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**COVENANTS AND RESTRICTIONS
OF
HILLSIDE**



Book: 1787
Page: 0260
Rec: 04/16/99
08:58 A.M.
File# 9917268
James B. Jett
Clerk Of Courts
Clay County, FL
FEE: \$82.50

KNOW ALL MEN BY THESE PRESENTS:

KEL ENTERPRISES, INC., a Florida corporation, hereinafter called "**DEVELOPER**", is the owner of all lots in **HILLSIDE** according to the plat in Plat Book 32, pages 70, 71, 72 and 73, of the public records of Clay County, Florida.

NOW, THEREFORE, for and in consideration of the benefit of itself and all person claiming by, through or under it, the **DEVELOPER** does hereby impose upon all lots in **HILLSIDE** (1) the following Covenants and Restrictions to run with the title to said lots, and (2) does hereby impose the easements referred to in Paragraph 19 hereof.

1. No lot shall be used except for residential purposes. No building shall be erected on any of said lots other than one detached single family dwelling not to exceed two (2) stories in height and an attached car garage capable of holding up to three (3) cars.
2. The **DEVELOPER** reserves the right to resubdivide, replat or utilize any lot or lots shown on said plat for any purpose consistent with residential development in general, including rights of way for road purposes within the subdivision or to adjoining lands and easements. The restrictions herein contained shall apply to each lot as replatted or resubdivided except any lot or lots resubdivided for road purposes or easements, or for other purposes that the **DEVELOPER** and only the **DEVELOPER** determines will not effect the residential integrity of the subdivision.
3. The owner of each lot shall properly maintain all improvements located thereon, including keeping the yard properly maintained in an appropriate condition and all buildings properly painted.
4. No trailer, tent, shack, detached garage, barn or other out-building shall be erected or permitted either temporarily or permanently on any lot. However, nothing herein shall be construed to prevent the **DEVELOPER**, or it agents, from erecting and maintaining on any part of said lots owned by it, such temporary buildings and other structures as may be reasonably required by **DEVELOPER**, its successors and assigns, for development and sales purposes.
5. No inoperable motor vehicles, appliances or other articles shall be placed on or permitted to remain on any lot either temporarily or permanently.
6. Each and every residence on each lot shall be connected to the water lines owned

and operated by the Clay County Water and Sewer Authority, or its successors and/or assigns. No well shall be permitted on any lot to be used in the interior of any residence except that shallow wells for use in air conditioning equipment and/or lawn watering are permitted - all septic tank locations and the drain fields connected therewith shall be in the rear or side of the lot.

7. No lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste; except in closed sanitary containers and for not longer than twenty-four (24) hours.

8. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lots, except that a total not to exceed four (4) dogs, cats or other household pets may be kept; provided, however, that they are not kept, bred, or maintained for any commercial purpose and do not cause or create or constitute a nuisance.

9. No building shall be constructed on any lot of material other than masonry, metal preapproved by the **DEVELOPER**, or good wood. No secondhand nor used building materials other than masonry shall be used, except that secondhand wood may be used on the exterior of residences, provided it has a minimum of two (2) coats of high quality paint applied to the exterior. Under no circumstances shall tin, tar paper or asphalt composition (except for roofs of asphalt shingles) appear on the exterior of any such residence or building, except temporarily during construction.

10. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighbors.

11. No radio, television aerial, antennas, satellite dish, or any other exterior electronic or electric device of any kind shall be permitted on any lot or attached to any structure on the lot except that a satellite dish not to exceed eighteen (18) inches in diameter will be permitted as long as the dish is screened and not visible from any other lot or from the street.

12. All basketball backboards must be a minimum of twenty-five (25) feet from the front curb line.

13. No wheeled vehicles of any kind and no boats may be kept or parked on the lot unless same are completely inside a garage or other appropriate enclosure, such as a fence, which will shield the vehicle or boat from view from outside the lot, except that private automobiles of the home owners bearing no commercial signs or license tag may be parked in the driveway on the lot, and except that private automobiles of guests of the home owners may be parked in such driveway; except that other vehicles may be parked in such driveway during the times necessary for pickup and delivery service and solely for the purpose of such service. A wheeled vehicle or boat, which is too large for the garage, may be placed on the lot; however, it must be obscured from view from the outside of the lot.

14. The property is subject to an easement for oil, gas and minerals on, in and under the above described lands and the right of the easement owners to explore for oil, gas and minerals on, in, and under each lot, and to produce, drill, and mine the same; provided that the Grantee's and the Grantee's heirs, representatives, successors and assigns shall be paid just and reasonable compensation for any injury or damage to the surface of said land, to crops or to the improvements thereon caused by the exercise of such rights shall not be postponed or delayed pending reasonable efforts to agree upon or have determined such just and reasonable compensation.

15. "Conservation Area" or "Conservation Easement Areas" shall mean and refer to all of such areas so designated as "wetland as defined by D.E.T." upon the recorded subdivision plat.

The Conservation Easement Areas shall and are hereby declared to be subject to a conservation deed restriction in favor of the **DEVELOPER**, its successors and assigns, for the purpose of retaining and maintaining the conservation easement areas in the predominantly natural condition as a wooded water recharge, detention and percolation and environmental conservation area. In furtherance of this conservation easement, each of the following uses of the conservation easement are hereby prohibited and restricted without the prior written consent of the St. Johns River Water Management District, to wit:

- A. The construction, installation or placement of signs, buildings, fences, walls, roads or any other structure and improvements on or above the ground of the conservation easement areas; or
- B. The dumping or placing of soil or other substances or materials as landfill or the dumping or placing of trash, waste or unsightly or offensive materials; and
- C. The removal or destruction of trees, shrubs or other vegetation from the conservation easement areas; and
- D. The excavation, dredging or removal of loam, peat, gravel, rock, soil, or other material substance in such a manner as to affect the surface of the conservation easement areas; and
- E. Any use which would be detrimental to the retention of the conservation easement areas in their natural condition.
- F. Acts or uses detrimental to such retention of land or water areas.

The conservation easement areas shall be perpetual.

The **DEVELOPER**, its successors and assigns and the St. Johns River Water Management District shall have the right to enter upon the conservation easement areas at all

reasonable times and in a reasonable manner, to assure compliance with the aforesaid prohibition and restrictions.

The **DEVELOPER**, until such time as all of said lots have been sold by it, and all subsequent owners of any land upon which there is located any conservation easement shall be responsible for the periodic removal of trash and other debris which may accumulate on such easement parcel on their lot or lots.

The prohibitions and restrictions upon the conservation easement areas as set forth in this paragraph may be enforced by the St. Johns Water Management District by proceedings at law or in equity including, without limitation, actions for injunctive relief. The provisions in this conservation easement area may not be amended without prior approval from the St. Johns River Management District.

All rights and obligations arising hereunder are appurtenances and covenants running with the land of the conservation easement areas, and shall be binding upon, and shall inure to the benefit of the **DEVELOPER**, and its successors and assigns. Upon conveyance by the **DEVELOPER** to third parties of any land affected hereby, the **DEVELOPER**, shall have no further liability or responsibility hereunder, provided the deed restriction including the conservation areas are properly recorded.

16. The **DEVELOPER** and its assigns reserves the right to release any lot from any part of these covenants and restrictions which may violate (including without limiting the foregoing, violations or building restriction lines and provisions hereof relating thereto wherever the **DEVELOPER**, in its sole judgment, determines such violation to be minor or insubstantial violation) these covenants and restrictions.

17. No building shall be erected, placed or altered on any lot until the construction plans and specifications and plan showing the location of the structure have been approved by the architectural committee as to quality of workmanship and materials, harmony of external design with existing structures. The location with respect to topography and finish grade elevation shall be the sole responsibility of the builder.

18. The architectural committee is composed of JAMES R. MENARD, 2575 C.R. 220, Suite 107, Doctors Inlet, Florida 32068 and one other person named by him. The committee may designate a representative to act for it. Neither the members of the committee, nor its designated representative shall be entitled to any compensation for service performed pursuant to this covenant. All submittals should be made by the owner to the builder, who in turn will, with his recommendation, submit same to James R. Menard or his assigns for his consideration. At a time when the **DEVELOPER** has sold ninety percent (90%) of the total lots in HILLSIDE, the enforcement of these covenants and restrictions shall be the responsibility of Hillside Homeowners Association of Clay County, Inc., a non-profit corporation. However, nothing shall preclude the **DEVELOPER** from turning over these responsibilities sooner to such

homeowners association.

19. Easements for fencing, water, sewage, electricity, drainage, power, and communications are reserved over, on and under all easements as shown on said plat and over and on, a ten (10) foot strip along the side lines of each lot, and on and over a fifteen (15) foot strip along the front of each lot, where no such easement is shown on said plat, and the said **DEVELOPER** shall have the unrestricted right and power to release said easement as to any lot. Said reservation of easements shall inure to the benefit of the **DEVELOPER** and its successors and/or assigns.

20. Enforcement of these covenants and restrictions shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenants either to restrain violation or to recover damages.

21. Invalidation of any one of these covenants by judgment or court shall in no way effect any of the other provisions which shall remain in full force.

22. All pools, in ground or above ground, swimming, wading, or hot tub, either permanent or temporary, must be obscured from view from outside of the lot.

23. Hedges, fences or walls may not be built or maintained on any portion of any lot except on the rear or interior side lot line and no closer to the front of the lot than the front line of the main residence; no closer than twenty (20) feet to a side street, when the residence is situated on a corner lot. No fence or wall shall be erected nor hedge maintained higher than six (6) feet from the normal surface of the ground. If the fence is to be located in a easement for drainage, then there shall be provided a minimum of eighteen (18) inches between the natural ground and the bottom of the fence. Fence structure posts may be installed in the drainage easement but at intervals of not less than eight (8) feet.

Along the rear of lots 18-22 and 25-31, and 50-51, the only type fence allowed on the rear of the lot shall be a green vinyl chain link fence no higher than four (4) feet. The lot owners of lots 18-22 and 25-31, and 50-51, shall be responsible for the maintenance of the drainage easement behind their lot to the water edge. This is to include cutting and maintenance of the lake bank to the water's edge.

24. The building set back requirements and building restrictions shall be set back a minimum of twenty (20) feet from the front lot lines, a minimum of ten (10) feet from the rear lot lines and minimum of seven and one-half feet (7 1/2') from the side lot lines, however, any setback or building restriction lines (B.R.L.) established on the plat will supersede the above minimums.

25. Buildings shall contain a minimum of sixteen hundred (1600) square feet of ground area, exclusive of garages, porches, or screened-in areas for single story residences, no less than

six hundred (600) square feet of ground area for a residence of more than one story. The **DEVELOPER** reserves the right to reduce any of the above designated number of square feet by up to ten percent (10%) as to any of the lots. All buildings shall have a side entry garage.

26. The covenants and restrictions shall remain in force and effective until January 1, 2040, after which these covenants and restrictions shall be automatically renewed for successive ten (10) year periods unless these covenants and restrictions are amended, altered or canceled by a majority vote of the then recorded owners of the lots herein described. Until these covenants and restrictions expire or are canceled, they shall be deemed to be covenants running with the title to said lots.

27. A non-profit corporation, **HILLSIDE HOMEOWNERS ASSOCIATION OF CLAY COUNTY, INC.**, ("The Association") has been formed and the owners of each lot, together with their grantees and successors, shall, by virtue of lot ownership, be members of The Association and subject to payment of all dues and assessments levied by The Association. The Association shall have the right to place a lien, subject to any prior encumbrance, on any lot for non-payment of dues or assessments after thirty (30) days from the date they are due.

When ninety percent (90%) of all lots have been sold and conveyed by the **DEVELOPER**, the Association shall assume full responsibility for all of Developer's obligations with regard to storm drainage within the subdivision which has previously been the obligation and responsibility of **DEVELOPER**. However, nothing shall preclude the **DEVELOPER** from turning over these obligations and responsibilities sooner to such Homeowners Association.

The association members shall be lot owners and they shall initially and annually elect a minimum of four (4) directors, plus a president, a vice-president and a secretary-treasurer (who may also be directors).

Initial dues shall be One Hundred Eighty Dollars (\$180.00) per year and shall be fixed annually thereafter by the Board of Directors in an amount not to exceed ten percent (10%) greater than the prior year's assessment.

Commencing in 1999 such dues shall be prorated as of the date a homeowner purchases from a builder and shall be paid to the association at closing.

28. When approved by a two-third (2/3) vote of the property owners attending a meeting of the association, after due notice, the association may levy, in addition to the dues, a special assessment required to fulfil its responsibilities.

29. The purpose of the dues and assessments levied by the association shall be used exclusively to improve and maintain the common area, including but no limited to the following:

- A. Payment of operating expenses of the association;

B. Lighting, improvement and beautification of access ways, and easement areas and in addition thereto the maintenance of the common area;

C. Maintenance, improvement and operation of drainage easements and systems;

D. Maintenance, improvement and beautification of parks, lakes, ponds and buffer areas.

E. Doing any other thing necessary to desirable, in the judgment of said association, to keep said lands neat and attractive or to preserve or enhance the value of the properties therein.

30. **DEVELOPER** may turn over to its designee any rights and responsibilities it has under these covenants and restrictions.

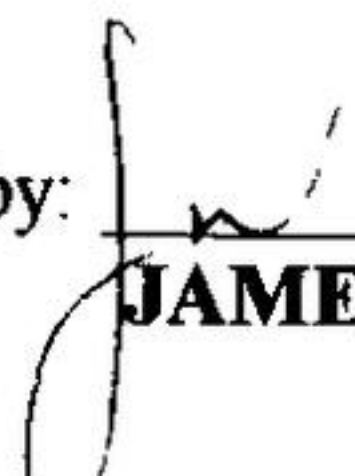
IN WITNESS WHEREOF, KEL ENTERPRISES, INC., a Florida corporation has caused these covenants and restrictions to be executed, the appropriate corporate seal affixed hereto, this 12th day of April, 1999.

Signed in the presence of:

KEL ENTERPRISES, INC.


witness


witness

by: 
JAMES R. MENARD, PRESIDENT

State of Florida



Department of State

BOOK 1787 PAGE 0267

I certify the attached is a true and correct copy of the Articles of Incorporation of HILLSIDE HOMEOWNERS ASSOCIATION OF CLAY COUNTY, INC., a Florida corporation, filed on April 1, 1999, as shown by the records of this office.

The document number of this corporation is N99000002114.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Sixth day of April, 1999



CR2EO22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

FILED
99 APR -1 AM 8:03
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF INCORPORATION

OF

HILLSIDE HOMEOWNERS ASSOCIATION OF CLAY COUNTY, INC.

A CORPORATION NOT FOR PROFIT

We, the undersigned, being desirous of forming a corporation not for profit, do hereby associate ourselves into a corporation for the purposes and with the powers herein specified and do hereby agree to the following Articles of Incorporation:

ARTICLE 1 - NAME

The name of this Corporation shall be:

HILLSIDE HOMEOWNERS ASSOCIATION OF CLAY COUNTY, INC.
(hereinafter referred to as the "Association").

ARTICLE 2 - PURPOSE

The purpose and object of the Association shall be to exercise all of the rights, powers and duties granted to it under that certain Declaration of Covenants, Conditions, Restrictions, and Easements for HILLSIDE, a subdivision in Clay County, Florida, as amended from time to time (the "Declaration"), as well as all other rights, powers and duties which may be granted to it by the Developer, as that term is defined in the Declaration (the "Developer"), these Articles or the Association Bylaws. Such rights, powers and duties shall include, but not be limited to, the following: The Association shall own, operate and maintain the Common Areas as defined in the Declaration (the "Common Areas"). Each homeowner shall be a member of the HILLSIDE HOMEOWNERS ASSOCIATION OF CLAY COUNTY, INC. and pay its share of assessments and abide by the Covenants, Restrictions, Terms and Conditions, all as set forth in the Declaration of Covenants and Restrictions for HILLSIDE as recorded in Official Records Book _____, Page(s) _____, of the public records of Clay County, Florida. The Developer shall exercise architectural control over the development of the Property, as that term is defined in the Declaration (the "Property"); and the Association shall have the right to enforce the covenants, conditions, restrictions, and easements contained in the Declaration.

ARTICLE 3 - EXISTENCE AND DURATION

Existence of the Association shall commence with the filing of these Articles of Incorporation with the Secretary of State. The Association shall exist in perpetuity.

ARTICLE 4 - POWERS

The Association shall have the following powers:

A. All of the powers and privileges granted to corporations not for profit under the laws of the State of Florida and the Declaration.

B. All of the powers reasonably necessary to implement and effectuate the purposes of the Association, including, without limitation, the power, authority and right to:

1. Make and establish reasonable rules and regulations governing the use of the Property or the Common Areas, as such terms will be defined herein and in the Declaration.

2. Adopt for, and in advance of, each fiscal year a budget necessary to carry out the purposes of the Association as set out herein.

3. Levy and collect assessments against Members of the Association to defray the expenses of the Association, including the right to enforce any lien right granted the Association to secure the payment of said assessments.

4. Own, operate, lease, sell, manage, encumber, convey, subject to easements, and otherwise deal with such real and personal property as may be necessary or convenient for the administration of the Common Areas.

5. To own, manage, administer and operate such property as may be conveyed to it by the Developer, its successors or assigns for the mutual benefit and use of all Members.

6. Enforce the provisions of these Articles of Incorporation, the Bylaws, the Declaration and all covenants, restrictions, rules and regulations governing use of the Property, or a portion thereof, and the Common Areas which may now exist or hereafter be established.

7. The Association shall operate, maintain and manage

the surface water or stormwater management system(s) in a manner consistent with the St. Johns River Water Management District requirements and applicable District rules, and shall assist in the enforcement of the Declaration of Covenants and Restrictions which relate to the surface water or stormwater management system.

8. The Association shall levy and collect adequate assessments against members of the Association to fund the obligations of the Associations to pay assessments to HILLSIDE HOMEOWNERS ASSOCIATION OF CLAY COUNTY, INC., including the costs of maintenance and operation of the surface water or stormwater management system.

ARTICLE 5 - QUALIFICATION OF MEMBERS

The qualification of members, manner of their admission to and termination of membership and voting by members shall be as follows. Each "Owner" of a "Lot" (as those terms are defined in the Declaration), including the Developer, shall be and become a member of the Association upon the recording of a deed, in the public records of Clay County, granting such owner fee simple title to a Lot.

ARTICLE 6 - VOTING

A. The affairs of the Association shall be administered and managed by the Board of Directors as described in Article VIII hereof.

B. Until such time as the first Lot is conveyed to an Owner other than the Developer, the membership of the Association shall be comprised of the subscribers to these Articles, each of whom shall be entitled to cast a vote on all matters upon which the membership would be entitled to vote.

C. There shall be two classes of voting membership in the Association:

Class A. Class A Members shall be all Owners, except the Developer while the Developer is a Class B Member, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot other than a security for the performance of any obligation, all such persons shall be Members. The Vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Developer. The Class B. Member shall be entitled to the number of votes held by all Class A Members plus one. The Class B Membership shall cease when the Developer has conveyed one hundred percent (100%) of the Lots within the Property, or when the Developer, in its sole discretion, elects to terminate its Class B membership, whichever occurs first. Upon the termination of its Class B membership, the Developer, if it still owns any Lots, shall become a Class A Member.

ARTICLE 7 - TERM OF EXISTENCE

The Association shall have perpetual existence. The termination, dissolution or final liquidation of the Association shall not relieve its members of the collective responsibility to pay assessments to HILLSIDE HOMEOWNERS ASSOCIATION OF CLAY COUNTY, INC.

ARTICLE 8 - OFFICE

The principal office of the Association shall be 2575 County Road 220, Suite 107, Middleburg, Florida 32068, or such other place as the Board of Directors may designate.

ARTICLE 9 - BOARD OF DIRECTORS

A. The business affairs of this Association shall be managed by the Board of Directors. Each member of the Association Board of Directors shall be entitled to one vote.

B. The names and addresses of the persons who are to serve on the initial Board of Directors until successors are chosen, are as follows:

James R. Menard
2575 County Road 220
Middleburg, FL 32068

Shelton A. Morris
2575 County Road 220
Middleburg, FL 32068

ARTICLE 10 - OFFICERS

A. The officers of the Association shall be a President, one or more Vice Presidents, Secretary and Treasurer and, if any, the Assistant Secretaries and Assistant Treasurers, who shall perform the duties of such offices customarily performed by like officers

of corporations in the State of Florida subject to the directions of the Board of Directors.

B. Officers of the Association may not be compensated. The Board of Directors, or the President with the approval of the Board of Directors, may employ a managing agent, agency, and/or other managerial and supervisory personnel or entity to administer or assist in the administration of the operation and management of the affairs of the Association, and any and all such persons and/or entity or entities may be so employed without regard to whether any such person or entity is a Member, Director or officer of the Association.

C. The person who is to serve as officer of the Association until his successors are chosen are:

James R. Menard - President/Secretary/
Treasurer

Shelton A. Morris - Vice President

D. The officers shall be elected by the Board of Directors at their annual meeting as provided in the Bylaws. Any vacancies in any office shall be filled by the Board of Directors at any meeting duly held.

E. The President shall be elected from the membership of the Board of Directors, but no other officer need be a Director. The same person may hold two offices, provided, however, that James R. Menard is no longer an officer, the office of the President and Vice President shall not be held by the same person, nor shall the office of the President and Secretary or Assistant Secretary be held by the same person. Officers shall be elected annually.

ARTICLE 11 - ANNUAL FEES

A. CLASS A MEMBERS.

Class A Members shall pay an annual fee in the amount set by the Association but not less than One Hundred Eighty Dollars (\$180.00), payable by January 15th of each year. For the year in which a person first becomes a Class A Member the fee will be prorated so that the new member pays only for that portion of the calendar year that remains.

B. CLASS B MEMBERS.

Class B Members shall not be required to pay an annual fee either as a Class B or Class A member.

C. BUILDERS.

Purchasers of lots who do not intend to occupy a home built or to be built such as builders on said lot or lots shall not be required to pay an annual fee.

D. INITIAL FEE.

The initial fee is One Hundred Eighty Dollars (\$180.00) per year.

E. INCREASES IN FEE.

Beginning in the 1999 calendar year and in any year thereafter the Board of Directors may increase the annual fee to be paid by each Class A Member. However no such increase shall be greater than Ten percent (10%) higher than the fee for the preceding calendar year.

F. DUE DATE.

Annual fees shall be due not later than January 15th of the calendar year to which they apply.

G. NOTICE.

All Class A Members shall be given written notice by First Class United States Mail not later than December 15th the annual fee is due.

ARTICLE 12 - SPECIAL ASSESSMENTS

In addition to the annual dues, when approved by a two-thirds (2/3) vote of the property owners attending a meeting of the Association, after due notice, the Association may levy, in addition to the dues, a special assessment required to fulfill its responsibilities. Class B Members shall not be required to pay special assessments.

ARTICLE 13 - MEETINGS

A. So long as Developer is still in control of the

Association there shall be no annual meetings, other than the organizational meeting.

B. Within thirty (30) days after the Developer is no longer in control of the Association there shall be a meeting of the Association at which the Board of Directors shall be elected, By-Laws adopted and other business transacted.

ARTICLE 14 - BYLAWS

A. The Board of Directors shall adopt by a majority vote the original Bylaws of the Association.

B. The Bylaws may be amended, altered or rescinded upon the proposal of the Board of Directors. Upon such a proposal, a special meeting of the Members shall be called, the notice of which shall state that such proposal is to be voted upon at the meeting. The proposal shall be passed if at least a two-thirds (2/3) majority of the votes lot owners approve the proposal.

ARTICLE 15 - AMENDMENT OF ARTICLES

A. These Articles of Incorporation may be amended upon the proposal of the Board of Directors. Upon such proposal, a special meeting of the Members shall be called, the notice of which shall state that such proposal is to be voted upon at that meeting. The proposal shall be passed if at least two-thirds (2/3) of the votes of lot owners approve the amendment.

B. If so approved, a certified copy of the said amendment shall be filed in the office of the Secretary of State of the State of Florida.

C. The Articles of Incorporation may be amended without consent or joinder from any party (i) to conform to the requirements of the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, FHA/VA/HUD and/or any other generally recognized institution involved in the purchase and sale of home mortgages (ii) to conform to the requirements of institutional mortgage lender(s) or title insurance company(ies) or (iii) to perfect, clarify, or make internally consistent the provisions herein.

ARTICLE 16 - DISSOLUTION

In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and

maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

ARTICLE 17 - INDEMNIFY

Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, incurred by him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or officer of the Association, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases where the Director or officer is adjudged guilty of wilful misfeasance or malfeasance in the performance of his duties; provided, that any reimbursement or indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

ARTICLE 18 - INITIAL REGISTERED AGENT AND STREET ADDRESS

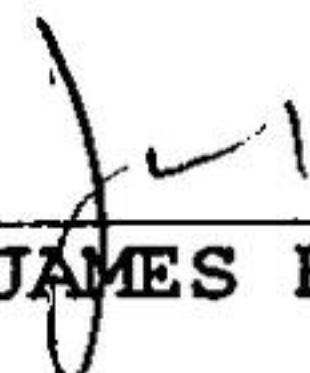
The name and street address of the initial registered agent is:

James R. Menard
2575 County Road 220, Suite 107
Middleburg, FL 32068

ARTICLE 19

The name and address of the incorporator for these Articles of Incorporation is:

James R. Menard
2575 County Road 220, Suite 107
Middleburg, FL 32068



JAMES R. MENARD

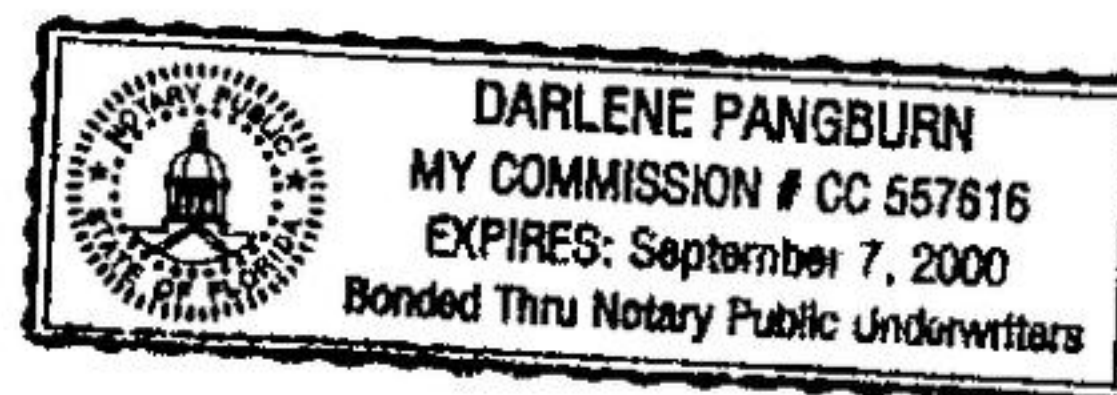
STATE OF FLORIDA

COUNTY OF CLAY

The foregoing Articles of Incorporation was acknowledged before me this 29 day of March 1999, by JAMES R. MENARD, who is personally known to me or who has produced a driver's license as identification and who did/did not take an oath.



Notary Public State of Florida
My Commission expires:



CERTIFICATE OF DESIGNATION
REGISTERED AGENT/REGISTERED OFFICE

Pursuant to the provisions of sections 607.0501 or 617.0501, Florida Statutes, the undersigned corporation, organized under the laws of the State of Florida, submits the following statement in designating the registered office/registered agent, in the State of Florida.

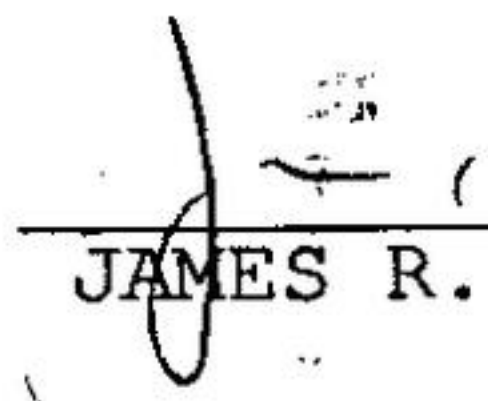
1. The name of the corporation is:

HILLSIDE HOMEOWNERS ASSOCIATION OF CLAY COUNTY, INC.

2. The name and address of the registered agent and office is:

James R. Menard
2575 County Road 220, Suite 107
Middleburg, Florida 32068

HAVING BEEN NAMED AS REGISTERED AGENT AND TO ACCEPT SERVICE OF PROCESS FOR THE ABOVE STATED CORPORATION AT THE PLACE DESIGNATED IN THIS CERTIFICATE, I HEREBY ACCEPT THE APPOINTMENT AS REGISTERED AGENT AND AGREE TO ACT IN THIS CAPACITY. I FURTHER AGREE TO COMPLY WITH THE PROVISIONS OF ALL STATUTES RELATING TO THE PROPER AND COMPLETE PERFORMANCE OF MY DUTIES, AND I AM FAMILIAR WITH AND ACCEPT THE OBLIGATIONS OF MY POSITION AS REGISTERED AGENT.



JAMES R. MENARD

Date: 3/29/99

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA