

~~Section 25. Reserves. At such time as there are improvements in any Common Areas for which Association has a responsibility to maintain, repair, and replace, the Board may, but shall have no obligation to, include a "Reserve for Replacement" in the Annual Assessments in order to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements comprising a portion of the Common Area ("Reserves"). Assessments pursuant to this Section shall be payable in such manner and at such times as determined by Association, and may be payable in installments extending beyond the fiscal year in which the Reserves are approved. So long as there shall be Class B membership, Reserves shall be subject to the prior written approval of Declarant, which may be withheld for any reason. The Board also may, but shall have no obligation to, include a Reserve for the Exclusive Common Area and for each Neighborhood for which the Association maintains capital items as a Neighborhood Expense.~~

Section 26. Assessments for Limited Common Area. Notwithstanding anything in the foregoing to the contrary, the Annual Assessments for Common Expenses attributable to Limited Common Area shall be computed by dividing such budgeted Common Expenses by the sum of all Residential Dwellings responsible for such Common Expenses and the resulting "Assessment per Residential Unit" and shall be assessed against, and paid by, only the Members owning such Residential Unit. All other costs and expenses associated with maintenance, repair, replacement, and insurance of a Limited Common Area shall be assessed as an Individual Assessment only against the Owners identified by as provided above as being authorized and entitled to utilize and realize the benefits of the Limited Common Area.

ARTICLE VII

ARCHITECTURE AND LANDSCAPING

Section 1. General. No structure or thing shall be placed, erected, installed, or posted on the Properties and no improvements or other work, including staking, clearing, excavation, grading and other site work, exterior alterations of existing improvements, planting or removal of landscaping, or modifications of screened porches, patios ("Activity"), shall take place within the Properties, except in compliance with this Article. Any Owner may remodel, paint or redecorate the interior of his or her Residential Dwelling without approval; however, modifications of screened porches, patios, and similar portions of a Residential Dwelling visible from outside the structure shall be subject to approval.

Section 2. Architectural Review.

(a) By Declarant. Until 100% of the Property described on **Exhibit "A"** has been developed and conveyed to Owners, the Declarant retains the right to exercise architectural review under this Article. There shall be no prior surrender of this right except as provided in this Section. Each Owner or occupant, by accepting any interest in any portion of the Properties, acknowledges that, as the developer and as an Owner of portions of the Properties as well as other real estate within the vicinity of the Properties, Declarant has a substantial interest in ensuring that the improvements within the Properties preserve and enhance the general plan of development for HAMMOCKS CAPE HAZE and do not impair the Declarant's ability to market, sell, or lease its property. Therefore, each Owner agrees that no activity within the scope of this Article shall be commenced on such Owner's Residential Dwelling unless and until the Declarant or its designee has given its prior written approval for such Activity, which approval may be granted or withheld in the sole discretion of Declarant or its designee. In reviewing and acting upon any request for approval, Declarant or its designee shall be acting solely in the interest of the Declarant and shall owe no duty to any other person or entity.

The Declarant may, in its sole discretion, designate one or more persons or entities from time to time to act on its behalf in reviewing applications hereunder. The Declarant may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights under this Article to an architectural review committee appointed by the Association's Board of Directors (the "ARC"). Any such

delegation shall be in writing, specifying the scope of responsibilities delegated, and shall be subject to (i) the right of Declarant to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (ii) the right of Declarant to veto any decision within ten (10) days which Declarant determines, in its sole discretion, to be inappropriate or inadvisable for any reason. So long as the Declarant has any rights under this Article, the jurisdiction of the ARC shall be limited to such matters as are specifically delegated to it by the Declarant

(b) Architectural Review Committee. Upon delegation by Declarant or upon expiration or termination of the Declarant's rights under this Article, the Association, acting through the ARC, shall assume jurisdiction over architectural matters hereunder. Subject to the Declarant's authority in this Article and the Board's discretion to establish review and appeal procedures, decisions of the ARC shall be final. The ARC, when appointed, shall consist of at least three, but not more than seven, persons who shall serve and may be removed and replaced in the Board's discretion.

(c) Fees; Assistance. For purposes of this Article, the Declarant and/or the Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Association's annual operating budget as a Common Expense. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals.

Section 3. Procedures. Prior to commencing any Activity within the scope of this Article, an Owner shall submit an application for approval of the proposed Activity in such form as the Declarant, Association or ARC, as applicable, may specify. Declarant, Association or ARC, as applicable, shall, within thirty (30) days after receipt of a completed application and all required information, respond in writing to the applicant at the address specified in the application. The response may (i) approve the application, with or without conditions, (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application. The Declarant, Association or ARC, as applicable, may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections.

In the event that the Declarant, Association or ARC, as applicable, fail to respond in a timely manner, the Owner seeking approval shall request a response by certified mail, return receipt requested. If the Declarant, Association or ARC, as applicable, fails to respond within 30 days after receipt of such request, approval shall be deemed to have been given, subject to the Declarant's right to veto approval by the ARC pursuant to this Section. Notice shall be deemed to have been given at the time the envelope containing the response is deposited with the U.S. Postal Service. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the applicant.

Section 4. Variances. The Declarant, the ARC, or the Board may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to this Declaration; or (c) estop the Declarant, Board or ARC, as applicable, from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance. So long as the Declarant owns a Residential Dwelling within the Properties, such variance, if not granted by the Declarant, must be approved in writing by the Declarant and in advance of the commencement of Activity.

Section 5. Limitation of Liability. The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Properties but shall not create any duty to any person or entity. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the Declarant, Board or ARC, as

applicable, shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications. Review and approval does not ensure compliance with building codes and other governmental requirements, or ensure that all Residential Dwellings are of comparable quality, value or size or of similar design. The Declarant, the Association, the Board, any committee, or member of any of the foregoing shall not be held liable for: (i) soil conditions, drainage or other general site work, (ii) any defects in plans revised or approved hereunder, or (iii) any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Residential Dwelling.

ARTICLES VIII MASTER PLAN

Section 1. Master Plan of Development. The Declarant has on file at its business office, presently located at 1408 N. Westshore Blvd., Suite 116, Tampa, FL 33607, and on file with Charlotte County Planning and Zoning Department, a copy of the master plan of development (the "Master Plan") for the land which is subject to this Declaration, showing a general indication of the size and location of developments; the approximate size and location of Common Area; and the general nature of any proposed Common Area facilities and improvements. Such Master Plan shall not bind the Declarant to make any such Common Areas or adhere to the Master Plan. Such Master Plan may be amended or modified by the Declarant, in whole or in part, at any time, or discontinued. As used herein, the term "Master Plan" shall mean such general plan of development together with any amendments or modifications thereof hereafter made. WITHOUT LIMITING THE FOREGOING, DECLARANT MAY PRESENT TO THE PUBLIC OR TO OWNERS RENDERINGS, PLANS, MODELS, GRAPHICS, TOPOGRAPHICAL TABLES, SALES BROCHURES, OR OTHER PAPERS RESPECTING HAMMOCKS CAPE HAZE. SUCH RENDERINGS, PLANS, MODELS, GRAPHICS, TOPOGRAPHICAL TABLES, SALES BROCHURES, OR OTHER PAPERS ARE NOT A GUARANTEE OF HOW HAMMOCKS CAPE HAZE WILL APPEAR UPON COMPLETION AND DECLARANT RESERVES THE RIGHT TO CHANGE ANY AND ALL OF THE FOREGOING AT ANY TIME AS DECLARANT DEEMS NECESSARY IN ITS SOLE AND ABSOLUTE DISCRETION.

Section 2. Deed Restrictions. In addition to this Declaration, the Declarant may record for parts of the Properties additional deed restrictions applicable thereto either by master instrument or individually recorded instruments. Such deed restrictions may vary as to different parts of the Properties in accordance with the Declarant's development plan and the location, topography and intended use of the land made subject thereto. To the extent that part of the Properties is made subject to such additional deed restrictions, such land shall be subject to additional deed restrictions and this Declaration. The Association shall have the duty and power to enforce such deed restrictions if expressly provided for therein, and to exercise any authority granted to it by them. Nothing contained in this Declaration shall require the Declarant to impose uniform deed restrictions or to impose additional deed restrictions of any kind on all or any part of the Properties.

Section 3. Withdrawal. Anything herein to the contrary notwithstanding, the Declarant reserves the absolute right to amend this Declaration at any time, without prior notice and without the consent of any person or entity, for the purpose of removing certain portions of the Properties from the provisions of this Declaration; provided, that, the Declarant holds title to such portion of the Properties. The Association shall have no right to withdraw land from the Properties.

Section 4. Annexation.

(a) Additions to Properties and Master Plan

(1) Additions to the Properties. Additional land may be brought within the jurisdiction and control of the Association in the manner specified in this Section 4 and made subject to all the terms of this Declaration as if part of the Properties initially included within the terms hereof, provided such is done within twelve (12) years from the date this instrument is recorded. Notwithstanding the