation of insurance on any property insured by the Association.

Section 18. DRILLING. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind, shall be permitted upon the Properties, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected or maintained on the Properties.

ARTICLE XI

DAMAGE OR DESTRUCTION TO COMMON PROPERTIES

Section 1. Damage to or destruction of all or any portion of the Common Properties, including facilities and perimeter buffer features within easement areas upon Lots, shall be handled in the following manner, notwithstanding any provision in this Declaration to the contrary:

(a) In the event of damage or destruction to the Common Properties, and the insurance proceeds are sufficient to effect total restoration, then the Association shall cause such Common Properties to

be repaired and reconstructed substantially as they previously existed.

(b) If the cost of restoration of the Common Properties exceeds the insurance proceeds available for that purpose by Twenty Thousand (\$20,000.00) Dollars or less then the Association shall cause such Common Properties to be repaired and reconstructed substantially as they previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a Reconstruction Assessment proportionately against each of the Owners, in accordance with the provisions of Article VII, Section 4, of this Declaration.

(c) If the cost of restoration of the Common Properties exceeds the insurance proceeds available for that purpose by over Twenty Thousand (\$20,000.00) Dollars or more, then by written consent or vote of a majority of the Owners, they shall determine whether: (i) to rebuild and restore in substantially the same manner as the Improvements existed prior to damage and to raise the necessary funds over the insurance proceeds by levying equal Reconstruction Assessments against all Dwelling Units; (ii) to rebuild and restore in a way which is less expensive than replacing these Improvements in substantially the same manner as they existed prior to being damaged; or (iii) subject to approvals, if any, required under the Declaration or applicable laws, to not rebuild and to retain available insurance proceeds. Notwithstanding anything contained herein to the contrary, no decision not to rebuild or to rebuild in a manner which would result in a change in the Improvements shall be effective without the prior written approval of Declarant as long as Declarant owns all or any portion of the lands comprising the HAMMOCK LAKES COMPLEX.

(d) Each Owner shall be liable to the Association for any damage to the Common Properties not fully covered or collected by insurance which may be sustained by reason of the negligence or willful misconduct of said Owner or of his family, invitees, lessees and guests, both minors and adults to the maximum extent permissible under state law. Notwithstanding the foregoing, the Association reserves the right to charge a Special Assessment equal to the increase, if any, of the insurance premium directly attributable to the damage caused by such Owner. In the case of joint ownership of a Dwelling Unit, the liability of such Owners shall be joint and several, except to the extent that the Association has previously contracted in writing with such joint Owners to the contrary. The cost of correcting such damage shall be a Special Assessment against the Lot and Dwelling Unit thereon and may be collected as provided herein for the collection of Assessments. For the purposes of this Article, entrance features for the HAMMOCK LAKES COMPLEX, whether or not located on property owned by or dedicated to the Association, shall be regarded as Common Properties.

ARTICLE XII
INSURANCE

Section 1. COMMON PROPERTIES The Association shall keep all Improvements and fixtures located upon the Common Properties insured against loss or damage by fire for amounts reasonably estimated to be the full insurable replacement cost thereof, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. This obligation shall be to the extent that such insurance is obtainable by the Association at a reasonable cost. The Association may also insure any other property owned by the Association, whether real or personal, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. The insurance coverage with respect to the Common Properties shall be written in the name of the Association and the proceeds thereof shall be payable to it. Subject to the provisions of Article XI, insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are Common Expenses to be included in the Common Assessments made by the Association.

Section 2. REPLACEMENT OR REPAIR OF PROPERTY. In the event of damage to or destruction of any part of the Common Properties, the Association shall repair or replace the same from the insurance proceeds available, subject to the provisions of Article XI of this Declaration. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a Reconstruction Assessment against all Dwelling Units to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other Common Assessments made against such Dwelling Unit Owners, subject to the provisions of Article XI of this Declaration.

Section 3. WAIVER OF SUBROGATION. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Owners, Declarant, Declarant's Permittees, and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of, or breach of, any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

Section 4. LIABILITY AND OTHER INSURANCE. The Association shall obtain comprehensive public liability insurance, including medical payments and malicious mischief, in such limits as it shall deem

desirable, insuring against liability for bodily injury, death and property damage arising from the activities of the Association or with respect to property under its jurisdiction, including, if obtainable, a cross-liability endorsement insuring each Owner against liability to each other Owner. The Association may also obtain worker's compensation insurance and other liability insurance as it may deem desirable, insuring each Owner and the Association, and Board of Directors from liability in connection with the fulfillment of its constituents functions, the premiums for which shall be Common Expenses included in the Common Assessments made against the Dwelling Unit Owners. All insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion. The Board may also obtain such errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board, and the Management Company, if any, against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board or on any committee thereof.

ARTICLE XIII
MORTGAGEE PROTECTION CLAUSE

Section 1. ADDITIONAL RIGHTS. In addition to all other rights herein set forth and with respect to Improvements upon the Properties, institutional first mortgagees shall have the following rights (and to the extent these added provisions conflict with any other provisions of the Declaration, these added provisions shall control):

(a) Each First Mortgagee of a Mortgage encumbering any Lot upon which a Dwelling Unit is situated, at its written request, is entitled to written notification from the Association of any default by the Mortgagor of such Lot and Dwelling Unit in the performance of such Mortgagor's obligations under this Declaration, the Articles of Incorporation of the Association or the Bylaws of the Association, which default is not cured within thirty (30) days after the Association learns of such default.

(b) Each First Mortgagee of a Mortgage encumbering any Dwelling Unit which obtains title to such Dwelling Unit pursuant to the remedies provided in such Mortgage or by foreclosure of such Mortgage, shall take title to the Dwelling Unit free and clear of any claims of unpaid assessments or charges against such Dwelling Unit which accrued prior to the acquisition of title to such Dwelling Unit by the Mortgagee.

(c) Unless at least seventy-five percent (75%) of the First Mortgagees (based upon one vote for each Mortgage owned), and seventy-five percent (75%) of the Owners have given their prior written approval, neither the Association nor the Owners shall:

(1) by act or omission seek to sell or transfer the Common Properties and the Improvements thereon which are owned by the Association; provided, however, that the granting of easements for utilities or for such other purposes consistent with the intended use of such property by the Association or the Declarant, or the dedication of the private road system to a governmental or quasi-governmental authority, or the transfer of the Common Properties to an unincorporated association of the Owners in accordance with the terms hereof shall not be deemed a transfer within the meaning of this clause;

(2) change the method of determining the obligations, Assessments, dues or other charges which may be levied against a Dwelling Unit;

(3) change, waive or abandon any scheme of regulations, or enforcement thereof, by act or omission, pertaining to the architectural design or the exterior appearance of any portion of the Properties;

(4) fail to maintain fire and extended coverage on insurable portions of the Common Properties on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurance value (based on current replacement cost) less such reasonable deductions as the Board may deem appropriate, unless the Association is unable to obtain such insurance at a reasonable cost;

(5) use hazard insurance proceeds for losses to any Common Properties for other than the repair, replacement or reconstruction of such Improvements (or for reserves for the repair, replacement or reconstruction of the Properties); or

(6) amend this Declaration or the Articles or Bylaws of the Association in such a manner that the rights of any First Mortgagee will be materially affected.

(d) First Mortgagees, upon written request to the Association, shall have the right to: (i) examine the books and records of the Association during normal business hours, including current copies of the Declaration and its exhibits, and current rules and regulations; (ii) receive an unaudited financial statement of the Association within ninety (90) days after each of its fiscal years closes; (iii) receive an endorsement to each insurance policy covering the Properties that requires the Institutional Mortgagee to be given any notice of cancellation provided for in the policy; (iv) receive from the Association written notice of any meeting of the Association's membership and to attend any such meeting; and (v) receive timely written notice of casualty damage to or condemnation of any part of any Lot on which a

Dwelling Unit is situate and upon which it has a mortgage.

(e) All First Mortgagees who have registered their names with the Association shall be given: (i) written notice of any proposed material amendment to this Declaration or the Articles or By Laws of the Association at least thirty (30) days prior to the effective date of any proposed, material amendment; (ii) written notice prior to the effective date of any termination of any agreement for professional management of the Common Properties following a decision of the Owners to assume self-management of the Common Properties; and (iii) prompt notice following any damage to the Common Properties whenever the cost of reconstruction exceeds Twenty Thousand (\$20,000.00) Dollars; and (iv) prompt notice as soon as the Board learns of any threatened condemnation proceedings or proposed acquisition of any portion of the Common Properties.

(f) First Mortgagees may, jointly or individually, pay taxes or other charges which are in default and which may or have become a charge against any Common Properties or facilities and may pay any overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such property, and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association and the appropriate Owners thereof.

ARTICLE XIV.

ENCROACHMENTS; EASEMENTS

Section 1. ENCROACHMENTS. If: (a) any portion of the Common Properties encroaches upon any other portion of the Properties; (b) any other portion of the Properties or of the HAMMOCK LAKES COMPLEX (including, but not limited to the roofs of any Dwelling Units) encroaches upon the Common Properties or Lots; (c) any portion of the properties dedicated under the Plat to the Association encroaches upon any other portion of the Properties; or (d) any encroachment shall hereafter occur as the result of (i) construction of any Dwelling Unit or other Improvements; or (ii) settling or shifting of a Dwelling Unit or other Improvements; or (iii) any alteration or repair to the Properties or the HAMMOCK LAKES COMPLEX; or (iv) any repair or restoration of any Dwelling Unit or other Improvements or any of the Properties after damage by fire or other casualty or any taking of condemnation or eminent domain proceedings of all or any portion of any Dwelling Unit, Improvements or Properties, then in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the structure causing the encroachment shall stand.

Section 2. PIPES, WIRES, DUCTS, VENTS, CABLES, CONDUITS, PUBLIC UTILITY LINES, ETC. Each portion of the Properties and all portions of the HAMMOCK LAKES COMPLEX not then declared as the Properties (or withdrawn from lands previously declared), shall have an easement in common with all other parts of the Properties and such other portions of the HAMMOCK LAKES COMPLEX to hook up to, share, use, maintain, repair, alter, relocate and replace all pipes, wires, ducts, vents, cables, conduits, public utility lines, and similar or related facilities located in or on the Properties and/or such other portions of the HAMMOCK LAKES COMPLEX and serving either or both. Each portion of the Properties shall be subject to an easement in favor of all other portions for the HAMMOCK LAKES COMPLEX to hook up to, share, use, maintain, repair, alter, relocate and replace the pipes, wires, ducts, vents, cables, conduits, public utility lines and other similar or related facilities located in such portion of the Properties and serving other portions thereof. Without limiting the generality of the foregoing, the Declarant or other parties providing utilities or service may, by virtue of this easement, install, maintain, relocate, join into, share and replace facilities on the Properties, may excavate for those purposes and may affix, maintain and replace wires, pipes, circuits, lines, conduits, and cable television equipment on, in, under and/or beside the exterior walls of Dwelling Units and/or the easement areas of adjacent Lots serving Dwelling Units. The Declarant is expressly authorized to execute and record whatever instruments it deems necessary or desirable to effect or evidence the easement created by this Section, and shall be considered an agent of each Dwelling Unit Owner for the purposes of executing and recording any such instrument with respect to any portion of the Properties owned by that Owner. To be effective, any such instrument need only be executed by Declarant.

Section 3. EASEMENTS OF SUPPORT. Whenever any structure or improvement included in the Common Properties adjoins any structure or improvement included in any other part of the Properties, each such structure or improvement shall have and be subject to an easement of support and necessity in favor of the other structure or improvement.

Section 4. DECLARANT'S RESERVATION. The Declarant and Declarant's Permittees shall have blanket easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the property comprising the HAMMOCK LAKES COMPLEX, for the purpose of completing construction, leasing and sale of Dwelling Units and facilities upon the HAMMOCK LAKES COMPLEX and, towards this end, Declarant reserves the right to grant and does hereby reserve easements and rights-of-way in, through, under, over and across the Common Properties, Properties, and other property comprising the HAMMOCK LAKES COMPLEX, for the installation, maintenance and inspection of lines and appurtenances for public or

private water, sewer, drainage, cable television, and other utilities and for any other materials or services necessary for the completion of the work. The Declarant, Declarant's Permittees, its successors, employees, assigns and purchasers, also reserve the right to share, connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may, from time to time, be in or along the streets and roads or other areas of the Common Properties, Properties, including the Lots, and other property comprising the HAMMOCK LAKES COMPLEX.

The Declarant and Declarant's Permittees shall have an easement in, on, over and across the Properties, in connection with the development of the HAMMOCK LAKES COMPLEX for: (i) construction, installation, maintenance, ingress to and egress from, the right to designate and use parking areas and share and tap into all storm and surface water collection and drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cable television and other utility lines servicing or located on the Properties or the HAMMOCK LAKES COMPLEX, provided such easement and use does not prevent or unreasonably interfere with the use of the Properties as intended; and (ii) pedestrian and vehicular ingress to and egress from all portions of the Properties across private paved roads, if any, and the use of said land areas (in common with Owners) for any lawful purpose; and (iii) to erect, maintain, repair and replace, from time to time, one or more signs on the Common Properties for the purposes of advertising the sale of Dwelling Units upon all or any portion of the HAMMOCK LAKES COMPLEX and for the purpose of advertising the sale of Dwelling Units or commercial improvements which may be constructed by Declarant or affiliates of Declarant on land in the vicinity of the HAMMOCK LAKES COMPLEX. Declarant, Declarant's Permittees, its successors, assigns, invitees, licensees, contractors and employees reserve the right to establish, grant and create easements for any additional underground electric, transformer, amplifier, gas, telephone, cable television, water, storm drainage, sewer or other utility lines and appurtenances in, under, over and/or through the Properties or the HAMMOCK LAKES COMPLEX, to relocate any existing utility, sewer and drainage easements in any portion of the Properties to hookup to, join in with or share with any and all existing utility pipes, wires, and lines (for the benefit of improvements upon nearby lands not within the HAMMOCK LAKES COMPLEX) and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Declarant shall deem it necessary or desirable for the proper operation and maintenance of the Properties or any portion thereof or for the general health or welfare of any Owner, provided that such additional utilities or the relocation of existing utilities or the sharing of such utilities will not prevent or unreasonably interfere with the use the Dwelling Units for dwelling purposes. Any utility company or public benefit corporation furnishing services to the Properties, and

the employees and agents of any such company or corporation, shall have the right of access to the Common Properties in furtherance of such easements, provided such right of access is exercised in such a manner as not to unreasonably interfere with the use of any Dwelling Unit.

Section 5. LAKE ACCESS EASEMENTS. In recognition that the Association and/or other private or public bodies shall, from time to time, require rights of pedestrian or vehicular ingress and egress to and from lakes abutting or adjacent to Lots, fencing of Lot boundaries adjacent to any lake is prohibited. Additionally, all public utility easement areas bordering Lots pursuant to the Plat for the HAMMOCK LAKES COMPLEX, as well as other reserved easement areas, including the drainage easements and access easements for lake clean out purposes as reflected on the Plat, shall be available to the Association or other bodies which must maintain, repair, treat and care for such lakes for the purposes of pedestrian and vehicular ingress and egress. Without limiting the generality of the foregoing, the following Lots shall be subject to the aforescribed access and maintenance easements, to-wit:

Lots 148 through 206, Less lots 186 and 203.

Nothing shall be erected or permitted to remain in such easement areas which unreasonably interferes with the access easements described above, and should access to such easement areas cause any damage to landscaping, irrigation lines, or other items placed in such area, the repair, replacement and/or restoration shall be the obligation of the Owner of the Lot in which the easement is located.

ARTICLE XV.
WORKING CAPITAL

Section 1. WORKING CAPITAL. At the time the Declarant sells and closes each Lot to each purchaser thereof, such purchaser shall pay to the Association a sum equal to two (2) times such purchaser's monthly Association maintenance expense which funds shall constitute the working capital of the Association, and be available for the purposes of initial maintenance (i.e. maintenance prior to the date the control of the Association is assumed by the Class A membership, as provided for in Article V, Section 1 hereof), reserves, emergency needs, initial items, nonrecurring items, capital expenses, permits, licenses and all utility deposits and advance insurance premiums for insurance policies and coverages pursuant to this Declaration and the Exhibits attached hereto. All of the foregoing expenses or items may be paid from the working capital of the Association. If the Declarant has paid any of the foregoing expenses or items, then any such expense or item shall be paid to or reimbursed to the Declarant from the working capital. The working capital of the Association may be co-mingled by the Association with any

of its other accounts or funds.

ARTICLE XVI
SURFACE WATER OR STORMWATER MANAGEMENT SYSTEM

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

If the Declarant shall construct drainage swales on any Lot for the purpose of managing and containing the flow of excess surface water, if any, found upon such Lot from time to time, each Lot Owner, (including all contractors) shall be responsible for the maintenance, operation, and repair of the swales on his Lot. Maintenance, operation, and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the St. Johns River Water Management District. Filling, excavating, constructing of fences or otherwise obstructing the surface water flow in any swales is prohibited. No alteration of any drainage swales shall be authorized and any damage to any drainage swale, whether caused by natural or human induced phenomena, shall be repaired and the drainage swale returned to its former condition as soon as possible by the Owner(s) of the Lot(s) upon which any drainage swale is located.

ARTICLE XVII
GENERAL PROVISIONS

Section 1. COVENANT RUNNING WITH THE LAND. All provisions of this Declaration shall, to the extent applicable and unless otherwise expressly herein provided to the contrary, be construed to be covenants running with the Lots, the Dwelling Units, the Properties, and with every part thereof and interest therein, and where expressly noted as being applicable thereto, with the lands of the HAMMOCK LAKES COMPLEX and all of the provisions hereof shall be binding upon and inure to the benefit of the Declarant and subsequent owner(s) of the Lots and Dwelling Units and Properties and where applicable, subsequent owners of all or portions of the balance of the HAMMOCK LAKES COMPLEX not declared as or withdrawn from the Properties, or any part thereof, or interest therein, and their respective heirs, personal representatives, successors and assigns, but

the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public, unless specifically provided herein to the contrary. Notwithstanding the foregoing or any provisions in the Declaration to the contrary, it is intended that with respect to any and all easements granted pursuant to the provisions of this Declaration, in the event the same shall fail for want of a grantee in being or for any other lawful reason, the same shall be and constitute, covenants running and binding the real property in the manner previously described pursuant to this Section. All present and future owners and tenants and occupants of the Dwelling Units shall be subject to and shall comply with the provisions of this Declaration and such Articles, Bylaws and applicable rules and regulations as they may from time to time be amended. The acceptance of a deed or conveyance of a Lot or Dwelling Unit, or the entering into a lease of or occupancy of any Dwelling Unit, shall constitute an adoption and ratification by such Owner, tenant or occupant of the provisions of this Declaration, and the Articles, Bylaws and applicable rules and regulations of the Association, as they may be amended from time to time, including, but not limited to, a ratification of any attorney-in-fact provisos contained therein.

Section 2. DURATION. The covenants and restrictions set forth in the Declaration, as supplemented, shall run with and bind the COMPLEX and/or the Properties, as indicated, for a term of thirty (30) years from the date the Initial Declaration has been recorded, after which time they shall automatically extend for successive periods of ten (10) years. In connection with this provision the Board of Directors of the Association shall be authorized to record a certificate extending the effectiveness of this Declaration.

Section 3. ENFORCEMENT. This Declaration, the Articles of Incorporation and the Bylaws may be enforced by the Association as follows:

(a) Breach of any of the covenants or restrictions contained in the Declaration, Articles or the Bylaws and the continuation of any such breach may be enjoined, abated or remedied by appropriate legal proceedings by any Owner, the Declarant, by the Association or the successors in interest of the Association. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum for attorneys' fees in an amount as the court may deem reasonable, in favor of the prevailing party, as well as the amount of any delinquent payment, late charges, interest thereon, costs of collection and court costs. Attorney fee awards shall include fees prior to filing suit, after suit is filed, at trial and/or on appeal.

(b) In addition to the rights under subparagraph (a) above, and in recognition that enforcement by injunction is not always practical

and in order to avoid the cost of litigation by all parties, and to allow for the enforcement of violations that although continuous are periodically remedied or cured, the Board of Directors of the Association shall have the right to establish and levy fines for the violation of the provisions of this Declaration, the Articles, By-Laws, or Rules and Regulations promulgated by the Association, (whether such violations are of the Use Restrictions in Article X, the Architectural Control provisions in Article IX, or otherwise), and all such fines shall have the force and effect of a Special Assessment against a Lot, and may be enforced by means of the lien provisions granted to the Association in Article VII, and other provisions of the Declaration.

(c) The result of every act or omission whereby any of the covenants or restrictions contained in this Declaration, the Articles or the Bylaws are violated, in whole or in part, is hereby declared to be a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result and may be exercised by any Owner, Declarant and/or by the Association or their successors in interest.

(d) The remedies herein provided for breach of the covenants or restrictions contained in this Declaration, Articles or in the Bylaws shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

(e) The failure of the Association to enforce any of the covenants contained in this Declaration, the Articles, or in the Bylaws shall not constitute a waiver of the Association's right to enforce the same thereafter.

(f) A breach of the covenants, conditions or restrictions contained in this Declaration, in the Articles or in the Bylaws shall not affect or impair the lien or charge of any Mortgage made in good faith and for value on any Lot containing a Dwelling Unit, provided, however, that any subsequent Owner of such Dwelling Unit shall be bound by said covenants, whether such Owner's title was acquired by foreclosure sale or otherwise.

Section 4. SEVERABILITY. Invalidation of any one of the provisions, covenants or restrictions by judgment or court order shall in no way affect any other covenants, restrictions or provisions which shall remain in full force and effect.

Section 5. INTERPRETATION. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community and for the maintenance of community recreational facilities and Common Properties.

The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine and neuter shall each include the masculine, feminine and neuter.

Section 6. AMENDMENTS. This Declaration may be amended by the Association as follows: (a) by the affirmative vote or written consent of the Owners holding not less than sixty-six and two-thirds (66-2/3%) percent of the voting power of the Class A Membership and the affirmative vote of the Class B Membership (so long as the Class B Membership exists); or (b) by the affirmative vote of the Class "B" Membership; provided, however, that no amendment shall be permitted which has a material adverse effect upon substantial rights of the Declarant or a First Mortgagee without the prior written consent of the Declarant or First Mortgagee, as appropriate. Without in any way limiting the generality of clause (b) above, as long as it is the Class B member or owns one or more Lots, the Declarant shall have an absolute right to make any amendments to this Declaration (without any other party's consent or joinder) requested or required by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Veterans Administration, Federal Housing Administration, or other governmental or quasi-governmental body which owns or expects to own one or more institutional mortgages or to insure the payment of one or more institutional mortgages or requested or required by any institutional mortgagee or prospective institutional mortgagee to enhance the salability of institutional mortgages owned by it to one or more of the foregoing. Nothing contained herein shall affect the right of the Declarant to make such amendments or Supplemental Declarations as may otherwise be permitted herein. Notwithstanding anything in this Section 6 to the contrary and for so long as Class B Membership shall exist, and in the event that a Dwelling Unit is encumbered by an Institutional Mortgage which has been insured or guaranteed by the Federal Housing Administration or the Veterans Administration, the following actions may, under the rules and regulations of the Federal Housing Administration or Veterans Administration require the prior approval of either agency: (i) the annexation of additional lands to the HAMMOCK LAKES COMPLEX other than those lands described in Exhibit G hereof; and/or (ii) the dedication of Common Properties not depicted on the Plat or described herein. This Section may not be amended.

Section 7. NO PUBLIC RIGHT OR DEDICATION. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Common Properties to the public, or for any public use.

Section 8. CONSTRUCTIVE NOTICE AND ACCEPTANCE. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot or other portion of the Properties or the HAMMOCK LAKES COMPLEX does and shall be conclusively deemed to have consented to and agreed to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in such property.

Section 9. NOTICES. Any notice permitted or required to be delivered by Declarant or the Board of Directors as provided herein shall be in writing and may be delivered either personally, by overnight delivery service (such as Federal Express), by fax, by certified mail, or by regular mail. If delivery is made by mail, it shall be deemed to have been delivered three (3) days after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the residence owned by such person at the HAMMOCK LAKES COMPLEX, if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association. Notices by Owners to the Declarant or Board of Directors shall be by certified mail, return receipt requested, and shall only be deemed to have been given upon receipt thereof by the Declarant or Board, as the case may be.

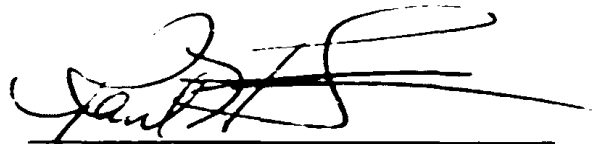
Section 10. NO REPRESENTATIONS OR WARRANTIES. No representations or warranties of any kind, express or implied, have been given or made by Declarant, Declarant's Permittees or its agents or employees in connection with any portion of the Common Properties, its physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, except as specifically and expressly set forth in this Declaration.

DECLARANT has executed this Declaration on the date first written above.

Signed, sealed and delivered
in the presence of:

Geraldine Marcus
Geraldine MARCUS, Witness

Elissa F. Budow
Elissa F. Budow, Witness


PAUL H. FREEMAN, Individually and
as Trustee

OR 1169PG0328

STATE OF FLORIDA
COUNTY OF DADE

THE FOREGOING Declaration of Covenants, Restrictions and Easements was acknowledged before me this 28 day of August, 1997, by PAUL H. FREEMAN, individually and as Trustee, who is personally known to me or who have produced sufficient evidence of identification (described below) and who did take an oath.

Description of identification produced: personally known

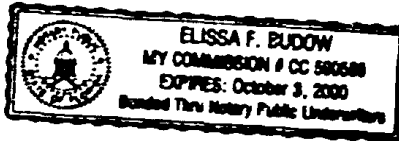
Elissa F. Budow
NOTARY PUBLIC - SIGNATURE ABOVE

NOTARY NAME: Elissa F. Budow
(Affix Seal)

COMMISSION NO.: _____

COMMISSION EXP. DATE: _____

Notary Name/Commission No./Exp. Date - type or printed



OR 1169PG0329

EXHIBIT "A"
TO
DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS

LEGAL DESCRIPTION FOR
THE HAMMOCK LAKES COMPLEX

(Hammock Lakes, Phases I)

ALL OF THE LANDS CONTAINED IN THE PLAT OF THE HAMMOCK LAKES PHASE I, (INCLUDING TRACTS A - D , INCLUSIVE), ALL ACCORDING TO THE PLAT THEREOF AS FILED FOR RECORD ON SEPTEMBER 4TH, 1997, IN PLAT BOOK 15, AT PAGES 10 THROUGH 100, AS RECORDED AMONGST THE PUBLIC RECORDS OF INDIAN RIVER COUNTY, FLORIDA.

(Hammock Lakes, Phases II)

DESCRIPTION
HAMMOCK LAKES PHASE 2

TRACT 3, SECTION 21, TOWNSHIP 33 SOUTH, RANGE 39 EAST, ACCORDING TO THE GENERAL PLAT OF INDIAN RIVER FARM COMPANY SUBDIVISION, AS RECORDED IN PLAT BOOK 2, PAGE 25, PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA NOW LYING IN INDIAN RIVER COUNTY FLORIDA, LESS THE NORTH 50 FEET, THE SOUTH 125 FEET AND THE EAST 25 FEET THEREOF, AND ALSO LESS THE FOLLOWING DESCRIBED PARCEL OF LAND:

A PORTION OF TRACT 3, SECTION 21, TOWNSHIP 33 SOUTH, RANGE 39 EAST, ACCORDING TO THE GENERAL PLAT OF INDIAN RIVER FARM COMPANY SUBDIVISION, AS RECORDED IN PLAT BOOK 2, PAGE 25, PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA NOW LYING IN INDIAN RIVER COUNTY, FLORIDA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT A POINT WHICH IS 30 FEET SOUTH OF THE NORTHWEST CORNER OF SAID TRACT 3; THENCE SOUTH 89°37'30" EAST, A DISTANCE OF 75.67 FEET; THENCE SOUTH 00°21'57" WEST, 94.99 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE HAVING A RADIUS OF 30.00 FEET. SAID POINT BEARS NORTH 89°38'03" WEST FROM THE CENTER OF SAID CURVE; THENCE SOUTHEASTERLY THROUGH A CENTRAL ANGLE OF 90°00'00" FOR AN ARC DISTANCE OF 47.12 FEET TO THE POINT OF TANGENCY; THENCE SOUTH 89°38'03" EAST, 20.07 FEET; THENCE SOUTH 00°21'57" WEST, 50.00 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CIRCULAR CURVE HAVING A RADIUS OF 75.00 FEET. SAID POINT BEARS NORTH 00°21'57" EAST FROM THE CENTER OF SAID CURVE; THENCE SOUTHWESTERLY THROUGH A CENTRAL ANGLE OF 90°03'06" FOR AN ARC DISTANCE OF 117.38 FEET TO THE POINT OF TANGENCY; THENCE SOUTH 00°18'51" WEST, 691.24 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE HAVING A RADIUS OF 59.50 FEET. SAID POINT BEARS NORTH 89°41'09" WEST FROM THE CENTER OF SAID CURVE; THENCE SOUTHEASTERLY THROUGH A CENTRAL ANGLE OF 90°00'00" FOR AN ARC DISTANCE OF 93.46 FEET TO A POINT; THENCE SOUTH 00°18'51" WEST, 50.00 FEET; THENCE NORTH 89°41'09" WEST, 13.19 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE HAVING A RADIUS OF 30.00 FEET. SAID POINT BEARS NORTH 00°18'51" EAST FROM THE CENTER OF SAID CURVE; THENCE SOUTHWESTERLY THROUGH A CENTRAL ANGLE OF 52°19'48" FOR AN ARC DISTANCE OF 27.40 FEET TO THE POINT OF REVERSE CURVATURE OF A CIRCULAR CURVE HAVING A RADIUS OF 60.00 FEET. THENCE SOUTHWESTERLY THROUGH A CENTRAL ANGLE OF 45°58'51" FOR AN ARC DISTANCE OF 48.15 FEET TO A POINT. THENCE SOUTH 00°18'51" WEST, 90.26 FEET; THENCE NORTH 89°40'22" WEST, 25.98 FEET; THENCE NORTH 00°00'51" EAST ALONG THE WEST LINE OF SAID TRACT 3, 1175.76 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 33.60 ACRES, MORE OR LESS AND LIES WHOLLY IN INDIAN RIVER COUNTY, FLORIDA.

OR 169PG0330

EXHIBIT "B"
TO
DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS

LEGAL DESCRIPTION
FOR THE PROPERTIES

ALL OF THE LANDS CONTAINED IN THE PLAT OF HAMMOCK LAKES
PHASE I, (INCLUDING TRACTS A - D, INCLUSIVE), ALL
ACCORDING TO THE PLAT THEREOF AS FILED FOR RECORD ON
SEPTEMBER 4TH 1997, IN PLAT BOOK 15, AT PAGES 10 THROUGH
10C; AS RECORDED AMONGST THE PUBLIC RECORDS OF INDIAN
RIVER COUNTY, FLORIDA.

OR 169Pg0331

EXHIBIT "C"
TO
DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS

LEGAL DESCRIPTION OF THE
LOTS UPON THE PROPERTIES

LOTS 1 THROUGH 41, INCLUSIVE; LOTS 148 THROUGH 206,
INCLUSIVE; ALL IN HAMMOCK LAKES PHASE I, A SUBDIVISION
ACCORDING TO THE PLAT THEREOF, AS RECORDED ON SEPTEMBER
4TH, 1997, IN PLAT BOOK 15, AT PAGES 10 THROUGH
100, OF THE PUBLIC RECORDS OF INDIAN RIVER COUNTY,
FLORIDA.

OR 169PG0332

EXHIBIT "D"



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

March 3, 1997

HAMMOCK LAKES HOMEOWNERS' ASSOCIATION, INC.
3900 HOLLYWOOD BOULEVARD PH NORTH
HOLLYWOOD, FL 33021

The Articles of Incorporation for HAMMOCK LAKES HOMEOWNERS' ASSOCIATION, INC. were filed on February 28, 1997, and assigned document number N97000001164. Please refer to this number whenever corresponding with this office.

Enclosed is the certification requested. To be official, the certification for a certified copy must be attached to the original document that was electronically submitted and filed under FAX audit number H97000003548.

A corporation annual report will be due this office between January 1 and May 1 of the year following the calendar year of the file date year. A Federal Employer Identification (FEI) number will be required before this report can be filed. Please apply NOW with the Internal Revenue Service by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have questions regarding corporations, please contact this office at the address given below.

Dana Calloway
Document Specialist
New Filings Section
Division of Corporations

Letter Number: 997A00010760

OR 169PG0333

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of HAMMOCK LAKES HOMEOWNERS' ASSOCIATION, INC., a Florida corporation, filed on February 28, 1997, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H97000003548. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below.

The document number of this corporation is N97000001164.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Third day of March, 1997

Authentication Code: 997A00010760-030397-N97000001164-1/1



CR2EO22 (1-95)

Sandra B. Northam
Secretary of State

OR 1169PG0334

**ARTICLES OF INCORPORATION
OF
HAMMOCK LAKES HOMEOWNERS' ASSOCIATION, INC.**

The undersigned subscribers, desiring to form a corporation not-for-profit under Chapter 617, Florida Statutes, hereby adopt the following Articles of Incorporation.

ARTICLE I

The name of the corporation shall be **HAMMOCK LAKES HOMEOWNERS' ASSOCIATION, INC.** (hereinafter referred to as the "Association")

ARTICLE II

Terms used herein shall have the meanings ascribed to them in the Declaration referred to below, unless the context indicates otherwise.

ARTICLE III

The initial principal office and the mailing address of this corporation shall be at 3900 Hollywood Blvd. PH North, Hollywood, Florida, 33021, and its initial agent at such address shall be **CLAUSSON LEXOW**, with the privilege of having its office and branch offices at other places within or without the State of Florida.

The street address of the corporation's initial requested office and the name of its initial registered agent at that address are as follows:

The Registered Agent of the Association for purposes of accepting service of process shall be **PAUL H. FREEMAN, P.A.**, having offices at 9100 South Dadeland Boulevard, Suite 1406, Miami, Florida, 33156.

Prepared By:
Paul H. Freeman
9100 South Dadeland Boulevard
Miami, FL 33156
(305) 670-5999
FL Bar No. 161840

OR 1169PG0335

ARTICLE IV

The purposes for which the Association is formed are:

1. To promote the common good, health, safety and general welfare of all of the Owners of Lots in HAMMOCK LAKES, a residential subdivision located in Indian River County, Florida;
2. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association arising from the Declaration of Covenants, Restrictions and Easements for HAMMOCK LAKES (the "Declaration") as amended and supplemented from time to time and to be recorded in the Public Records of Indian River County, Florida (the definitions of which are incorporated herein by reference);
3. To have and to exercise any and all powers, rights and privileges, including delegation of powers as permitted by law, which a corporation organized under Chapter 617, Florida Statutes, may now or hereafter have or exercise.

The foregoing statement of purposes shall be construed as a statement both of purposes and of powers, and such purposes and powers in each clause shall not be limited or restricted by reference or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers. Notwithstanding any of the above statements of purposes and powers, the Association shall not, to a substantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

ARTICLE V

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to assessment by the Association under the Declaration, including contract sellers, but excluding persons or entities holding title merely as security for performance of an obligation and excluding contract purchasers, shall be a member of the Association. Membership shall be

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appurtenant to and may not be separated from ownership of a Lot which is subject to assessment by the Association. The membership shall also be divided into the classes set forth below.

The Association shall have two (2) classes of voting Members as follows:

Class A: Class A Members shall originally be all Owners with the exception of the Declarant for so long as there exists a Class B Membership. Class A Members shall be entitled to one (1) vote for each Lot which is subject to assessment, as further provided in the Declaration or any Supplemental Declaration. The Declarant shall become a Class A Member with regard to Lots owned by the Developer upon termination of the Developer's Class B Membership as provided below.

Class B: The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot owned by the Declarant. The Class B Membership shall cease and be converted to Class A Membership upon the first to occur of any of the following: (i) the time at which ninety (90%) percent of the Lots are owned by persons other than the Declarant, or any person owning an interest in the Declarant; or (ii) ninety (90) days after the Declarant elects to terminate the Class B Membership. Upon the happening of any of the foregoing events, Members shall assume control of the Association and elect the Board of Directors, within ninety (90) days after the occurrence of the appropriate described event.

ARTICLE VI

The Association shall have perpetual existence.

ARTICLE VII

The affairs of the Association shall be managed by a Board of Directors of not less than three (3) persons.

The names and addresses of the members of the first Board of Directors of the Association (which shall be three), who shall hold office until the first election thereafter are as follows:

<u>Name</u>	<u>Address</u>
Claussion P. Lexow	3900 Hollywood Blvd. PH North Hollywood, Florida 33021
Paul H. Freeman	9100 S. Dadeland Blvd. #1406 Miami, Florida 33021
Vicki J. Ford	3900 Hollywood Blvd. PH North Hollywood, Florida 33021

Except for the first Board of Directors and unless otherwise provided in the Bylaws, Directors shall be elected by the members of the Association at the annual meeting of the membership as provided by the Bylaws of the Association, and the Bylaws may provide for the method of voting in the election and for the removal from office of Directors. Only members of the Association, or authorized representatives, officers or employees of corporate members of the Declarant (or its general partner) may be Directors.

Members elected to the Board of Directors shall hold office until the next succeeding annual meeting of members, and thereafter until qualified successors are duly elected and have taken office.

if a director elected by the general membership shall for any reason cease to be a Director, the remaining Directors so elected may elect a successor to fill the vacancy for the balance of the unexpired term.

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ARTICLE VIII

The Association shall have a President, a Vice-President, a Secretary and a Treasurer and such other officers as the members may from time to time elect. One person may hold more than one office, subject to the limitations set forth in the Bylaws.

The officers of the Association, in accordance with the applicable provisions of the Bylaws, shall be elected by the members for a term, the duration of which shall be one year, to be extended until qualified successors are duly elected and have taken office.

The names and addresses of the first officers of the Association, who shall hold office until successors are duly elected and have taken office, shall be as follows:

President: Clausson P. Lexow	3900 Hollywood Blvd. PH North Hollywood, Florida 33021
Vice-President/Secretary: Paul H. Freeman	9100 S. Dadeland Blvd. #1406 Fort Myers, Florida 33908
Asst. Secretary/Treasurer: Vicki J. Ford	3900 Hollywood Blvd. PH North Hollywood, Florida 33021

ARTICLE IX

The Bylaws of the Association may be made, altered, or rescinded at any annual meeting of the Association, or any special meeting duly called for such purposes, upon the vote of the Members as provided in the Bylaws, except that the initial Bylaws of the Association shall be made and adopted by the first Board of Directors.

ARTICLE X

Amendments to these Articles of Incorporation may be proposed by a member of the Board of Directors of the Association or Members of the Association holding thirty (30%) percent of the voting rights in the Class A Membership. These Articles may be amended at any annual meeting of the Association, or at any special meeting duly called and held for such purpose, on the affirmative vote of seventy-five (75%) percent of the entire membership present in person or by proxy at a meeting at which a quorum is present. For so long as there shall exist Class B Membership, if any lots are subject to Federal Housing Administration or Veterans Administration Mortgages, then the following actions shall require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of properties other than properties described in the Declaration, mergers and consolidations, mortgaging of the Common Properties, dedication of the Common Properties, dissolution and amendment of the Articles of Incorporation.

ARTICLE XI

The name and address of each incorporator of this corporation is:

<u>Name</u>	<u>Address</u>
Paul H. Freeman	9100 S. Dadeland Blvd. #1406 Miami, Florida 33156

ARTICLE XII

The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a director, employee, officer or agent of the Association, against expenses (including attorney's fees and appellate attorney's fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, unless: (a) a court of competent jurisdiction

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determines after all available appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith or in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association; and with respect to any criminal action or proceeding, that he had no reasonable cause to believe his conduct was unlawful; and (b) such court further specifically determines that indemnification should be denied. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to hereinabove or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees and appellate attorney's fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under the first paragraph of this Article XII (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth hereinabove. Such determination shall be made: (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or (b) if such quorum is not obtainable, or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or by a majority of the members of the Association.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the

director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article XII.


The indemnification provided by this Article shall not be deemed exclusive of any other right to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of members or otherwise, both as to action in his official capacity while holding such office or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and personal representatives of such person.

The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Association, or is or was serving, at the request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE XIII

Upon dissolution of the Association, all of its assets shall be conveyed to another non-profit corporation, unincorporated association or public agency.

IN WITNESS WHEREOF, the said subscriber has hereto set his hand this 28th day of February, 1997.



PAUL H. FREEMAN, Vice President

OR 169PG0342

Having been named to accept service of process for the above stated corporation, at the place designated in this Certificate, I hereby accept to act in this capacity and agree to comply with the provisions of said act relative to keeping open said office.

By: 
PAUL H. FREEMAN, Resident Agent

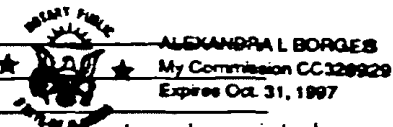
STATE OF FLORIDA
COUNTY OF BROWARD

EXECUTION of the foregoing instrument was acknowledged before me this 28th day of February, 1997, by Paul H. Freeman, who is personally known to me or who has produced sufficient evidence of identification (described below) and who did not take an oath.

Description of identification produced: _____


NOTARY PUBLIC - SIGNATURE ABOVE

NOTARY NAME: _____
COMMISSION NO.: _____
COMMISSION EXP. DATE: _____
Notary Name/Commission No./Exp. Date - typed or printed



(Affix Notary Seal)

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EXHIBIT "E"

BYLAWS
OF
HAMMOCK LAKES HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I
DEFINITIONS

For convenience, these Bylaws shall be referred to as the "Bylaws" and the Articles of Incorporation of HAMMOCK LAKES HOMEOWNERS' ASSOCIATION, INC. shall be referred to as the "Articles". The other terms used in these Bylaws shall have the same definition and meaning as those set forth in the Declaration of Covenants, Restrictions and Easements for HAMMOCK LAKES (the "Declaration of Covenants" or the "Declaration") as it may be amended or supplemented from time to time unless herein provided to the contrary, or unless the context otherwise requires. For purposes of these Bylaws, unless otherwise stated, all terms shall be as defined in the Declaration of Covenants.

ARTICLE II
LOCATION, PURPOSE AND POWERS

Section 1 The principal office of HAMMOCK LAKES HOMEOWNERS' ASSOCIATION, INC., (the "Association") shall initially be located at:

9100 South Dadeland Blvd.
Suite 1406
Miami, Florida, 33156

or subsequently, at such other address as may from time to time be designated by the Board of Directors. Notwithstanding the location of the principal office of the Association, meetings of members and the Board of Directors of the Association may be held at such places within Indian River County, Florida, as may, from time to time, be designated by the Board of Directors.

Section 2 The purpose for which the Association is organized is to be a homeowners' association within the meaning of the Declaration of Covenants, to manage the property and affairs of the Common Properties as specified in the Declaration of Covenants (and otherwise discharge its duties thereunder), to enforce the provisions of the Declaration and to otherwise oversee the implementation of the plan of development of HAMMOCK LAKES, and to exercise all powers granted to it as a not-for-profit corporation under the laws of Florida, these Bylaws, the Articles and

OR 1169PG0344

the Declaration of Covenants; and to acquire, hold, convey and otherwise deal in and with real and personal property in its capacity as a homeowners' association.

Section 3 The Association shall have all power granted to it by law, the Declaration of Covenants, and as set forth in Article IV of the Articles of Incorporation.

Section 4 The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Common Properties, the maintenance of the continuity of the development plan, and the discharge of its other responsibilities under the Declaration of Covenants and may take all actions, through the proper officers of the Association in executing such powers, except such acts which by law, the Declaration of Covenants or these Bylaws may not be delegated to the Board of Directors or the Officers by the Owners. The Board of Directors shall have the powers, rights and duties, which shall include, but shall not be limited to (except as limited elsewhere herein), the following:

(a) To operate, repair, improve, maintain and otherwise manage the Common Properties.

(b) To determine the expenses required for the operation of the Common Properties and the Association.

(c) To collect the Assessments, Special Assessments, Reconstruction Assessments, Capital Improvement Assessments, and other fees from Owners, as specified or authorized in the Declaration of Covenants.

(d) To employ or contract with, and dismiss, the companies, personnel, businesses, or other parties which the Board of Directors believes to be necessary for the maintenance and operation of the Common Properties.

(e) To adopt and amend any rules and regulations concerning: (i) the details of the operation and use of the Common Properties and the Properties, as provided herein or in the Declaration of Covenants, and subject to the rights of usage granted in the Declaration of Covenants; (ii) the clarification of and use restrictions or other procedures for the operation of the Association and enforcement of its powers; and (iii) standards not addressed in the Declaration but which are inherently includable within the covenants and restrictions contained in the Declaration.

(f) To maintain bank accounts on behalf of the Association and designate the signatories required therefor.

(g) To purchase, lease or otherwise acquire Lots or other property in the name of the Association or its designee.

(h) To purchase Lots or other property at foreclosure or other judicial sales, in the name of the Association or its designee.

(i) To sell, lease, mortgage, or otherwise deal with Lots or other property acquired by the Association.

(j) To organize corporations to act as designees of the Association in acquiring title to or leasing Lots or other property.

(k) To obtain and review insurance for the Properties as required or permitted by the Declaration of Covenants, for the Association, and for the Board of Directors.

(l) To make repairs, additions, restorations and improvements to or alterations of the portions of the Properties as required or necessary to discharge its duties in accordance with

the provisions of the Declaration of Covenants or after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(m) To enforce obligations of the Owners, allocate profits and expenses and take such other actions as shall be deemed necessary and proper for the sound management of the Common Properties and furtherance of its functions as specified in the Declaration of Covenants (including the enforcement of Use Restrictions and compliance with architectural standards established in the Declaration and any amendments thereto).

(n) To levy fines or take other actions against the Owners for violations of the Declaration of Covenants or violations of the rules and regulations established by the Association to govern the conduct of the Owners, their guests or invitees.

(o) To borrow money on behalf of the Association when required in connection with the operation, care, upkeep and/or maintenance of the Common Properties or the acquisition of property, and grant mortgages and/or security interests in Association property.

(p) To contract (if the Board in its sole discretion so desires) for: (i) the management of the Common Properties and Improvements and delegating to such contractor such powers and duties of the Board of Directors as the Board may deem appropriate under the circumstances, except those which may be required by the Declaration of Covenants and these Bylaws to be approved by the Board of Directors and members of the Association; (ii) to contract for the management or operation of portions of the Common Properties susceptible to separate management or operation; and (iii) to grant concessions for the purpose of providing services to the Owners. In exercising this power, the Association may contract with affiliates of itself and the Declarant.

(q) To allow the use of the Common Properties by Declarant or Declarant's Permittees in accordance with the terms and provisions of the Declaration of Covenants.

(r) To exercise: (i) all powers specifically set forth in the Declaration of Covenants, the Articles and these Bylaws; (ii) all powers incidental thereto, and (iii) all other powers of a Florida corporation not-for-profit.

ARTICLE III MEMBERSHIP

Section 1 Membership in the Association is as set forth in Article V of the Articles of Incorporation of the Association.

Section 2 Members are subject to the payment of Assessments or fees levied by the Association in accordance with the terms and provisions of the Declaration of Covenants and, without limiting the generality of the foregoing, Article VII thereof.

Section 3 The Association shall have two (2) classes of voting Members as provided in Article V of the Declaration of Covenants.

Section 4 Unless otherwise expressly provided in these Bylaws or the Declaration of Covenants, any action which may be taken by the Association may be taken by a majority of a quorum of the Members of the Association.

Section 5 Except as otherwise provided in these Bylaws, the Articles of Incorporation, or the Declaration of Covenants, the presence in person or by proxy of at least thirty-three and one-third (33 1/3%) percent of the Members of the Association entitled to vote shall constitute a quorum of the Membership. Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. In the event, however, that the required quorum is not present, another meeting may be called subject to the same notice requirement, although the required quorum at the subsequent meeting shall remain thirty-three and one-third (33 1/3%) percent of the total Members of the Association entitled to vote.

Section 6 Votes may be cast in person or by proxy. Proxies must be in writing and filed with the Secretary prior to or at the meeting. Every proxy shall be revocable and shall automatically cease upon completion of the meeting for which the proxy was filed or upon conveyance by the Member of the fee simple title of his/her or their Unit.

Section 7 Vote distribution shall be in accordance with Section 2 of Article V of the Declaration of Covenants. No Member shall be entitled to vote at any meeting unless that Member is current in the payment of all dues and assessments to the Association.

**ARTICLE IV
BOARD OF DIRECTORS**

Section 1 Initially, there shall be a minimum of three (3) directors of the Association who shall be elected annually at the annual meeting of the Members but, from time to time, without amendment hereof, the number of directors may be increased by a vote of the members of the Association as hereinafter provided. From and after the termination of the Class B Membership and the election of a majority of the Directors by members other than the Declarant, there shall be seven (7) Directors.

Section 2 Election of the directors shall be conducted in the following manner:

- (a) Election of directors shall be held at the annual members' meeting except as provided herein to the contrary.
- (b) Nominations for directors and additional directorships created at the meeting may be made by the proposal of a slate of directors, with additional nominations being accepted from the floor.

OR 169PG0347

(c) The election shall be by written ballot (unless dispensed with by a majority consent of the Units represented at the meeting) and by a majority of the votes cast for officers and a plurality of votes cast for the election of directors at large. Each unit voting shall be entitled to cast its votes for each of as many directors as there are vacancies to be filled. There shall be no cumulative voting.

(d) After the termination of the Class B Membership, and unless otherwise modified by the Board of Directors or the Members of the Association, the Board shall consist of seven (7) directors. Four (4) of the seven (7) directors shall be officers of the Association and there shall be three (3) directors at large. The election of the director that will serve as President shall be first, followed by the election of the director to serve as Vice President, then the director to serve as Secretary, and then the director to serve as Treasurer. After the director officers are elected, nominations and election of three (3) directors at large shall be held.

(e) Except as to vacancies resulting from removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors provided that all vacancies in directorships to which Directors were appointed by the Declarant pursuant to the provisions of subsection (f) hereof shall be filled by the Declarant without the necessity of any meeting.

(f) Subject to the rights of Declarant set forth in Section 13 hereof, any director may be recalled and removed from office with or without cause by the vote or agreement, in writing, of a majority of all Owners. A special meeting of the Owners to recall a director or directors may, subject to the rights of Declarant set forth in Section 2(g) and 13 hereof, be called by twenty-five (25%) percent of the Owners giving notice of the meeting as required for a meeting of Owners and the notice shall state the purpose of the meeting. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting unless such director was appointed by the Declarant, in which case the Declarant shall appoint another director without the necessity of any meeting.

(g) Provided, however, that until a majority of the Directors are elected by the members other than the Declarant, neither the first Directors of the Association nor any Directors replacing them, nor any Directors named by the Declarant, shall be subject to removal by members other than the Declarant. The first Directors and Directors replacing them may be removed and replaced by the Declarant without the necessity of any meeting.

(h) Notwithstanding anything contained herein to the contrary, in the event a member comprises more than one (1) person, (i.e., a unit is owned by more than one individual), then only one (1) of the person(s) comprising the member may be allowed to be elected to and serve on the Board of Directors, at any one time.

Section 3 The first meeting of the duly elected Board of Directors, for the purpose of organization shall be held promptly after the recordation of the Declaration of Covenants, provided the majority of the members of the Board elected are present. Any action taken at such meeting shall be by a majority of the Board members present. If the majority of the members of the Board elected shall fail to elect officers, the meeting of the Board to elect officers shall then be held within thirty (30) days thereafter upon three (3) days' notice in writing to each member of the Board elected stating the time, place and object of such meeting. Following the election, the members of the Board shall assume their permanent positions.

Section 4 Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, and shall be transmitted at least three (3) days prior to the meeting. Regular meetings of the Board of Directors shall be open to all Owners and notice of such meetings shall be posted conspicuously on the Common Properties at least forty-eight (48) hours in advance for the attention of the members of the Association, except in the event of an emergency, provided, however, that the Owners shall not be permitted to participate and need not be recognized at any such meeting.

Section 5 Special meetings of the Board of Directors may be called at any time by the President or by any two (2) members of the Board and may be held any place or places within Indian River County, Florida; and at any time. Notice of Special Meetings shall be given to Directors in the manner required for regular meetings. Special meetings shall be open to Owners, provided that Owners shall not be permitted to participate and need not be recognized at any such meeting.

Section 6 Notice of each special meeting of the Board of Directors, stating the time, place and purpose thereof, shall be given by or on behalf of the President or by or on behalf of the Secretary or by or on behalf of any two (2) members of the Board to each member of the Board not less than; (i) three (3) days if by mail; or (ii) one (1) day if by telephone or telegraph; prior to the meeting. Special meetings of the Board may also be held at any place and time without notice to directors by unanimous waiver of notice by all of the directors.

Section 7 Any director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by said Director of notice. Attendance by any director at a meeting shall constitute a waiver of notice of such meeting except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

Section 8 A quorum at a directors meeting shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a

greater number of directors is specifically required by the Declaration of Covenants, the Articles or these Bylaws.

Section 9 If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting, from time to time, until a quorum is present. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 10 The joinder of a director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of that director, except for the purpose of constituting a quorum.

Section 11 The presiding officer of the directors' meetings shall be the Chairman of the Board, or his designees, if such an officer has been elected; and if none, the President shall preside (or may designate any other director to preside). In the absence of the presiding officer, the directors present may designate any director to preside.

Section 12 A director may receive compensation for any service rendered to the Association should the Board of Directors approve or designate the same, provided, however, the vote of the director seeking such compensation shall not be counted.

Section 13

(a) Notwithstanding anything to the contrary contained in this Article IV or otherwise, the Declarant shall have the right to appoint or direct that there be elected specific directors of the Association until such time as Class B Membership terminates in accordance with Section 1 of Article V of the Declaration of Covenants.

(b) Within ninety (90) days after Unit Owners other than the Declarant or a successor are entitled to elect or appoint a member or members of the Board of Directors, the Association shall call and give not less than twenty (20) days nor more than sixty (60) days notice of a meeting of the Owners for this purpose. The meeting may be called and the notice may be given by any Owner if the Association fails to do so.

(c) The Declarant may waive or relinquish in whole or in part any of its rights to appoint or elect one or more of the Directors it is entitled to appoint or elect.

(d) This Article IV, Section 13 shall not be modified or amended without the consent of the Declarant so long as the Declarant shall in accordance with the terms of these Bylaws have the right to appoint or cause to be elected any Directors.

ARTICLE V
OFFICERS

Section 1 Any officer may be removed as an officer at any time by the affirmative vote of a majority of the Board of Directors at any duly called regular or special meeting of the Board.

Section 2 The President shall be the chief executive officer of the Association. The President shall preside (or designate a Chairman to preside) at all meetings of the Members of the Association and of the Board of Directors. The President shall have the general powers and duties of supervision and management of the Association which usually pertain to this office, and shall perform such duties as usually pertain to such office or as are properly required by the Board of Directors.

Section 3 There shall be one or more Vice Presidents of the Association. The Vice President(s) shall perform such duties as are assigned from time to time by the Board of Directors or the President, including the coordination of the activities of committees of the Association. In the absence or disability of the President, the Vice-President (or a designated Vice President, if there is more than one Vice President) shall perform the duties and exercise the powers of the President.

Section 4 The Secretary shall issue notices of all meetings of the Membership of the Association and the Directors where notices of such meetings are required by law or in these Bylaws, and shall keep the minutes of the meetings of the Membership and of the Board of Directors.

Section 5 The Treasurer shall have the care and custody of all the monies and securities of the Association. The Treasurer shall enter on the books of the Association, to be kept for that purpose, full and accurate accounts of all monies received and paid on account of the Association. The Treasurer shall sign such instruments as shall be required, and shall perform all such duties as usually pertain to the office or as are properly required by the Board of Directors.

Section 6 One person may hold more than one office except that the President may not serve as Secretary or Treasurer and the Secretary or Treasurer may not serve as the President.

ARTICLE VI
RESIGNATION, VACANCY, REMOVAL

Section 1 Any director or officer of the corporation may resign at any time, by delivering an instrument in writing to the Board, the President or the Secretary. Resignation shall take effect at the time specified therein and if no time is specified, at the time of receipt by the

President or Secretary of the Association. The acceptance of a resignation shall not be necessary to make it effective.

Section 2 When a vacancy occurs on the Board, the vacancy shall be filled by the remaining members of the Board at their next meeting by electing a person who shall serve until the next annual meeting of members at which time a director will be elected.

Section 3 When a vacancy occurs in an office for any cause before an officer's term has expired, the office shall be filled by the Board at its next meeting by electing a person to serve for the unexpired term or until a successor has been elected by the Association.

Section 4 A majority of the members of the Association present at any regular meeting or special meeting at which a quorum is present and duly called, at least in part for the purpose of removing a director or officer, may remove any such director or officer for cause which involves the ability or fitness of the director or officer to perform the duties to the Association.

Section 5 Officers and directors of the Association shall be indemnified to the full extent provided by Florida law and in Article XII of the Articles.

ARTICLE VII MEETINGS OF MEMBERS

Section 1 The regular annual meeting of the members shall be held in each year beginning with an initial meeting to be held at or shortly after the time in which the Declaration of Covenants is recorded; at such time, date and place as shall be determined by the Board of Directors, but no later than fifteen (15) months from the date of the previous annual meeting.

Section 2 Special meetings of the Members for any purpose may be called at any time by the President, or by any two or more Members of the Board of Directors, or upon written requests of the Members who have a right to vote one-fourth of all votes of the entire Membership including Class "B" Member votes (while such voting class shall exist).

Section 3 Notices concerning meetings held in accordance with the above shall be given to the Members by sending a copy of the notice by mail, postage thereon fully paid, to the addresses appearing on the records of the Association. The post office certificate shall be retained as proof of such mailing. Each Member shall register an address with the Secretary, and notices of meetings shall be mailed to such address. Notice shall be posted in a conspicuous place on the

Common Properties at least seven (7) days in advance of the meeting and shall set forth the general nature of the business to be transacted provided, however, that if any business of any meeting shall involve any action governed by the Articles of Incorporation or Declaration of Covenants, notice shall be given or sent as therein provided. Recitation in the minutes of a meeting that the meeting was held pursuant to notice properly given shall be evidence that such notice was given. Failure to post a notice on the Common Properties, as provided above, shall not be a reason to object to the validity of a meeting.

Section 4 The presence in person or by proxy at the meeting of Members entitled to cast thirty-three and one-third (33 1/3%) percent of the votes shall constitute a quorum for any action governed by these Bylaws.

Section 5 Any Member may designate a specified Board of Director or any other Member as a proxy to vote on behalf of the absent Member at any meeting. Such proxy shall be in writing, shall be signed by the absent Member and filed with the Secretary of the Association prior to or at the meeting. The proxy shall be effective only for the specific meeting for which it is originally given. The proxy will be revocable at the pleasure of the Owners executing it if revoked in person or by a written notice duly delivered to the Secretary of the Association.

Section 6 The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum shall have been attained shall be binding upon all Owners for all purposes except where otherwise provided by law, the Declaration of Covenants, the Articles of Incorporation or these Bylaws. As used in these Bylaws, the terms "majority of the Unit Owners" and "majority of the members" shall mean those Owners having more than fifty (50%) percent of the then total authorized votes (including both Class A and Class B Members) present in person or by proxy and voting at any meeting of the Owners at which a quorum shall have been attained.

ARTICLE VIII
BOOKS AND RECORDS; DEPOSITORIES; FISCAL YEAR

Section 1 The books, records and papers of the Association shall be subject to the inspection of any Member of the Association during normal business hours provided such Member has submitted a prior written request therefor and set forth therein the basis for such request.

Section 2 The funds of the Association shall be deposited in a bank or banks or in a state or federal savings and loan association in Indian River County, Florida. Such deposits shall be to an account of the Association under resolutions approved by the Board of Directors. After control of the Association vests in members other than those appointed by the Declarant, the funds deposited shall be withdrawn only over the signature of the Treasurer and countersigned by the President or Vice President. Said funds shall be used only for corporate purposes.

Section 3 The Association shall maintain accounting records according to generally accepted accounting principles. Such records shall include an account of receipts and expenditures; an account for each Owner which shall designate the name and address of the Owner, the amount of each Assessment and fee, the due dates and amount of each Assessment and fee, the amounts paid upon the account and the balance due; and a register for the names of any mortgage holders or lien holders who have notified the Association of their liens, and to which lien holders the Association will give notice of default upon request by such lien holders. The Association shall furnish a reasonable written summary of the foregoing to each owner at least annually. The Board of Directors shall present at each annual meeting of the Association a full and clear statement of the business and condition of the Association.

ARTICLE IX
ADMINISTRATIVE RULES AND REGULATIONS

The Board of Directors may from time to time adopt rules and regulations governing the details of the operation of, and as are designed to prevent unreasonable interference with, the use of the Properties by the Members in accordance with the Declaration of Covenants.

ARTICLE X
VIOLATIONS AND DEFAULTS

In the event of a violation (other than non-payment of an Assessment or fee by an Owner) of any of the provisions of the Declaration of Covenants, these Bylaws, the Rules and Regulations of the Association or the Articles of Incorporation of the Association, the Association, after reasonable notice to cure not to exceed fifteen (15) days, shall have all rights and remedies provided by law and in the Declaration of Covenants including without limitation (and such remedies shall or may be cumulative) the right to sue for damages, the right to injunctive relief, the right to

assess fines for violations of the Declaration or the rules and regulations, and in the event of a failure to pay assessments, fines, or fees, the right to foreclose its lien provided in the Declaration of Covenants. In every such proceeding, the Owner at fault shall be liable for court costs and the Association's reasonable attorney's fees, including fees incurred prior to filing any suit, during litigation or on appeal. A suit to collect unpaid Assessments or fees may be prosecuted by the Association without waiving the lien securing such unpaid Assessments or fees.

ARTICLE XI OBLIGATIONS OF OWNERS

Section 1

(a) All Owners are obligated to pay, in accordance with the provisions of the Declaration of Covenants, all Assessments imposed by the Association to meet all expenses of the Association, which may include, without limitation, liability insurance, policy premiums and insurance premiums for policies to cover repair and reconstruction work in case of hurricane, fire, flood or other casualty or hazard, as more fully provided in the Declaration of Covenants.

(b) All delinquent Assessments shall be enforced, collected or foreclosed in the manner provided in the Declaration of Covenants, including, without limitation, Article VII of the Declaration of Covenants.

Section 2 All plans for additions, alterations, modifications and/or repair of Improvements to the Properties must receive the prior written consent of the Board and otherwise comply with the provisions for architectural control in the Declaration of Covenants.

ARTICLE XIII AMENDMENT OF BYLAWS

Except where the Declaration of Covenants or the Articles of Incorporation provide otherwise, these Bylaws may be amended in the following manner:

(a) Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting at which a proposed amendment is to be considered.

(b) A resolution for the adoption of a proposed amendment may be proposed by (i) a majority of the Board of Directors; (ii) by members who have the right to vote not less than twenty-five (25%) percent of all votes in the Association (including Class B Members); or (iii) not less than one-third (1/3rd) of the members of the Association entitled to vote. Directors and members not present at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary prior to the commencement of the meeting.

Any amendment must be approved by:

(1) not less than two-thirds (2/3rds) of the total votes of the members of the Association, except that the Declarant shall have the right to veto amendments while the Class "B" Membership exists; or

(2) one hundred (100%) percent of the entire Board of Directors.

(c) No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any right, benefits, privileges or priorities granted or reserved to the Declarant or mortgagees of Units without the consent of the Declarant and said mortgagees in each instance. No amendment shall be made that is in conflict with the Articles of Incorporation, the Declaration of Covenants, or the Three Oaks I Master Declaration.

(d) A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the Bylaws, which certificate shall be executed by the President or Vice-President and attested by the Secretary (or Assistant Secretary, if any) of the Association with the formalities of a deed, or by the Declarant alone if the amendment has been adopted consistent with the provisions of the Declaration of Covenants allowing such action by the Declarant. The amendment shall be effective as stated therein.

ARTICLE XIII FISCAL MANAGEMENT

The Board of Directors shall from time to time, and in accordance with its rights and duties under Article VII of the Declaration of Covenants, prepare a budget for the Association (which shall detail all accounts and items of expenses), determine the amount of Assessments payable by the Owners to meet the expenses of the Association, and allocate and assess such expenses among the Owners in accordance with the provisions of the Declaration of Covenants. The adoption of a budget for the Association shall comply with the terms and provisions of Article VII of the Declaration of Covenants.

ARTICLE XIV MORTGAGES

Section 1 An Owner who mortgages his Lot shall have an obligation to notify the Association by notice to the Secretary of the Board of Directors of the name and address of his Mortgagee. The Association shall maintain in a book entitled "Mortgagees of Lots", the names of mortgagees whose names have been provided to the Association. Any such Owner shall likewise notify the Association as to the release or discharge of any such Mortgage. The Association shall have no affirmative obligation to obtain the names of any mortgagees of lots.

Section 2 The Board of Directors of the Association shall, at the request of a Mortgagee of a Lot, report any unpaid assessments due from the Owner of such Lot in accordance with the provisions of the Declaration of Covenants.

Section 3 The Board of Directors of the Association shall fully protect, enforce and comply with the rights of institutional first mortgagees as more particularly set forth in Article XIII of the Declaration of Covenants.

ARTICLE XV
MEANING OF TERMS

All terms appearing herein which are defined in the Declaration of Covenants shall have the same meanings as are applied to such terms in the Declaration of Covenants.

ARTICLE XVI
CONFLICTING PROVISIONS

In case these Bylaws conflict with any provisions of the laws of the State of Florida, such conflicting Bylaws shall be null and void upon final court determination to such effect, but all other Bylaws shall remain in full force and effect. In case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration of Covenants and these Bylaws, the Declaration of Covenants shall control.

ARTICLE XVII
MISCELLANEOUS

Section 1 The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent, committee member, or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

Section 2 The Association shall keep in its office for the transaction of business the original or a copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Owners and all Institutional Mortgagees at all reasonable times during Association office hours.

Section 3 The fiscal year of the Association shall be determined by the Board of Directors and having been so determined, shall be subject to change from time to time as the Board of Directors shall determine in accordance with the Declaration of Covenants.

Section 4 The Association shall keep and maintain in its office for the transaction of business a book containing the name and address of each Member. Termination or transfer of ownership of any Lot by an Owner shall be recorded in the book, together with the date on which such ownership was transferred in accordance with the provisions of the Declaration of Covenants.

The foregoing were adopted as the Bylaws of **HAMMOCK LAKES HOMEOWNERS' ASSOCIATION, INC.**, a corporation not-for-profit, under the laws of the State of Florida this 5th day of March, 1997.

/s/ Clausson P. Lexow
President

/s/ Paul H. Freeman
Secretary

AR 169PC0358

EXHIBIT "F"
TO
DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS

LEGAL DESCRIPTION OF THE
COMMON PROPERTIES

TRACTS A, B, C, AND D, THE ROAD RIGHTS-OF-WAY, AND THE STORMWATER MANAGEMENT TRACT, INCLUSIVE ALL AS DEPICTED ON THE PLAT OF HAMMOCK LAKES PHASE I, A SUBDIVISION ACCORDING TO THE PLAT THEREOF, AS RECORDED ON SEPTEMBER 4TH, 1997, IN PLAT BOOK 15, AT PAGES 10 THROUGH 10c, OF THE PUBLIC RECORDS OF INDIAN RIVER COUNTY, FLORIDA, TOGETHER WITH CERTAIN IMPROVEMENTS, ENTRY FEATURES, RECREATION FACILITIES AND LANDSCAPING WHICH MAY BE LOCATED ON TRACTS A, B, C, AND D, THE ROAD RIGHTS-OF-WAY, OR THE STORMWATER MANAGEMENT TRACT AND WHICH ARE OWNED BY THE HAMMOCK LAKES HOMEOWNERS ASSOCIATION, INC., BUT WHICH ARE DEFINED AS COMMON PROPERTIES UNDER THE TERMS OF THIS DECLARATION.

OR 169P60359

EXHIBIT "G"
TO
DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS

LEGAL DESCRIPTION OF THE
PROPERTY PROPOSED FOR PHASE II

DESCRIPTION
HAMMOCK LAKES PHASE 2

TRACT 3, SECTION 21, TOWNSHIP 33 SOUTH, RANGE 39 EAST, ACCORDING TO THE GENERAL PLAT OF INDIAN RIVER FARM COMPANY SUBDIVISION, AS RECORDED IN PLAT BOOK 2, PAGE 25, PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA NOW LYING IN INDIAN RIVER COUNTY FLORIDA, LESS THE NORTH 30 FEET, THE SOUTH 125 FEET AND THE EAST 25 FEET THEREOF, AND ALSO LESS THE FOLLOWING DESCRIBED PARCEL OF LAND:

A PORTION OF TRACT 3, SECTION 21, TOWNSHIP 33 SOUTH, RANGE 39 EAST, ACCORDING TO THE GENERAL PLAT OF INDIAN RIVER FARM COMPANY SUBDIVISION, AS RECORDED IN PLAT BOOK 2, PAGE 25, PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA NOW LYING IN INDIAN RIVER COUNTY, FLORIDA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT A POINT WHICH IS 30 FEET SOUTH OF THE NORTHWEST CORNER OF SAID TRACT 3; THENCE SOUTH 89°37'30" EAST, A DISTANCE OF 75.67 FEET; THENCE SOUTH 00°21'57" WEST, 94.99 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE HAVING A RADIUS OF 30.00 FEET, SAID POINT BEARS NORTH 89°38'03" WEST FROM THE CENTER OF SAID CURVE; THENCE SOUTHEASTERLY THROUGH A CENTRAL ANGLE OF 90°00'00" FOR AN ARC DISTANCE OF 47.12 FEET TO THE POINT OF TANGENCY; THENCE SOUTH 89°38'03" EAST, 20.07 FEET; THENCE SOUTH 00°21'57" WEST, 50.00 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CIRCULAR CURVE HAVING A RADIUS OF 75.00 FEET, SAID POINT BEARS NORTH 00°21'57" EAST FROM THE CENTER OF SAID CURVE; THENCE SOUTHWESTERLY THROUGH A CENTRAL ANGLE OF 90°03'06" FOR AN ARC DISTANCE OF 117.88 FEET TO THE POINT OF TANGENCY; THENCE SOUTH 00°18'51" WEST, 691.24 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE HAVING A RADIUS OF 59.50 FEET, SAID POINT BEARS NORTH 89°41'09" WEST FROM THE CENTER OF SAID CURVE; THENCE SOUTHEASTERLY THROUGH A CENTRAL ANGLE OF 90°00'00" FOR AN ARC DISTANCE OF 93.46 FEET TO A POINT; THENCE SOUTH 00°18'51" WEST, 50.00 FEET; THENCE NORTH 89°41'09" WEST, 13.19 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE HAVING A RADIUS OF 30.00 FEET, SAID POINT BEARS NORTH 00°18'51" EAST FROM THE CENTER OF SAID CURVE; THENCE SOUTHWESTERLY THROUGH A CENTRAL ANGLE OF 52°19'48" FOR AN ARC DISTANCE OF 27.40 FEET TO THE POINT OF REVERSE CURVATURE OF A CIRCULAR CURVE HAVING A RADIUS OF 60.00 FEET; THENCE SOUTHWESTERLY THROUGH A CENTRAL ANGLE OF 45°58'31" FOR AN ARC DISTANCE OF 48.15 FEET TO A POINT; THENCE SOUTH 00°18'51" WEST, 90.26 FEET; THENCE NORTH 89°40'22" WEST, 25.98 FEET; THENCE NORTH 00°00'31" EAST ALONG THE WEST LINE OF SAID TRACT 3, 1175.76 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 33.601 ACRES, MORE OR LESS AND LIES WHOLLY IN INDIAN RIVER COUNTY, FLORIDA

OR 169PG0360