

DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS
FOR
THE HAMMOCKS OF SUGARMILL WOODS

THIS DECLARATION OF COVENANTS, RESTRICTIONS AND
EASEMENTS ("Declaration") is made on this 9th day of
December, 1988, by PUNTA GORDA DEVELOPERS, INC., a
Florida corporation.

RECITALS:

WHEREAS, PUNTA GORDA DEVELOPERS, INC., a Florida
corporation (hereinafter referred to as the "Grantor"), is the
owner in fee simple of the following platted lands (hereinafter
referred to as the "Land") situated in Citrus County, Florida,
to-wit:

A portion of lots 4-10 incl., block B-C, Sugarmill Woods,
Cypress Village described as follows: Begin at the
Northwest Corner of Lot 4, Block B-C, Sugarmill Woods,
Cypress Village as recorded in Plat Book 9, Pages 86-150
incl., Plat Book 10, Page 1-150 incl., and Plat Book 11,
Page 1-16 incl., Public Records of Citrus County, Florida.
As amended in Plat Book 9, Page 87A, Public Records of
Citrus County, Florida, thence along the Southerly and
easterly boundary of Lots 4-8 incl., of said Block B-C, the
following courses and distances: S 05°00'00" E, 641.48
feet, S 72°00'00" E, 560.00 feet, S 65°30'00" E, 630.00
feet, N 47°30'00" E, 580.00 feet, N 25°30'00" E, 515.00
feet, N 63°00'00" W, 555.00 feet to the most northerly
corner of said Lot 8, thence leaving the boundary of said
Block B-C, S 62°00'00" W, 60.00 feet, thence S 45°00'00" W,
56.53 feet to a point on the arc of a non-tangent curve
concaved northeasterly having a central angle of 12°04'14"
and a radius of 175.00 feet, thence northwesterly along the
arc of said curve a distance of 36.87 feet to a point
(chord bearing and distance between said points being N
29°57'19" W, 36.80 feet), thence S 66°04'48" W, 50.00 feet,
thence N 87°00'02" W, 211.74 feet, thence N 70°10'15" W,
72.06 feet, thence N 44°25'17" W, 208.01 feet, thence N
30°43'17" W, 60.00 feet, thence N 83°00'37" W, 39.30 feet
to the westerly boundary of said Lot 10, Block B-C said
point being on the Southeasterly right-of-way line of
Byrsonima Circle, as shown on said plat, said point also
being on the arc of a curve concaved northwesterly having a
central angle of 81°30'37" and a radius of 236.66 feet,
thence Southwesterly along the arc of said curve and along
said right-of-way line a distance of 336.68 feet to the
P.T. of said curve, (chord bearing and distance between
said points being S 47°44'42" W, 309.00 feet), thence S
88°30'00" W, a distance of 436.53 feet to the point of
beginning, Less and except that portion of Byrsonima Court
South as shown on said plat, that lies Southerly of the
Southeasterly right-of-way line of Byrsonima Circle, and
also known as The Hammocks of Sugarmill Woods, as replatted
in Plat Book 14, Page 6-9, of the Public Records of
Citrus County, Florida (the "Replat").

WHEREAS, Grantor filed restrictions of record on July
29, 1983, in O.R. Book 621, Page 2166 of the Public Records of
Citrus County, Florida (collectively, "Master Restrictions");
and

WHEREAS, Grantor intends to construct on the Land
approximately ninety-nine (99) Dwelling Units (the actual
number being subject to change) together with the Common Areas
suitable for social, recreational and cultural purposes for the
use and benefit of the Owners and their guests; and

✓ Punta Gorda Devel. Inc.
42 Cypress Blvd, West
Horsebass, FL 33646
Attn: Leanne Hadsell

WHEREAS, Grantor desires to provide for the preservation of the values and amenities respecting the Development and for the maintenance of the Common Areas and, to this end, desires to subject the Land, in addition to the easements, covenants, charges, liens and restrictions imposed by the Master Restrictions, to the covenants, restrictions, easements, charges and liens hereinafter set forth in this Declaration, each and all of which are for the benefit of the Land and each Owner; and

WHEREAS, Grantor has deemed it desirable for the efficient preservation of the values and amenities in the Development, that there be an entity to which will be delegated and assigned the powers of maintaining and administering the Common Areas, administering and enforcing the covenants and restrictions, and levying, collecting and disbursing the assessments and charges hereinafter described; and

WHEREAS, there has been incorporated under the laws of the State of Florida as a not-for-profit corporation, The Hammocks of Sugarmill Woods Homeowner's Association, Inc. for the purpose of exercising the functions aforesaid.

NOW, THEREFORE, the Grantor declares the Land is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1. Definitions. The following words when used in this Declaration or any supplemental Declaration (unless the context shall otherwise require) shall have the following meanings:

(a) The "Association" shall mean The Hammocks of Sugarmill Woods Homeowner's Association, Inc., a Florida not-for-profit corporation, its successors and assigns.

(b) The "Development" shall mean the Land, together with all buildings and improvements located thereon and shall be known as The Hammocks of Sugarmill Woods.

(c) The "Common Areas", shall mean those areas of land owned (or to be owned) by the Association which are located within the Development and designated in the Replat as "Common Area". The Common Areas are devoted to the common use and enjoyment of Members of the Association, and are not dedicated for use by the general public, it being specifically understood, however, that streets within the Development have been dedicated to the public, will be maintained by Citrus County, and do not constitute any part of the Common Areas.

(d) "Common Expenses" shall be defined as the actual costs incurred for the upkeep and maintenance of the Common Areas. Common Expenses shall not include capital reserves for repair and replacement of the Common Areas or expenses which are not anticipated to be incurred on a regular or annual basis or assessments for betterments to the Common Areas.

(e) The "Platted Common Areas" shall mean the easements, walkways and other areas designated by a "Y" on the record plat of Cypress Village, Sugarmill Woods Subdivision.

(f) "Dwelling Unit" shall mean each platted lot as shown on the Replat including any residential structure located

within the boundaries of the platted lot, but shall not include the Common Areas.

(g) "Owner" shall mean the record owner, whether one of more persons or entities, of the fee simple title to any Dwelling Unit, but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(h) The "Grantor" shall mean Punta Gorda Developers, Inc., its successor and assigns.

(i) "Member" shall mean and refer to all those persons who are members of the Association as provided in Article III, Section I hereof.

(j) "Institutional Mortgagee" is the owner and holder of a first mortgage encumbering a Dwelling Unit, which owner and holder of said mortgage shall either be a bank, life insurance company, federal or state savings and loan association, real estate or mortgage investment trust, federal or state agency, a developer or other mortgagee which shall be acceptable to and approved by the Board of Directors of the Association.

ARTICLE II

ADDITION TO PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Additions to the Development by the Association. Annexation of any additional property to the Development shall require a vote of a majority of Class A Members (as hereinafter defined) and all of the votes of the Class B Member (as hereinafter defined), if any, at a meeting duly called for this purpose, written notice of which shall be sent to all Members in accordance with the Bylaws of the Association. A majority of the Members of the Class A Membership and the Class B Member, in person or by proxy, shall constitute a quorum.

Section 2. Mergers. Upon a merger or consolidation of the Association with another association, the properties, rights and obligations of the Association shall, by operation of law, be transferred to the surviving or consolidated association, or alternatively, the properties, rights and obligations of another association with which the Association merges or consolidates shall, by operation of law be transferred to the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Development, together with covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration within the Development, unless otherwise so provided herein.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person who has an interest in any Dwelling Unit which is subjected by this Declaration to assessment by the Association shall be a Member of the Association.

Section 2. Voting Rights. The Association shall have two classes of voting membership.

Class A: Class A Members shall be all Owners except the Grantor (until eighty-nine (89) Dwelling Units are sold, at which time Grantor shall also be a Class A Member as more particularly provided below). Each Class A Member shall be entitled to one (1) vote for each Dwelling Unit in which he holds an interest. When more than one person holds such interest in any Dwelling Unit, all such persons shall be Members and the vote for such Dwelling Unit shall be exercised as they among themselves determine in accordance with the procedures set forth by the Bylaws of the Association, but in no event shall more than one (1) vote be cast with respect to any one Dwelling Unit.

Class B: The Class B Member shall be the Grantor, and its successors and assigns (excluding, however, Class A Members who have purchased a Dwelling Unit from Grantor). The Class B Member shall be entitled to five (5) votes for each unsold Dwelling Unit provided that when the total votes outstanding among the Class A Members equal 89, the Grantor's Class B Membership shall cease and be converted to Class A membership, and Grantor shall thereupon have one (1) vote for each Dwelling Unit then held by Grantor (if and to the extent that Grantor retains ownership of any such Dwelling Units).

Section 3. Association Control. Within ninety (90) days of the conversion of Class B Membership into Class A Membership, the Owners of Dwelling Units, other than the Grantor, will be entitled to elect not less than a majority of the members of the Board of Directors of the Association in accordance with the provisions of the Bylaws of the Association; provided, however, that the Grantor shall be entitled to elect not less than one (1) member of the Board of Directors of the Association for as long as the Developer holds for sale in the ordinary course of business at least three percent (3%) of the total number of Dwelling Units in the Development.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Members' Easements of Enjoyment. Every Member shall have, in common with all other Members, a perpetual right and easement of enjoyment in and to the Common Areas, including a perpetual easement for ingress and egress over the Common Areas and such easement shall be appurtenant to and shall pass with the title to every Dwelling Unit (and may not be conveyed, devised, encumbered or otherwise dealt with separately from such Dwelling Unit), said rights and easements to be further subject to the following:

(a) the rights of the Association, in accordance with its Certificate of Incorporation and Bylaws and the powers granted to the Association pursuant to Chapter 617 of the Florida Statutes (1988), as amended from time to time, to borrow money for the purpose of improving the Common Areas and in furtherance thereof, to mortgage said Common Areas, and the right of any mortgagee of said properties shall be superior to the rights of the Owners hereunder;

(b) the right of the Association to take such steps as are reasonably necessary or desirable to protect the Common Areas against foreclosure;

(c) the right of the Association to suspend the enjoyment rights of any Member for any period during which any assessment against the Member remains unpaid or for any period

of time during which an infraction of any published rules and regulations of the Association exists;

(d) the right of the Grantor to dedicate an easement on all or any part of the Common Areas to any public agency, authority, cable television company or utility for such purposes and subject to such conditions as may be agreed to by the Grantor; provided, however, that after turnover or conveyance of the Common Areas to the Association, no such dedication (or determination as to the purposes or as to the conditions of such dedication) shall be effective unless (i) approved by a majority of the votes of the Members of the Association at a meeting called in accordance with the Bylaws of the Association, (ii) an instrument signed by the President of the Association (in accordance with the authority so conferred upon the President as evidenced by a certificate signed by Members entitled to cast a majority of the votes), has been recorded, agreeing to such dedication, purpose or conditions, and (iii) written notice of the action is sent to every Member not less than ten (10) nor more than fifty (50) days in advance of action taken; and

(e) the right of the Grantor, and after conveyance of the Common Areas to the Association, the right of the Association, to grant easements on all or any part of the Common Areas to any public agency, authority, cable television company or utility for such purposes as may be agreed to by Grantor or the Association, as the case may be.

Section 2. Delegation of Use. Subject to such limitations as may be imposed by the Bylaws of the Association, each Owner may delegate the right of enjoyment in and to the Common Areas and facilities to the members of the Owner's family, and to guests, tenants, and invitees of the Owner.

Section 3. Easements of Encroachment. There shall exist reciprocal appurtenant easements as between adjacent Dwelling Units and between each Dwelling Unit and any portion or portions of the Common Areas adjacent thereto for any encroachment due to the unwillful placement, settling, or shifting of the improvements constructed, reconstructed, or altered thereon, provided that such construction, reconstruction, or alteration is in accordance with the terms of this Declaration. Such easement shall exist to a distance of not more than one (1) foot as measured from any point on the common boundary between adjacent Dwelling Units and between each Dwelling Unit and any adjacent portion of the Common Areas, along a line perpendicular to such boundary at such point. No easement for encroachment shall exist as to any encroachment occurring due to the wilful conduct of an Owner.

Section 4. Title to Common Areas. The Grantor hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Areas to the Association by Quitclaim Deed (without covenant against Grantor's acts) upon conveyance of the first Dwelling Unit, subject to a first lien on such Common Areas with an institutional lender, if any, and subject to all easements, restrictions, reservations and matters then of record and subject to taxes for the year of conveyance.

Section 5. Use of the Common Areas. It is the intent of the Grantor that the Common Areas be a private area for the exclusive enjoyment of all persons owning an interest in a Dwelling Unit (and their guests, tenants, and invitees) subject to the rights reserved by the Grantor, the rights conferred upon the Association, and also subject to the following restrictions:

(a) Airplanes, automobiles, trucks, motorcycles, and all-terrain vehicles of every description shall be prohibited access to or progress over the Common Areas; provided, however, that the foregoing restriction shall not be applicable to any equipment and vehicles necessary to complete development of the Development and to maintain the Common Areas including such actions of the maintenance personnel as are appropriate to the development and maintenance of the Common Areas.

(b) There shall be no additions, removal or cutting of trees or plants or picking of flowers by the Owners, their guests, tenants and invitees, nor shall Owners or their guests, tenants and invitees be permitted to place on the Common Areas any permanent fixture or fixtures, such as building, benches, barbecue pits or structures of any type.

(c) Pets shall not be allowed to be destructive within the Common Areas.

(d) Anything to the contrary notwithstanding in the foregoing restrictions or elsewhere in this Declaration, the Grantor reserves unto itself, its successors, assigns or nominees the right and privilege to dredge, fill, grade, dig wells, install drainage facilities, install water lines, including water sprinkling lines and other underground utilities, pathways, benches, and other structures deemed by the Grantor, its successors, assigns or nominees to be desirable. Grantor further reserves unto itself the right to landscape and make other improvements necessary to complete the development of and within the Common Areas.

(e) The cost of maintenance and improvements such as landscaping, bridges and paths and the cost of improvements that may be added from time to time shall be the responsibility of the Association (it being understood, however, that said costs shall ultimately be the responsibility of the Unit Owners) and shall be accomplished in the manner prescribed in other sections of this Declaration.

Section 6. Other Easements. (a) Perpetual easements over the Common Areas for the installation and maintenance of sewer, water, gas, cable television, telephone and power, ingress and egress, and drainage facilities for the benefit of the adjoining land owners and the applicable governmental entity and/or the governmental agency or private utility company ultimately operating such facilities are reserved to the Grantor and its assigns.

(b) A blanket easement over the Development for utilities and drainage is hereby reserved to the Grantor and its assigns, excluding those areas within two (2) feet of the perimeter of all buildings.

(c) As long as sales and construction of Dwelling Units continue, the Grantor reserves the right to use the facilities included or to be included in the Common Areas as a sales area, and to show the Common Areas to prospective purchasers of Dwelling Units. The Grantor also reserves the right to store construction material in, and to enter upon, the Common Areas for any purpose during the construction and sale of Dwelling Units.

(d) The Association is hereby granted access easements over all Common Areas (during the period of time preceding the Association's acquisition of fee simple title to the Common Areas), and shall also have the right to enter upon any Dwelling Unit (but not within a structure on any Dwelling Unit) at any reasonable hour on any day to perform such maintenance as may be authorized and/or required herein.

ARTICLE V

COMPLETION, MAINTENANCE AND OPERATION OF COMMON AREAS
AND COVENANT FOR ASSESSMENTS THEREFOR

Section 1. Completion of Common Areas by the Grantor.

(a) Within sixty (60) days after the conveyance of title of the Common Areas to the Association, the Grantor shall complete the construction of the streets within the Development.

(b) The Grantor's obligation to complete the Common Areas, at the Grantor's sole cost and expense, shall survive the conveyance of the Common Areas to the Association, subject, however, to the Grantor's modification rights respecting the Development as set forth in Article IX hereinbelow.

Section 2. Operation and Maintenance of Common Areas. Upon conveyance of the Common Areas to the Association, the Association shall operate and maintain the Common Areas at its sole expense, and shall provide the requisite services contemplated by Section 3(b) of this Article V insofar as construction has been completed pursuant to Section 1 of this Article V. Grantor shall pay that portion of the Common Expenses which exceeds the amount assessed and collected from the other Owners until the date of conveyance of the last Dwelling Unit. Grantor shall be excused from payment of any assessments so long as it pays that portion of the Common Expenses incurred during the aforementioned period which exceeds the amount assessed and collected against other Owners.

Section 3. Assessments. (a) Commencing on the date of conveyance of the applicable Dwelling Unit and for each calendar year thereafter, each Owner of a Dwelling Unit (except the Grantor) by acceptance of a deed or other instrument creating an interest in a Dwelling Unit, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association (1) annual assessments for anticipated current maintenance expenses, (2) special assessments for capital improvements, and (3) capital reserve assessments, all such assessments to be fixed, established and collected from time to time as hereinafter provided.

(b) The Association may levy assessments in accordance with this Declaration and the Bylaws of the Association which shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Development in connection with their use and enjoyment of the Common Areas including, but not limited to, the payment of taxes, water, power and other utilities, insurance premiums (including premiums for liability and hazard insurance) and debt service on mortgages, if any, maintenance, repair, replacement and additions to the Common Areas and its recreational amenities, including pruning, fertilizing, cutting, weeding and replacement of exterior landscaping, the cost of labor, equipment, materials, management and supervision of and for the Common Areas, or for creating reserves for such purposes, all of which obligations the Association hereby assumes. In addition to the foregoing, the assessment shall include the cost of (and the Association agrees to undertake) mowing, edging, weeding and trimming and otherwise maintaining the privately owned lawn area that is included within each Dwelling Unit and maintenance, repair and replacement of that portion of the sprinkler system contained within the Dwelling Unit (it being understood that the Owner, by accepting a deed to the Dwelling Unit, agrees to allow the Association to enter upon the Dwelling Unit, but not any structure thereon, for purposes of fulfilling the foregoing maintenance obligations).

The Association shall be responsible for all costs incurred in connection with the foregoing obligations out of funds held by the Association from its levy and collection of assessments as provided in this Declaration and the Bylaws of the Association.

Section 4. Amount and Payment of Annual Assessment. The Association shall from time to time fix the amount of the annual assessment at a sum sufficient to pay the anticipated costs of maintaining and operating the Common Areas as contemplated by Section 3(b) of this Article V and any operating deficits previously sustained. The proportionate share of the Association's aggregate assessment chargeable to each Dwelling Unit shall be that proportion that one Dwelling Unit has to the total number of Dwelling Units in the Development (except that the Developer is excused from such payments as stated in Section 2 of this Article V). An Owner's assessment obligation shall be payable in equal monthly installments, in advance, commencing on the first day of the month after the Owner takes title to his Dwelling Unit and on the first day of each month thereafter. The Owner shall pay his prorated share of the monthly assessment fee for the month during which closing on his Dwelling Unit occurs.

Section 5. Capital Reserve Fund. Included in the annual assessments shall be a capital reserve fund for capital expenses, which must be segregated from general funds held by the Association, and which shall be in such amount as the Association deems necessary for maintenance and repair of the Common Areas and its facilities, including, without limitation, sprinkling systems, wells and well appurtenances. The Association may include other reserve items as it deems necessary to the extent that specific funds are assessed and collected for such purposes, and such funds shall not be used for any purpose other than the periodic major maintenance and reconstruction of such facilities, repair and maintenance incidental to such major construction and reconstruction and subject to the rights of the Association in accordance with procedures set forth in the Bylaws of the Association to utilize the reserve funds for general operating expenses or to help finance capital improvements. The Association, if so permitted in accordance with procedures set forth in the Bylaws of the Association, may resolve to provide no reserve or reserves that are less adequate than are required by this Declaration or by the Bylaws of the Association.

Section 6. Special Assessments for Capital Improvements. In addition to annual assessments authorized by Section 4 of this Article V, the Association may levy, in any assessment year, special assessments (which shall be fixed in accordance with the proportion that one (1) Dwelling Unit has to the total number of Dwelling Units held by Owners other than Grantor) for all such Dwelling Units, applicable to that year only, for the purposes of defraying, in whole or in part, the cost of any construction or replacement of a capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto, provided that any such special assessment shall have been levied in accordance with the procedures set forth in the Bylaws of the Association. The due date of any specified assessment shall be fixed in the resolution authorizing such assessment. The Developer shall not be responsible for paying any special assessments for capital improvements for any Dwelling Unit held by the Developer.

Section 7. Nonpayment of Assessments; The Personal Obligation of the Owner; The Lien and Remedies of the Association. Every assessment, together with such interest thereon and cost of collection thereof as are hereinafter described, shall constitute a personal obligation and debt from

each Owner payable to the Association without demand, and shall be secured by a lien upon the Dwelling Unit and all improvements thereon of each such Owner. Said lien shall attach annually as hereinafter provided and shall be enforceable by the Association in a court of competent jurisdiction. If any such assessments are not paid by the fifteenth (15th) day of the month when due, such assessment shall bear interest from the fifteenth (15th) day of the month of which it was due and payable at the maximum rate allowed by law. No Member of the Association may vote on any matters coming before the Association if at the time specified for such vote, such Member is delinquent in any respect in the payment of such assessments or any installment thereof. The Association may bring a legal action against any Owner personally obligated to pay any assessment and/or may enforce or foreclose the Association's lien against the Dwelling Unit for the full amount of any assessment together with interest thereon, as provided hereinabove. The defaulting Owner shall be responsible for all actual costs, disbursements and expenses incurred by the Association in collecting the delinquent assessment(s) and interest thereon as provided above, including reasonable attorney's fees and costs, whether or not litigation is commenced. Accordingly, in the event that a judgment against the defaulting Owner is obtained by the Association, such judgment shall include interest on the assessment as above provided and a sum, to be fixed by the court, to reimburse the Association for all costs, disbursements and expenses (including, without limitation, reasonable attorney's fees, including appellate attorney's fees and costs) incurred by the Association in connection with said action.

Section 8. Certificate of Unpaid Maintenance Assessments. Each such lien for unpaid assessments, as between the Association on the one hand and the Owner and any grantee of such Owner on the other hand, shall attach to the property and improvements against which the delinquent assessment was made as of January 1st of the year in which such monthly assessment shall be assessed (said January 1st date being the attachment date of each such lien); provided, however, that all such liens shall be subordinate to the lien of an Institutional Mortgagee recorded prior to the time of recording of the claim of lien of the Association pursuant to this Section. Upon request, the Association shall furnish any Owner or mortgagee with a certificate in writing signed by an officer of the Association setting forth whether the above described assessments have been paid and showing the amount of any unpaid assessments against the applicable Dwelling Unit and the period or periods for which any such unpaid maintenance assessments were assessed and fixed. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Payment of Assessment for Platted Common Areas. In addition to the assessments to be paid by the Unit Owners as set forth hereinabove in connection with the Development and its Common Areas, the Unit Owners shall also be responsible for paying assessments levied against each Dwelling Unit for maintenance of the Platted Common Areas. Reference is hereby made to Article VIII and to the Master Restrictions for a more complete description of the rights of Owners in and to the Platted Common Areas and the liabilities of the Unit Owners for maintenance assessments therefor.

ARTICLE VI

MAINTENANCE AND REPAIR OF DWELLING UNIT

Section 1. Owner Maintenance. The Owner of each Dwelling Unit at his own expense shall see to, and shall be responsible for, the maintenance of his Dwelling Unit and all

equipment and fixtures therein, including but not limited to, all air conditioning equipment used in or appurtenant to that Dwelling Unit, and must promptly correct any condition which would, if left uncorrected, cause any damage to another Dwelling Unit, and shall be responsible for any damages caused by his action or non-action. Furthermore, the Owner of each Dwelling Unit shall, at his own expense, be responsible for the upkeep and maintenance, including but not limited to, painting, replastering, sealing and polishing of the interior finished surfaces of the perimeter walls, ceiling and floor of each structure on Dwelling Unit and such Owner shall at this own expense maintain and replace when necessary all screening within or in the perimeter walls of all structures on the Dwelling Unit, and all window glass in windows in the perimeter walls of all structures on the Dwelling Unit and all exterior doors. The Owner may not change the exterior appearance of his Dwelling Unit without the prior written consent of the Board of Directors of the Association.

Section 2. Exterior Maintenance. The Unit Owner shall be responsible for and shall see to, with the exception of the landscaping, the maintenance, repair, and operation of the exterior of the structures situated on the Dwelling Unit, including the roof of the building. If all or any portion of a residence is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner, with all due diligence, to rebuild, repair, or reconstruct such residence in a manner which will substantially restore it to its appearance and condition immediately prior to the casualty. Reconstruction shall be undertaken within two (2) months after the damage occurs, and shall be completed within six (6) months after the damage occurs, unless prevented by causes beyond the control of the Owner. The Association shall have all powers necessary to see that all responsibilities of the Owners hereunder are discharged, and may exercise these powers exclusively if it so desires. Any alterations to the exterior of buildings shall be with the prior written consent of the Board of Directors of the Association.

Section 3. Owner's Additional Costs. In addition to the costs incurred by the Owner in fulfilling the Owner's obligations as set forth in this Article VI, the Owners shall also be responsible for the following costs (which are illustrative but not determinative of the total costs for which such Owner is responsible): the cost of property taxes attributable to the Dwelling Unit; electricity; garbage pickup; telephone; cable television; Association assessments; and Master Association assessments.

Section 4. Remedies of Association. In the event that any Owner of a Unit fails to obtain required approvals or to repair, replace or maintain buildings as required herein, the other Owners or the Association shall have the right to proceed in a court of law or equity to seek compliance with the provisions hereof. The Association shall also have the right to levy at any time an individual assessment against the Owner of the Dwelling Unit for the necessary sums to put the improvements within the Dwelling Unit in good condition and repair or to remove any unauthorized structural addition or alteration. After making such assessments, the Association shall have the right to have its employees and agents enter the Dwelling Unit (but not any structure thereon) at any time to do such work as deemed necessary by the Board of Directors of the Association to enforce compliance with the provisions hereof. The foregoing rights and remedies shall be cumulative with the rights and remedies of the Association set forth elsewhere in this Declaration (including, without limitation, the provisions of Article VII, Section 5, and in the Bylaws and Articles of the Association).

ARTICLE VII

USE OF PROPERTY

Section 1. Use of Land and Dwelling Unit. The Land (including each Dwelling Unit) shall be used for single family residential purposes only. Except as herein otherwise specifically provided, no structure of any kind shall be erected or permitted to remain on any part of the Land other than dwellings constructed by Grantor as a part of the approved Development site plan, and related community or Common Areas facilities. Only one (1) building shall be erected on each Dwelling Unit unless the Grantor should approve in writing a design involving more than one building, which decision the Grantor shall make in its sole and absolute discretion, taking into consideration the aesthetic appeal of such multiple buildings. A construction shed may be placed on a lot and remain there temporarily during the course of active construction of a residence. Otherwise, no portable buildings or trailers may be moved on any Dwelling Unit.

Section 2. Obstructions. With the exception of Grantor's right to construct and place as and where necessary a temporary construction shed or trailer, and Grantor's right to place on the Common Areas all facilities necessary to provide for electric meters, electric service, water service, water wells and well appurtenances, sprinkling systems, street lights, eave protrusions and stucco protrusions or minor wall variations, and any other rights reserved to Grantor under this Declaration, there shall be no obstruction of the Common Areas nor shall anything be stored in the Common Areas without the prior written consent of the Board of Directors of the Association.

Section 3. Lawns and Landscaping.

(a) Upon completion of the building(s) on each Dwelling Unit, the lawn area shall be completely sodded with grass and an automatic sprinkler system capable of keeping this grass watered shall be installed, for purposes of keeping the lawn area uniformly green, luxuriant and well maintained.

(b) A comprehensive landscaping plan for each Dwelling Unit shall be provided by the Grantor as part of the purchase thereof. When the landscaping has been installed in accordance with the landscaping plan, the Association shall be responsible for the maintenance thereof. In the event that any of the trees, grass or shrubs thereafter require replacement, the Association shall have the responsibility of replacing any such trees, grass, or shrubs. In addition, the Association shall have the right, but not the obligation, to remove or require the removal of any tree or shrub located on or adjacent to any roadway or Dwelling Unit if the location of the shrub or tree will, in the sole judgment or opinion of the Association, obstruct the vision of any motorist upon any roadway.

(c) No Owner, other than the Grantor, shall plant or install any trees, bushes, shrubs or other plantings, or authorize the same to be done without written approval of the Association. If unauthorized plantings occur, Grantor or the Association may, at its discretion, after giving Owner thirty (30) days written notice of the problem and requesting cure of same, enter upon the affected land and rearrange, remove or install said landscaping and impose a reasonable charge for such work, and said charge shall become a lien upon the Dwelling Unit belonging to such Owner, as provided for under the laws of the State of Florida.

Section 4. Walls. No wall, hedge or fence shall be constructed on any part of the Land unless the placement, character, form and size of said wall, fence or hedge be first approved in writing by the Association.

Section 5. Exterior Appearance. All building exteriors will be kept in a well maintained fashion, commensurate with the development of highgrade residential property. All exterior appearance changes including, but not limited to, paint colors will require prior approval from the Association. If, in the opinion of the Association, painting, cleaning or repair to any Dwelling Unit is necessary, the Association will have the authority to do such painting, cleaning or repair on behalf of the Owner and to charge the Owner for such work. Said charge shall become a lien on the Dwelling Unit as provided for under the laws of the State of Florida.

Section 6. Vehicles. No wheeled vehicles of any kind (motorized or unmotorized) and no boats may be kept or parked on a Dwelling Unit unless completely inside a garage, except that private automobiles (being defined as passenger cars, vans and pickup trucks) of the Owners and their guests, provided that they bear no commercial signs, may be parked in the driveway or parking area on the Dwelling Unit. Other vehicles may be parked in such driveways or parking areas during the times necessary for pickup and delivery service and solely for the purposes of such services. This does not preclude short-term temporary (i.e., less than 24 hours) parking of recreational vehicles, travel trailers, or the like for the purposes of packing or unpacking the vehicle. No trailer, camper, or recreational vehicle of any kind shall at any time be used as a residence, either temporarily or permanently.

Section 7. Window Air Conditioners. Unless the prior approval of the Association has been obtained, no window air conditioning unit shall be installed or allowed to remain on any building within the Development.

Section 8. Utility Lines. All telephone, electric, and other utility lines and connections between the main or primary utility lines and the residences and other buildings located on each Dwelling Unit shall be concealed and located underground so as not to be visible.

Section 9. Animals, Etc. No animals, birds or reptiles of any kind shall be bred on any of the aforementioned property. No animal, bird or reptile shall be kept in such a manner as to constitute a nuisance. The Board of Directors of the Association may from time to time adopt, promulgate and enforce rules and regulations as to the control, leashing, caging and other restrictions for purposes of animal control as described in the Citrus County Control Ordinance No. 77-14 and amendments thereto.

Section 10. Drilling Oil, Etc. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in the Land, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in the Land. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any of the Land.

Section 11. Waterwells. No waterwells of any kind may be drilled or maintained on any Dwelling Unit. The central water supply system provided for the service of the Land shall be used as a sole source of water for all Dwelling Units and for all water spigots and outlets located within all buildings and improvements located on each Dwelling Unit. This

restriction shall not prohibit the Association from having a well which will serve the exterior water sprinkler system.

Section 12. Garbage Containers. All garbage or trash containers, oil tanks or bottle gas tanks must be underground, or placed in walled-in areas so that they shall not be visible from the adjoining properties. Household garbage pickup shall be made at the underground containers while all other trash shall be curbside pickup.

Section 13. Signs and Displays. No signs shall be erected or displayed on this property or on any structure, or in any window, except that the Grantor may allow a sign to be erected at its discretion, if the placement and character, form and size of such sign be first approved in writing by the Grantor. Notwithstanding the foregoing provision, "For Sale" or "For Rent" signs may be displayed; provided, however, that (i) there shall not be more than one "For Sale" or "For Rent" sign on any one Dwelling Unit, (ii) no "For Sale" or "For Rent" sign shall be in excess of 6" x 8" in size, and (iii) no "For Sale" or "For Rent" sign may be placed within 15 feet of the front lot line. Nothing contained in these restrictions shall prevent the Grantor, or any person designated by the Grantor, from erecting or maintaining such display signs and such temporary structures as the Grantor may deem advisable for development and sales purposes or prevent the Association from posting notices to members or signs containing rules and regulations.

Section 14. Antennas. No radio, television aerials or antennas, satellite dishes or other exterior electronic or electric equipment or devices of any kind may be installed or maintained on the exterior of any structure within the Land unless the location, size and design thereof shall have been approved by the Board of Directors of the Association.

Section 15. Mailboxes. No mailboxes or paper boxes or other receptacles of any kind for use in the delivery of mail, newspapers, magazines, or similar material shall be erected or located on any Dwelling Unit or any roadway area unless and until the size, location, design and type of material for such box or receptacle shall have been approved by the Board of Directors of the Association.

Section 16. Septic Tanks. The central sanitary sewage collection and disposal system serving the Dwelling Units on the Land shall be the only sanitary sewage disposal service or facility used to serve the Land. No septic tanks shall be permitted on the Land and no sewage disposal service or facility shall be used to serve any Dwelling Unit or the improvements thereon or the occupants thereof other than the foregoing described sewage system.

Section 17. Rental of Dwelling Unit. No Owner shall rent his Dwelling Unit unless said Dwelling Unit is evidenced by a written lease agreement providing for a lease term of not less than one (1) month in length and a copy of said lease has been provided to the Association. Subject to the foregoing condition, Owners shall have the right to sell, lease, sublease and rent their Dwelling Units without the approval of the Association.

Section 18. Nuisance. No illegal, noxious, or offensive activity shall be permitted on any part of the Land, nor shall anything be permitted or done thereon which is or may become a nuisance or source of embarrassment or discomfort, or annoyance to the residents of the Development. No fires or burning of trash, and no leaves, clippings or other debris or refuse shall be permitted on any part of said Land.

Section 19. Insurance Rate Increases. Nothing shall be done or kept on a Dwelling Unit or on the Common Areas that would increase the rate of insurance covering the Common Areas without the prior written consent of the Association, and no Owner shall permit anything to be done or kept on the Owner's Dwelling Unit or the Common Areas that would result in the cancellation of insurance on any residence or on any part of the Common Areas or which would be in violation of any law or ordinance.

Section 20. Waiver of Restrictions. The failure of the Grantor or the Association to enforce any restriction, covenant, condition, obligation, right or power herein contained, regardless of the length of time during which such failure continues, shall in no event be deemed a waiver of the right to enforce thereafter these rights as to the same violation or as to a breach or violation occurring prior or subsequent thereto.

Section 21. Right of Grantor. The Grantor reserves the right to itself, its agents, employees or any contractor or subcontractor dealing with the Grantor, to enter upon the Land for the purpose of carrying out and completing the development of the Land, including but not limited to, completing any dredging, filling, grading, or installation of drainage, water lines or sewer lines. These reserved rights in the Grantor shall also apply to any additional improvements which the Grantor has the right but not the duty to install, including but not limited to any streets, sidewalks, curbs, gutters, beautifications, construction of any buildings or structures on any Dwelling Units, or any other improvements. In this respect, the Grantor agrees to restore said property to its condition at the time of said entry and shall have no further obligation to any Owner in connection therewith. The work performed under the above provision shall in no way constitute a lien or personal liability on any Owner.

Section 22. Remedies for Violations. Violation or breach of any condition, restriction or covenant herein contained by any person shall give the Grantor, or any person claiming under the Grantor, in addition to all other remedies, the right to proceed at law or in equity to compel a compliance with the terms of said conditions, restrictions or covenants and to prevent the violation or breach of any of them. In addition to the foregoing, the Grantor shall have the right to summarily remove any structure on a Dwelling Unit which is in violation of these restrictions at the expense of the Owner, and such entry and removal shall not be deemed a trespass.

ARTICLE VIII

CYPRESS VILLAGE PROPERTY OWNERS' ASSOCIATION

Section 1. Platted Common Areas; Cypress Village Homeowners Association. The Development is part of a larger project known as Cypress Village, Sugarmill Woods Subdivision ("Master Development"). The Platted Common Areas are contained within the Master Development, as set forth in the record plat of the Master Development, and are further described in the Master Restrictions. The owner of an interest in each of the lots in each village of the Master Development has an equal undivided interest in all of the Platted Common Areas. Accordingly, because the Development is a village within the Master Development, each Owner of an interest in a Dwelling Unit in the Development shall have an undivided interest in the Platted Common Areas, subject however, to all the restriction, covenants, charges and reservations imposed upon the Platted Common Areas by the Master Restrictions. The Grantor has created a not-for-profit association known as Sugarmill Woods

Cypress Village Association, Inc. ("Master Association") that is responsible for maintenance of the Platted Common Areas, although all the owners of lots in the Master Development (including, without limitation, the Owners of Dwelling Units in the Development) shall be ultimately responsible for the cost of such maintenance. Owners of Dwelling Units in the Development shall be entitled to membership in the Master Association in accordance with the Master Restrictions and the Articles of Incorporation and Bylaws of the Master Association. Each Owner of a Dwelling Unit in the Development hereby acknowledges and understands, and by acceptance of a deed or other instrument transferring interest in such Dwelling Unit agrees: (i) to pay all assessments levied by and due to the Master Association for maintenance of the Platted Common Areas as may from time to time be set by such Master Association in accordance with the rights conferred upon the Master Association (including the right to enforce payment of the assessment and impose a lien on a Dwelling Unit for unpaid assessments) by the Master Restrictions and the Articles of Incorporation and Bylaws of the Association, and (ii) to abide by all restrictions and to perform all covenants contained in the Master Restrictions or otherwise imposed by the Master Association.

ARTICLE IX

AMENDMENT OF THE HAMMOCKS OF SUGARMILL WOODS

In the event Grantor determines that it is necessary to modify the Development (including, without limitation, the number of Dwelling Units) it may do so by plat amendment. Grantor and its successors and assigns also reserve the right to change building styles, elevations, sizes, interior and exterior configuration, heights, material, and location without consent of any Owner. Until cessation of the Class B Membership, Grantor shall have the exclusive right to amend this Declaration in accordance with Article XII hereinbelow. After cessation of the Class B Membership, this Declaration may also be amended at any time by an instrument signed by Owners holding not less than two-thirds of the votes of the entire Membership. Any amendment must be duly recorded to be effective.

ARTICLE X

GENERAL PROVISIONS

Section 1. Covenants Running With the Land. The covenants and restrictions of this Declaration shall run with and bind the Land, and shall inure to the benefit of and be enforceable by the Grantor, the Association, or any Owner, their respective heirs, successors and assigns, subject to the Grantor's, or its successor's right to amend as set forth in Article IX.

Section 2. Notices. Any notice required or permitted to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as Owner on the records of the Association at the time of such mailing.

Section 3. Enforcement. The Association, any Member or any Owner shall have the right to enforce these covenants and restrictions by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, to restrain violations, to require specific performance and/or to recover damages, and to enforce any lien created by these covenants, and failure by the

Grantor, Association or Member or any Owner to enforce any covenant or restriction therein contained shall in no event be deemed a waiver of the right to do so thereafter. The expense of enforcement shall be chargeable to the Owner responsible for violation of these covenants and restrictions and the expense so incurred shall constitute a lien on such Owner's Dwelling Unit, collectible in the same manner as assessments hereunder.

Section 4. Dissolution of the Association. In the event the Association is dissolved in accordance with the provisions of the Association's Certificate of Incorporation, the assets, both real and personal, of the Association shall be distributed among the Members. When more than one person holds an interest in the Dwelling Unit, these persons shall determine among themselves how their share in such interest shall be distributed.

Section 5. Duration. The restrictions provided for in this Declaration, as amended from time to time, shall continue for a period of thirty-five (35) years from the date hereof, and thereafter shall continue automatically in effect for additional periods of ten (10) years, unless otherwise agreed to in writing by the then Owners of at least three-fourths (3/4) of the Dwelling Units.

Section 6. Master Restrictions. It is understood that the restrictions and provisions contained in the Master Restrictions, which presently affect the Land, and the restrictions and provisions contained in this Declaration, are intended to be cumulative and should be read together consistently (so as to add to rather than limit the provisions of each instrument) whenever possible. In the event (and only in the event) of an inconsistency between any provision of the Master Restrictions and this Declaration, the provision contained in the Declaration shall prevail with respect to this Development.

ARTICLE XI

COVENANT AGAINST PARTITION

In order to preserve the plan of development, the Common Areas and Dwelling Units shall remain undivided and no one shall bring any action for partition or division of the whole or any part thereof.

ARTICLE XII

ADDITIONAL RESTRICTIONS AND AMENDMENTS

The Grantor or its successor reserves the right to hereafter, from time to time, amend, modify, add to or delete from any part or all of the Declaration without notice to or consent from anyone.

ARTICLE XIII

COST AND ATTORNEY'S FEES

In any proceeding arising because of an alleged failure of an Owner or the Association to comply with the terms of this Declaration or the Articles of Incorporation and the Bylaws of the Association, or any requirements adopted pursuant to any of them, as they may be amended from time to time, the prevailing party shall be entitled to also recover the costs of the proceedings and such reasonable attorney's fees, including appellate attorney's fees and costs, as may be awarded by the applicable Court; provided, however, that this provision shall not be construed so to derogate from any covenants set forth in Article V, Section 7.

ARTICLE XIV

NO WAIVER OF RIGHTS

The failure of the Association or any Owner to enforce any covenants or restriction herein contained, or any provision of the Articles of Incorporation or Bylaws of the Association or any regulations adopted pursuant to any of them, shall not constitute a waiver of the right to do so thereafter.

ARTICLE XV

INVALIDITY CLAUSE

Invalidity of any of these covenants by a Court of competent jurisdiction shall in no wise affect any of the other covenants which shall remain in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 9th day of December, 1988.

Nola Patterson
First Witness

PUNTA GORDA DEVELOPERS, INC.
a Florida Corporation
Grantor

Leanne Hadwell
Second Witness

By: James T. Sanders
James T. Sanders, Chairman of the
Board

STATE OF FLORIDA
COUNTY OF CITRUS

I HEREBY CERTIFY that on this day personally appeared before me, a Notary Public duly authorized by the laws of the State of Florida to take acknowledgments, James T. Sanders as Chairman of the Board of PUNTA GORDA DEVELOPERS, INC., a Florida corporation, to me well known to be the person who executed the foregoing DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS and acknowledged before me that (s)he executed the same for the purposes therein expressed and as the free act and deed of the corporation.

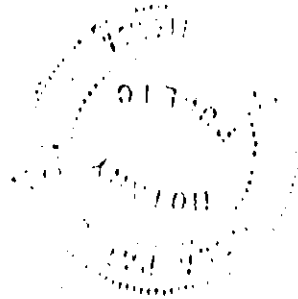
WITNESS my hand and official seal at Homosassa,
said County and State this 9th day of December 1988.

My commission expires:

Nola Patterson
Notary Public-State of Florida

NOTARY PUBLIC, STATE OF FLORIDA.
MY COMMISSION EXPIRES SEPT. 26, 1992.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

(AFFIX SEAL)



CONSENT OF MORTGAGEE

NAPLES FEDERAL AND SAVINGS AND LOAN ASSOCIATION, a corporation existing under the laws of the United States of America (hereinafter referred to as the "Mortgagee"), is the owner and holder of a certain mortgage or mortgages on the property described in the foregoing Declaration of Covenants, Restrictions and Easements for THE HAMMOCKS OF SUGARMILL WOODS (the "Declaration").

Mortgagee hereby consents to the recording of the foregoing Declaration, and the lien of the aforesaid Mortgage(s) shall henceforth encumber the various dwelling units described in the Declaration, and Mortgagee hereby subordinates the lien of its Mortgage(s) to the rights of the Unit Owners, the Association and to the Grantor and its successors and assigns in and to the Common Areas, as set forth (and as defined) in the Declaration.

PROVIDED, HOWEVER, that this Consent is not to be construed as a waiver of priority of the Mortgage nor a waiver of any of the terms and conditions of the Mortgage(s) or the Note(s) secured thereby nor a reduction of the lands or any other lands covered by said Mortgage(s). Nothing herein shall be understood to be a subordination of said Mortgage(s) to any other interests or rights, except as provided specifically herein, a modification of any of the terms of said Mortgage(s) or a release from the lien of said Mortgage(s) of any lands not submitted to the form of ownership set forth in the Declaration. This Consent of Mortgagee is valid only for the Declaration and not for any amendments or modifications thereto or thereof.

NAPLES FEDERAL SAVINGS AND LOAN ASSOCIATION by the execution of this Consent is not, nor does it intend to become, a Developer of the herein referenced project for purposes of representation and/or warranties in the event that the lender is required to foreclose its Mortgage(s).

WITNESS, my hand and seal this 7th day of December, 1988.

NAPLES FEDERAL SAVINGS AND LOAN
ASSOCIATION, Mortgagee

[Signature]
First Witness

By: [Signature]
Title: [Signature]
JOHN W. ABBOTT, Senior Vice President

[Signature]
Second Witness

BOOK 800 PAGE 0215

Jennifer Vickers 12-13-88

STATE OF FLORIDA
COUNTY OF COLLIER

I HEREBY CERTIFY that on this 7th day of December, 1988, before me personally appeared JOHN W. ABBOTT, as Senior Vice President of NAPLES FEDERAL SAVINGS AND LOAN ASSOCIATION, to me well know and know to me to be the person described in and who executed the foregoing Joinder of Mortgagee and acknowledged the execution thereof to be the act and deed of said savings and loan institution for the uses and purposes therein expressed.

WITNESS my signature and official seal in said County and State, the day and year aforesaid.

Barbara W. Vickers
Notary Public-State of Florida

My Commission Expires:

(AFFIX SEAL)

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXPIRES 12-31-1991



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J. Vickers
NOTARY PUBLIC
STATE OF FLORIDA
COMMISSION EXPIRES 12-31-1991

Jennifer Vickers 12-13-88