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RIVER HILLS RESERVE

DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS

RIVER HILLS RESERVE

DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS

TABLE OF CONTENTS

ARTICLE I Statement of Purpose	1
ARTICLE II Definitions	2
ARTICLE III Description of the Project	3
Section 1. Fleming Island Plantation	3
Section 2. The Development Order	3
Section 3. The CDD	4
Section 4. Addition and Withdrawal of Property	4
ARTICLE IV Architectural Control	4
Section 1. Approval Required for All Improvements	4
Section 2. Priority of Village Architectural	4
Section 3. Plans and Specifications; Approval Process	4
Section 4. Commencement and Completion of Construction	5
Section 5. Village Planning Guidelines	6
Section 6. Additional Guidelines; Modification; Waiver	6
Section 7. Remedies for Failure to Comply	6
Section 8. Application Fees	6
Section 9. Approval Not a Guarantee; Indemnity	6
Section 10. Village Board of Architectural Review	6
ARTICLE V DRI Restrictions, Applicability; Compliance	7
ARTICLE VI Master Association	7
Section 1. Membership	7
Section 2. Lien Rights	8
Section 3. Priority of Declaration	8
ARTICLE VII Village Commons	8
Section 1. General	8
Section 2. Easements to Owners	9
Section 3. Conveyance of Village Commons	9
ARTICLE VIII The Village Association	9
Section 1. Village Association Duties and Powers	9
Section 2. Village Membership	9

Section 3.	Classifications of Membership and Voting	9
Section 4.	Mergers	10
ARTICLE IX Village Assessments		10
Section 1.	Authority to Levy; Purpose	10
Section 2.	Owner's Personal Obligation	11
Section 3.	Lien	11
Section 4.	Village Association Budget; Financial Statements	11
Section 5.	Initial Village Assessments	11
Section 6.	Regular Village Assessments	12
Section 7.	Special Village Assessments	12
Section 8.	Capital Village Assessments	12
Section 9.	Special Village Assessments for Failure to Maintain Property	12
Section 10.	Exempt Property	12
Section 11.	Village Association Certificate	12
Section 12.	Failure to Give Notice or Revise Budget	13
Section 13.	No Reduction in Services	13
Section 14.	Third Party Services	13
ARTICLE X Insurance		13
ARTICLE XI Rights of Mortgagees		13
Section 1.	Notice Rights	13
Section 2.	Subordination of Lien to Mortgages	13
ARTICLE XII Amendment		14
Section 1.	Amendment by Declarant	14
Section 2.	Amendment With Owner Approval	14
ARTICLE XIII Miscellaneous		15
Section 1.	Enforcement; Waiver	15
Section 2.	Costs of Enforcement; Fines	15
Section 3.	Assignment of Declarant Rights	15
Section 4.	Special Amendment	15
Section 5.	Severability	15
Section 6.	Term; Survival	16
Section 7.	Additional Restrictions	16
Section 8.	Limited Liability	16

RIVER HILLS RESERVE

DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS

This Declaration made this 28th day of March, 2000, by CENTEX HOMES, a Nevada General Partnership, whose address is 2728 North Harwood, Dallas, Texas 75201-1516 ("Declarant"), with respect to certain property owned by Declarant in Clay County, Florida, and described hereinafter:

WITNESSETH THAT:

WHEREAS, Declarant is the Owner of certain real property in Clay County, Florida which is more specifically described on Exhibit "A" attached hereto ("Property") and which shall be known as River Hills Reserve; and

WHEREAS, Declarant desires that River Hills Reserve be developed as a mixed use development in a manner which will conform to the Master Plan for Fleming Island Plantation, as hereinafter defined, and as amended from time to time, which has been approved by all appropriate governmental entities, and in a manner which will best achieve the objectives of Declarant, providing standards for the governance and maintenance of the improvements to be located within River Hills Reserve and Fleming Island Plantation.

NOW, THEREFORE, Declarant hereby declares that all of the Property shall be held, used and conveyed subject to the following easements, restrictions, covenants, limitations and conditions, which shall run with the title to the Property and shall be binding on all parties having any right, title, or interest in the Property or any portion thereof, their heirs, successors and assigns:

ARTICLE I

Statement of Purpose

The purpose of this Declaration is to provide standards, guidelines and a governing structure for the development of the Property to promote not only architectural and environmental aesthetics, but harmony amongst the various property Owners within River Hills Reserve.

ARTICLE II

Definitions

Unless otherwise stated herein, all defined terms shall have the same meaning as those set forth in the Fleming Island Plantation Declaration of Covenants, Restrictions and Easements recorded December 8, 1999, in Official Records Book 1834, page 819, et seq., public records of Clay County, Florida.

Section 1. "Additional Property" shall mean any land which is subjected to this Declaration at a later time in the manner set forth in Article III, Section 4.

Section 2. "Articles" shall mean the Articles of Incorporation of the Village Association, as the same may be amended from time to time.

Section 3. "Bylaws" shall mean the Bylaws of the Village Association, as the same may be amended from time to time.

Section 4. "Master Association" shall mean the Fleming Island Plantation Owners Association. "Village Association" shall mean River Hills Reserve Owners Association, Inc., its successors and assigns.

Section 5. "Master Declaration" shall mean Fleming Island Plantation Declaration of Covenants, Restrictions and Easements recorded December 8, 1999, in Official Records Book 1834, page 819, et seq., public records of Clay County, Florida.

Section 6. "Property" shall mean that certain real property described in Exhibit "A."

Section 7. "Village Assessments" shall mean all assessments, levies, fines or other charges adopted by the Village Association and imposed as an obligation of the Owners and the Property pursuant to Article IX.

Section 8. "Village Association" shall mean River Hills Reserve Owners Association, Inc., its successors and assigns. "Village Board" shall mean the board of directors of the Village Association.

Section 9. "VBAR" shall mean the Village Board of Architectural Review established pursuant to Article IV.

Section 10. "Village Board" shall mean the board of directors of the Village Association. "Village Capital Assessments" shall mean assessments levied pursuant to Article IX, Section 8.

Section 11. "Village Capital Assessments" shall mean assessments levied pursuant to Article IX, Section 8.

Section 12 "Village Common" shall mean that portion of the Property so designated by Declarant in any deed, on any Plat, or otherwise and shall include all Improvements located thereon and intended for the common use and enjoyment of the Owners, including without limitation, roads, road drainage collection system, landscaped entrance and sign area, security gate, and pond.

Section 13. "Village Declaration" shall mean this River Hills Reserve Declaration of Covenants, Restrictions and Easements, as the same may be amended from time to time.

Section 14. "Village Member" shall mean those persons or entities entitled to membership in the Village Association as provided in Article VIII Section 2.

Section 15. "Village Planning Guidelines" shall mean those standards for design, construction and use of all Improvements on the Property set forth in Article IV, as the same may be supplemented or amended from time to time.

Section 16 "Village Regular Assessments" shall mean assessments levied pursuant to Article IX, Section 6.

Section 17 "Village Special Assessments" shall mean assessments levied pursuant to Article IX, Section 9.

ARTICLE III

Description of the Project

Section 1. Fleming Island Plantation. The Project comprises a tract of land located in Clay County, Florida, south of the Town of Orange Park and County Road 220 and both east and west of U.S. 17, and intended by Declarant for development as a mixed-use development, with single- and multi-family residences, an office park, and retail, commercial and light industrial centers and related Common Areas and roads. Fleming Island Plantation will also include the Golf Course and improvements thereon. The Declarant intends to develop the Project in accordance with the Master Plan, but hereby reserves the right to modify the Master Plan at its sole discretion and option but always in accordance with applicable regulatory requirements.

Section 2. The Development Order. The Project is a Development of Regional Impact pursuant to Chapter 380, Florida Statutes and the terms of the Development Order. The Development Order establishes certain powers, restrictions and obligations applicable to the Property and its terms are specifically incorporated herein by reference. The Development Order primarily regulates the uses of the Property, including creation of certain development standards,

establishment of Open Space, recreational areas, Wildlife and Wetland Preserves and similar matters. It is not intended that this Village Declaration include all restrictions and conditions contained in the Development Order. Reference should be made to the Development Order for the full and complete text of its contents.

Section 3. The CDD. The Declarant intends to cause the creation of a CDD to provide for the funding, construction and special maintenance of roads and utility lines, as well as the ownership and maintenance of the Common Areas, including the Surface and Stormwater System, within the Project. The CDD is empowered to issue bonds to finance construction and operation of the road improvements and utility lines, impose assessments against the Owners of the Property to provide funds for debt service on such bonds, fund CDD expenses, collect assessments and impose user fees for facilities and Common Areas owned, operated or maintained by the CDD.

Section 4. Addition and Withdrawal of Property. Until termination of the Declarant Membership in the Association, Declarant may subject additional property to this Village Declaration or may withdraw any portion of the Property or any Additional Property owned by it from the jurisdiction of this Declaration. Such additions or withdrawals shall be effected by amendments or supplements to this Village Declaration executed by Declarant and recorded in the public records of Clay County, Florida, without the necessity of joinder or consent by any other party.

ARTICLE IV

Architectural Control

Section 1. Approval Required for All Improvements. In order to ensure the development of the Property as a community of the highest quality in which all Improvements are harmonious in architectural design and aesthetic appearance, Declarant reserves to itself, unless and until Declarant delegates such authority as provided in Section 9 of this Article, the exclusive power and discretion to approve all Improvements placed on the Property. No Improvements may be made on any part of the Property without the prior written consent of Declarant obtained pursuant to the procedures set forth in this Article IV; provided, however, that Applicants receiving approval of proposed Improvements may thereafter make minor changes to landscaping and vegetation without further approvals, so long as such changes are harmonious with the previously-approved landscaping plans.

Section 2. Priority of Village Architectural Control. Applicants are not required to obtain approval from the Master Association's Board of Architectural Review. In the event of any conflict between the architectural controls contained within this Village Declaration and the architectural controls contained within the Master Declaration, the terms and provisions of this Village Declaration shall control in all respects.

Section 3. Plans and Specifications; Approval Process. Prior to the construction of any Improvement, and unless waived by Declarant, the Applicant shall submit to Declarant the following documents (prepared by duly licensed architects, engineers, landscape architects or similarly qualified

professionals) accompanied by such additional information and materials which in the opinion of Declarant may be required for its review:

(a) Site plan showing all property lines, setbacks, easements, flood plain boundaries, Surface Water or Stormwater Management System boundaries, Wildlife and Wetland Preserve boundaries, existing trees having a diameter at breast height of twelve inches (12") or more, drives, fences and any underground trench locations, and existing and proposed surface contours and elevations.

(b) Scaled floor plan or plans.

(c) Elevation drawings of all sides of all proposed structures.

(d) Summary specification list of proposed materials and samples or photographs of exterior materials and colors which cannot be adequately described.

(e) Landscaping plans showing location, quantity and species of plants, trees and other vegetation proposed for use.

Declarant shall have the absolute right to refuse approval of any plans which in its sole and absolute discretion, judgment and opinion are not suitable or do not comply with the terms of this Village Declaration. Declarant shall evaluate each application for its total effect upon the Applicant's Lot and the overall Property. It is possible that a proposed Improvement which satisfies individual criteria delineated in this Article IV may be disapproved, if in the sole discretion of Declarant the proposed Improvement is unacceptable. The approval of any Improvement on one Lot shall not obligate Declarant to approve other applications involving similar designs, aesthetic appearance or locations on a different Lot for other proposed Improvements.

Declarant shall preliminarily approve or disapprove proposed Improvements within forty-five (45) days after receipt of a written request for approval from the Applicant accompanied by all items required for review, each in form and substance acceptable to Declarant. Declarant's failure to respond within such period shall constitute preliminary approval. Upon preliminary approval, final construction documents or plans in form and substance acceptable to Declarant shall be submitted, which shall be approved or disapproved within forty-five (45) days after receipt. Declarant's failure to respond within such period shall constitute final approval. Upon final approval, the Improvement may be constructed.

Section 4. Commencement and Completion of Construction. The Applicant shall commence construction of Improvements within twelve (12) months after receiving final approval as provided in Section 2 of this Article IV and thereafter shall diligently proceed toward completion. Failure to commence, proceed or complete construction as required herein or by Declarant shall void the approval, in which event the Applicant shall immediately cease work on such Improvement. Prior to re-commencing work, the Applicant shall re-submit an application for approval as provided in this Article IV.

Section 5. Village Planning Guidelines. In order to achieve the objectives stated in Section 1 of this Article IV and to assist Applicants in the planning and designing of proposed Improvements, the standards adopted as initial Planning Guidelines to be followed in the design and construction of all Improvements are the same as those contained in the Master Declaration.

Section 6. Additional Guidelines; Modification; Waiver. From time to time, Declarant may supplement or amend the initial Planning Guidelines as it deems to be in the best interests of the Development, and make same available to Applicants. No such supplement or amendment shall require any amendment to this Declaration. In addition, Declarant shall have the express authority from time to time to waive any requirement of such Guidelines, as supplemented or amended and/or to grant variances Declarant deems appropriate, including square footage and set back guidelines.

Section 7. Remedies for Failure to Comply. If any Owner or Applicant shall fail to comply with the requirements of this Village Declaration or of the Guidelines relating to Improvements, then, upon demand made by Declarant and/or the VBAR, such Owner or Applicant shall take all actions required by Declarant or the VBAR in Declarant's sole opinion to remedy such noncompliance. Such Owner or Applicant shall bear all costs of such remedial actions and all costs and expenses, including without limitation, attorney's fees incurred by Declarant or the VBAR in enforcing the obligations of such Owner or Applicant pursuant to this Section 6.

Section 8. Application Fees. Declarant may establish application fees to be paid by Applicants requesting approval of Improvements, in order to defray expenses incurred in connection with such review, including, without limitation, fees of consulting professionals advising Declarant.

Section 9. Approval Not a Guarantee; Indemnity. No approval of proposed Improvements or publication of Planning Guidelines by Declarant shall be construed as representing or implying that any Improvement has been properly designed, will comply with applicable building codes or other governmental requirements (including the Development Order), that a Building Permit will be issued for such Improvement, or that it will be constructed in a good and workmanlike manner. Declarant shall not be responsible for any defects in any plans or specifications or other materials submitted to Declarant in connection with proposed Improvements, pursuant to this Article IV or in any construction undertaken pursuant thereto. No party shall have any claim against Declarant for any damage or expense incurred due to any act of or failure to act by Declarant pursuant to this Article IV. All Applicants shall indemnify and hold Declarant harmless against any such damage or expense, including, without limitation, attorneys' fees at trial or on appeal, incurred by Declarant in the defense of any such claim.

Section 10. Village Board of Architectural Review.

(a) Description. Declarant may at any time delegate any or all of the powers reserved in this Article IV to a Village Boards of Architectural Review ("VBAR"). After the Declarant Membership terminates, the Board of the Village Association shall have the right to delegate such powers as it deems appropriate in the best interest of River Hills Reserve. The VBAR shall consist of at least three persons appointed by Declarant, who need not be Members, and who

shall serve at the pleasure of Declarant. A majority of the VBAR shall constitute a quorum to transact business. The action of such majority shall constitute the action of the VBAR. After Declarant Membership terminates, the Board shall have the right to delegate such powers and appoint VBAR members as it deems appropriate in the best interest of River Hills Reserve.

(b) Review and Appeal of VBAR Decisions. The Board of Directors shall have the right to review and overturn the decisions of the VBAR. Any Owner whose request for approval from the VBAR has been denied, shall have the right, within thirty (30) days from the VBAR's denial of an application to submit a written request to the Board for a review of the decision of the VBAR. Such request must be accompanied by a complete copy of each and every plan, drawing and document submitted to the VBAR, as well as copies of any correspondence or written communication between the Owner, or applicant, and the VBAR, and shall state the arguments the Owner, or applicant, desires the Board to consider, and the exact form of relief requested. All such appeals shall be deemed *de novo* applications which shall be reviewed by the Board rather than the VBAR, but which shall otherwise be governed by the requirements and procedures described in this Section IV.

ARTICLE V

DRI Restrictions

Applicability; Compliance. The Development Order sets forth certain obligations and restrictions with respect to the Project that are applicable to the Property and run with the title thereto. Declarant, all other Owners, the Village Association and the CDD are bound by and shall comply with the Development Order. No party other than Declarant may apply for or take any action (i) which will result in a "substantial deviation" (as determined pursuant to Chapter 380, Florida Statutes) from the Development Order, or (ii) which will adversely, in Declarant's opinion, affect the Declarant's rights to develop the Property as set forth in the Development Order. If Declarant, any other Owner, the Village Association or the CDD shall fail to comply with the Development Order, that party shall be responsible for all loss, damage or expense (including without limitation, reasonable attorney's fees) incurred by any other party as a result of such failure to comply. Reference should be made to the Development Order for a detailed and complete review of all such restrictions and obligations.

ARTICLE VI

The Master Association

Section 1. Membership. Upon acceptance of a deed to a Lot, each Owner becomes a member of the Master Association. Except as to architectural control, the Master Association, acting through its Board of Directors, shall have the powers, rights and duties with respect to the Property as set forth in the Master Declaration and the Articles of Incorporation and Bylaws of the Master Association, including without limitation, the right to levy assessments against each of the Owners.

Section 2. Lien Rights. The Master Association is entitled to a lien upon each Lot for any unpaid assessments due under the Master Declaration.

Section 3. Priority of Declaration. In the event of any conflict between the terms of and provisions of this Village Declaration and the Master Declaration, the terms and provisions of this Village Declaration shall control in all respects.

ARTICLE VII

Village Commons

Section 1. General. The Village Commons are intended for the use and enjoyment of Owners and other authorized parties, subject to this Village Declaration and to rules and regulations established pursuant hereto.

Section 2. Easements to Owners. All Owners, and their immediate family members, are hereby granted a perpetual non-exclusive easement of ingress and egress and right of enjoyment in and to the Village Commons, which easement shall be appurtenant to and shall pass with the title to the Owner's Lot, subject to the following provisions:

- (a) the restrictions and prohibitions applicable to Wildlife and Wetland Preserves set forth in the Development Order;
- (b) the right of Declarant to adopt and enforce rules and regulations pertaining to the use of the Village Commons, which rules shall be in conformity with the restrictions of this Village Declaration and the requirements of any governmental agency having jurisdiction;
- (c) the right of Declarant to charge fees related to the use thereof and to lease portions thereof to third parties;
- (d) the right of Declarant, without further consent from Owners or Mortgagees, to dedicate, grant, modify or terminate easements over all or any part of the Village Commons to any agency, authority or utility company, public or private, to provide utility or cable television service to the Property;
- (e) the right of Declarant to sell, convey, transfer or encumber any part of the Village Commons to or for the benefit of any third party, including without limitation, the right to convey minor portions thereof to any Owner in order to resolve setback violations, minor encroachments or similar matters; and
- (f) the right of Declarant to authorize other persons, including without limitation, Owners and residents within other parts of the Project, and, until the Declarant Membership in the Village Association terminates, its employees, to enter upon or use the Village Commons and any

Improvements located thereon subject to the rules and regulations for such use applicable to all parties.

Section 3. Conveyance of the Village Commons. Declarant may convey any portion of the Village Commons to the CDD or the Village Association upon the later of the completion of the Village Commons, or at such time as Declarant Membership in the Village Association terminates. In any such conveyance, Declarant may reserve rights for use of such Village Commons which are not inconsistent with use by the Owners. Upon any conveyance of the Village Commons to the CDD or the Village Association, the CDD, or the Village Association, shall succeed to the powers of Declarant reserved in this Article IX with respect to such Village Commons, except such use rights as may be reserved by the instrument of conveyance.

ARTICLE VIII

The Village Association

Section 1. Village Association Duties and Powers. Declarant has formed the Village Association to manage the Village Commons, to the extent not managed by the CDD, implement and manage the architectural review policies, enforce the covenants and restrictions contained in this Declaration, and generally enhance and protect the common scheme and values created by this Declaration. The Village Association shall have the duties and powers set forth in this Village Declaration and in its Articles and Bylaws, specifically including, without limitation, the responsibility to maintain the Village Commons, whether or not owned by the Association. In the event of any conflict between the provisions of the Articles or Bylaws and the provisions of this Declaration, this Village Declaration shall control. The Village Association may take such measures and perform such services as it deems necessary or desirable to keep the Village Commons in good, clean, attractive and sanitary condition, eliminate fire, health or safety hazards and provide such other services or facilities which may be of general benefit to the Owners and the Property.

Section 2. Village Membership. Declarant and each Owner shall be members of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any portion of the Property. Whenever any portion of the Property is owned by more than one individual or by an entity such as a corporation, partnership or trust, then such parties or entity shall designate one person as the "Village Member" who shall enjoy all the privileges of Ownership and membership in the Village Association, including the right to cast any votes appurtenant to such membership.

Section 3. Classifications of Village Membership and Voting. The Village Association shall have membership classifications and voting rights as set forth in the Bylaws.

Section 4. Mergers. Upon any merger or consolidation of the Village Association with another association, the property rights and obligations of the Village Association may be transferred to another surviving or consolidated association, or, in the alternative, the rights and

obligations of another association may be added to the those of the Village Association as the surviving or consolidated association. The surviving or consolidated association may administer this Declaration, together with any covenants and restrictions established upon any other properties with respect to which such association functions, as one plan.

ARTICLE IX

Assessments

Section 1 Authority to Levy; Purpose. The Village Association shall have authority to levy Village Assessments against all Lots or Parcels as provided hereinafter. The Village Assessments shall be used to promote the recreation and security of the Owners, improve, maintain and repair the Village Commons and any other portions of the Property for which the Village Association has maintenance authority or responsibility, operate and administer the Association, establish a maintenance, repair and reserve account, pay taxes and insurance with respect to all Village Commons and fulfill other purposes set forth or permitted in this Declaration, the Articles or the Bylaws of the Association.

Section 2 Owner's Personal Obligation. Each Owner shall be personally obligated to pay all Village Assessments levied against such Owner's Lot, together with any interest, costs, and attorney's fees accrued thereon, and the Village Association may bring an action at law for collection of same against any Owner so obligated. No Owner may waive or otherwise limit liability for Village Assessments by not using the Village Commons or his Lot. All Village assessments shall become delinquent if not paid within fifteen (15) days after their due date, be subject to a late fee as determined by the Board and, upon becoming delinquent, bear interest at the rate of eighteen percent (18%) per annum from the date of delinquency until paid.

Section 3 Lien. Each Village Assessment shall be secured by a lien upon the Lot against which such Village Assessment is levied. Such lien shall attach as of the date a notice of lien is filed with the Clerk of the Circuit Court of Clay County, Florida, and may be enforced as any other lien in Florida by foreclosure or by any other proceeding in equity or at law. The Village Association shall be entitled to recover all costs in such proceedings, including attorney's fees. Each Village Assessment lien shall be subordinate and inferior to any mortgage lien arising prior to the date such Village Assessment lien attaches, but only as to assessments, which were due and payable prior to a transfer by foreclosure or deed or proceeding in lieu of foreclosure. Such lien shall be inferior to any assessments levied by the Master Association.

Section 4 Association Budget; Financial Statements. As soon as reasonably possible after formation of the Village Association and prior to January 1, of each year thereafter, the Board shall adopt an annual budget for the operation of the Village Association during that calendar year, which budget shall be the basis for determining Regular Village Assessments as provided below. The budget shall include such amounts as the Board considers necessary to pay Village Association expenses for such year and provide working capital and reserves. The Board shall send each Owner a copy of the budget promptly after adoption. In addition, within ninety

(90) days after the close of each calendar year, the Board shall cause financial statements, including a balance sheet, showing the actual assets and liabilities of the Village Association and a statement of revenues, costs and expenses for that year, to be distributed to all Owners.

Section 5. Initial Village Assessments. Each Lot is hereby subjected to an Initial Assessment of three hundred dollars (\$300.00), payable at the initial closing of the Owner occupant. The Board may, in the future, determine various levels of Initial Village Assessment among different membership classifications and for Improved and unimproved Lots or Parcels, but otherwise the Initial Village Assessment shall be uniform in dollar amount within each membership classification.

Section 6. Regular Village Assessments. Each Lot is hereby subjected to Regular Village Assessments, payable on an annual, quarterly or monthly basis, as determined by the Board. The Board may determine various levels of Regular Village Assessments among different membership classifications and for Improved and unimproved Lots, but otherwise Regular Village Assessments shall be uniform in dollar amount within each membership classification.

Section 7. Special Village Assessments. The Board may levy Special Village Assessments to meet expenses of an extraordinary or emergency nature or as provided elsewhere herein.

Section 8. Capital Village Assessments. The Board may levy Capital Village Assessments to defray, in whole or in part, the cost of any construction, reconstruction, repair or replacement of Improvements upon the Village Commons.

Section 9. Special Village Assessments for Failure to Maintain Property. If an Owner fails to maintain his Lot as required pursuant to this Declaration, and Declarant, the CDD or the Board elects to perform such maintenance, the Board may levy a Special Village Assessment against the Owner's Lot to reimburse Declarant, the CDD or the Village Association for the costs of such maintenance.

Section 10. Exempt Property. All Village Commons or other portions of the Property owned by the CDD, Clay County, a local public authority or utility company and serving a public use or by a charitable or non-profit organization exempt from ad valorem taxation by the laws of the State of Florida shall be exempt from Village Assessments. Notwithstanding any provision of this Village Declaration to the contrary, during the Development Period (as defined below) the Lots and other Parcels owned by the Declarant shall not be subject to any annual or special assessments levied by the Village Association or to any lien for such assessments, unless Declarant so elects pursuant to the following:

(a) During the Development Period, the Declarant shall pay the balance of the actual operating expenses of the CDD and the Village Association (excluding costs of major repairs, deferred maintenance, replacements and reserves) remaining after the levying of and payment of assessments due from Owners other than the Declarant pursuant to assessments levied

by the CDD or the Village Association pursuant to this Declaration. The Declarant shall be obligated to fund such balance only as the expenses are actually incurred by the CDD or Association; or

(b) During the Development Period, the Declarant may, in the alternative, elect by providing written notice to the CDD and the Board to pay the appropriate rate of assessment for each Unit owned by Declarant and subject to assessment, without waiving its Declarant Member status and, in such event, shall not be liable for the operating deficit of the CDD or the Village Association as provided in Section 11(a) above.

The Development Period shall begin upon the conveyance of the first Lot in the Property to an Owner other than Declarant and shall continue until (i) the Declarant shall notify the Village Association and CDD that it will no longer pay for operating deficits of the Village Association and CDD; or (ii) the Declarant's Membership shall cease. Upon termination of the Declarant's agreement to pay operating deficits, the Declarant shall become obligated to pay for operating deficits of the Village Association and the CDD after the Declarant no longer owns any Lots or Parcels within the Property.

Section 11. Village Association Certificate. For a reasonable charge, the Village Association shall furnish to an Owner, his Mortgagee or other interested party a certificate signed by an officer of the Village Association setting forth whether the Village Assessments for a specified Lot have been paid. Such certificate shall be binding upon the Village Association as of the date of its issuance.

Section 12. Failure to Give Notice or Revise Budget. The failure or delay of the Board to adopt an annual budget for any year or to give notice of any change therein shall not constitute a waiver or release in any manner of an Owner's obligation to pay Village Assessments whenever the same shall be determined. In the absence of an annual budget or notice of change, each Owner shall continue to pay the Regular Village Assessments established for the previous year.

Section 13. No Reduction in Services. Until the Declarant Membership terminates, the Village Association may not reduce the level of services that it provides initially as established herein and in its Bylaws without the consent of Declarant, which may be arbitrarily withheld.

Section 14. Third Party Services. The Board may use third party billing and collection services to bill and collect Village Assessments.

ARTICLE X

Insurance

Liability Insurance for Board of Directors. The Village Association may maintain such liability insurance for the Board as the Board deems appropriate.

ARTICLE XV

Rights of Mortgagees

Section 1. Notice Rights. The following provisions are hereby made for the benefit of parties holding first mortgages that encumber any Lot ("Mortgagees"). To the extent that said provisions conflict with any other provisions of this Declaration, the following provisions shall control:

(a) The Village Association shall be required to make available to all Owners and Mortgagees, and to insurers and guarantors of any first mortgage, for inspection, upon request, during normal business hours or under other reasonable circumstances, current copies of this Village Declaration (with all amendments) and the Village Association's Articles, Bylaws, architectural criteria, rules and regulations and books and records of the Association. Furthermore, such persons shall be entitled, upon written request, to (i) receive a copy of the Association's financial statement for the immediately preceding fiscal year, (ii) receive notices of and attend the Village Association meetings, (iii) receive notice from the Village Association of an alleged default by an Owner in the performance of such Owner's obligations under this Declaration, the Articles or the Bylaws of the Association, which default is not cured within thirty (30) days after the Village Association learns of such default, and (iv) receive notice of any substantial damage or loss to the Village Commons.

(b) Any holder, insurer or guarantor of a mortgage encumbering a Lot shall have, if first requested in writing, the right to timely written notice of (i) a sixty (60) day delinquency in the payment of the Village Assessments on a mortgaged Lot, (ii) the occurrence of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Village Association (iii) any amendment to this Declaration, the Association's Articles, Bylaws, architectural criteria or rules and regulations; and (iv) notice of any extraordinary action taken by the Association.

Section 2. Subordination of Lien to Mortgages. The lien of the assessments provided for by this Village Declaration shall be subordinate to the lien of any bona fide mortgage which is perfected by recording prior to the recording of the claim of lien for any such unpaid assessments. Such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of the affected Lot by deed in lieu of foreclosure, pursuant to a decree of foreclosure, or pursuant to any other proceeding in lieu of foreclosure of such mortgage. No sale or other transfer shall release any Lot from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessments. A written statement of the Village Association that the lien is subordinate to a mortgage, shall be dispositive of any question of subordination.

ARTICLE XII

Amendment

Section 1. Amendment by Declarant. Until the Declarant Membership terminates, Declarant, and thereafter, the Board, may amend this Village Declaration without prior approval of any Owner, Mortgagee or other party:

(c) to conform or comply with the Development Order or the requirements of the CDD or of any other governmental agency having jurisdiction over any portion of the Property;

(d) for any purpose not materially and adversely affecting the rights of any Owner, Mortgagee, the CDD or the Village Association;

(e) to cure any ambiguity or inconsistency herein;

(f) to add particular provisions to specific portions of the Property or to limit or modify certain of the provisions of this Village Declaration as they pertain to specific portions of the Property; and

(g) for the purposes contemplated by Article III, Section 4.

Any amendments pursuant to this Section 1 shall be effective upon recordation thereof in the public records of Clay County, Florida.

Section 2. Amendment With Owner Approval. Except as set forth in Section 1 above, this Village Declaration may be amended at any time if such amendment is approved by (i) Declarant, so long as it is the Declarant Member, and thereafter, by the Board; and (ii) the affirmative vote of 51% of Owners, other than Declarant, voting on any such amendment, subject to the following quorum requirements for an Village Association Member's Meeting for the consideration of such an amendment. At such time as the Membership is less than 25, the quorum requirement shall be 20% of all votes; when the Membership is between 25 and 50, the quorum requirement shall be 10% of all votes, and when the Membership exceeds 75, the quorum requirement shall be 5% of all votes. Notwithstanding the foregoing, no amendment shall violate the Development Order. Upon the approval of any such amendment, the President and Secretary of the Village Association shall execute and record the same in the public records of Clay County, Florida, and such amendment shall be effective upon such recording. No such amendment to this Village Declaration shall materially impair the rights or lien of any Mortgagee without such Mortgagee's express written consent thereto.

ARTICLE XIII

Miscellaneous

Section 1. Enforcement; Waiver. The Association, any Owner and Declarant, until the Declarant Membership terminates, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure to enforce any such provision shall in no event be deemed a waiver of the right to do so thereafter. Until the Declarant Membership terminates, Declarant, and thereafter the Board, shall have the right to waive any violation of this Village Declaration believed to be minor or insubstantial or not otherwise materially inconsistent with the Statement of Purpose in Article I.

Section 2. Costs of Enforcement; Fines. Any Owner breaching any obligation under this Village Declaration shall be liable for all damages, costs and expenses, including without limitation, attorney's fees, incurred by any party in connection with enforcing this Village Declaration against such Owner, and any charges, impositions or fines levied by any governmental authority as a result of a breach of the restrictions as provided herein. In addition, the Board may adopt rules and regulations containing procedures for imposing reasonable fines for the breach by any Owner of any obligation contained herein. All such fines shall be Special Village Assessments against the Owner and the Owner's Lot.

Section 3. Assignment of Declarant Rights. Declarant may elect to assign its rights under this Declaration, in whole or in part, at any time. When the Declarant Membership terminates, Declarant shall assign to the Board and/or the CDD, as may be appropriate, all of Declarant's rights under this Village Declaration not previously delegated or assigned.

Section 4. Special Amendment. Notwithstanding anything contained herein to the contrary, as long as there is Declarant Membership, or so long as Declarant is entitled to annex without the consent of any Owner, the Village Association or any Mortgagee, the Declarant hereby reserves and is granted the right and power to make and to record in the public records of Clay County, Florida, Special Amendments to this Village Declaration at any time and from time to time which amend this Declaration: (1) to comply with the requirements of the Federal National Mortgage Association, the Veterans Administration or the Federal Housing Administration, or any other governmental or quasi-governmental agency or entity which perform (or may in future perform) functions similar to those currently performed by such entities; or (2) to induce any such agency or entity to make, purchase, sell, insure or guarantee first mortgages on any of the Lots within the Property; or (3) to conform to different types of homes which may be developed in any future Additional Land annexed to the Property; or (4) to cure any ambiguity or inconsistency; or (5) to cure any ambiguity or inconsistency between this Village Declaration and any provisions of the St. Johns River Water Management District permit affecting the Property issued prior to the recording of the Declaration, or (6) to add additional covenants or restrictions which are consistent with the Development Order and are beneficial, in Declarant's opinion, for the overall development. Provided however, that no such Special Amendment shall discriminate

against any Lot not owned by Declarant, unless such other Owners and their mortgagees so affected shall give their prior written consent thereto; and no such Special Amendment shall materially adversely affect or change any Lot nor the share of the expense of the Village Association appurtenant thereto, unless the Owners of the Lots so affected and all record owners of mortgages upon such Lots shall join in execution of the Special Amendment.

Section 5. Severability. Invalidation of any one provision of this Village Declaration by judgment or court order shall in no way affect any other provision hereof.

Section 6. Term; Survival. This Village Declaration shall run with and bind the Property for a term of twenty (20) years from the date it is recorded, and shall be automatically extended for successive periods of ten (10) years unless terminated by vote of Owners holding sixty percent (60%) of the votes of the Association. The easements granted and reserved herein shall survive any termination of this Declaration.

Section 7. Additional Restrictions. Without the joinder of any other party, Declarant may subject portions of the Property to additional covenants, conditions, restrictions or limitations, provided that all such additional provisions are consistent with the Statement of Purpose set forth in Article I and comply with the Development Order.

Section 8. Limited Liability. Whenever in this Village Declaration Declarant is granted a right of approval, review, inspection or consent as to any matter, Declarant may exercise or refrain from exercising such right without liability in any form whatsoever to any Owner or other party.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand and seal this 28th day of MARCH, 2000.

CENTEX HOMES,
a Nevada General Partnership

By: Centex Real Estate Corporation, a
Nevada corporation, as General Partner

By: [Signature]
Its: DIVISION PRESIDENT

(SEAL)

STATE OF FLORIDA

COUNTY OF DUVAL

The foregoing instrument was acknowledged before
me this 28 day of March, 2000, by Robert S. Porter, who is personally known to me
or has produced _____ as identification.



Sharon D. Gipson
MY COMMISSION # CC713466 EXPIRES
February 3, 2002
BONDED THRU TROY FAIR INSURANCE, INC.

Sharon D. Gipson

Notary Public, State of Florida

Printed Name: SHARON D. GIPSON

Commission Number: CC713466

My Commission Expires: 2/3/02

H:\USER\SSB\DAW\FLEMING\river\RHcov5

Exhibit "A"

OFFICE PHONE 396-2623
FAX PHONE 396-2633

CLARSON AND ASSOCIATES INC.**PROFESSIONAL SURVEYORS & MAPPERS****1643 NALDO AVENUE****JACKSONVILLE, FLORIDA 32207****MARCH 20, 2000**

***OVERALL LEGAL DESCRIPTION FOR
RIVER HILLS RESERVE - UNIT ONE AND TWO
(FLEMING ISLAND PLANTATION)***

FOR: CENTEX HOMES CORPORATION

ALL OF LOTS 1 THROUGH 25, LOTS 56 THROUGH 84, RIVER HILLS DRIVE (A 50 FOOT PRIVATE RIGHT OF WAY) AND HICKORY TRACE DRIVE (A 50 FOOT PRIVATE RIGHT OF WAY), ALL AS SHOWN ON THE PLAT OF RIVER HILLS RESERVE UNIT ONE, AS RECORDED IN PLAT BOOK 34, PAGES 70 THROUGH 75, OF THE PUBLIC RECORDS OF CLAY COUNTY, FLORIDA; TOGETHER WITH THE FOLLOWING DESCRIBED PORTION OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 26 EAST, SAID CLAY COUNTY, FLORIDA: FOR A POINT OF BEGINNING COMMENCE AT THE SOUTHEAST CORNER OF SAID LOT 56, RIVER HILLS RESERVE UNIT ONE, AND RUN NORTH 77° 37' 30" WEST, ALONG THE SOUTH LINE OF SAID LOT 56, A DISTANCE OF 120.00 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE SOUTH 12° 22' 30" WEST, ALONG THE EAST RIGHT OF WAY LINE OF SAID HICKORY TRACE DRIVE, 169.45 FEET; THENCE NORTH 77° 37' 30" WEST, ALONG THE SOUTHERLY TERMINUS OF SAID HICKORY TRACE DRIVE, TO AND ALONG THE SOUTH LINE OF SAID LOT 25, RIVER HILLS RESERVE UNIT ONE, 170.00 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE SOUTH 12° 22' 30" WEST, ALONG THE SOUTHERLY PROLONGATION OF THE MOST WESTERLY BOUNDARY LINE OF SAID RIVER HILLS RESERVE-UNIT ONE, 392.84 FEET; THENCE SOUTH 27° 22' 55" EAST, 214.58 FEET; THENCE SOUTH 67° 52' 51" EAST, 169.07 FEET; THENCE SOUTH 69° 08' 15" EAST, 329.72 FEET; THENCE SOUTH 86° 45' 59" EAST, 136.48 FEET; THENCE NORTH 75° 19' 00" EAST, 153.70 FEET; THENCE SOUTH 69° 50' 43" EAST, 215.96 FEET; THENCE NORTH 85° 08' 51" EAST, 105.31 FEET; THENCE NORTH 41° 46' 25" EAST, 113.32 FEET; THENCE NORTH 11° 40' 13" EAST, 105.30 FEET; THENCE NORTH 26° 57' 28" WEST, 113.51 FEET; THENCE NORTH 62° 09' 26" WEST, 253.51 FEET; THENCE NORTH 27° 52' 15" WEST, 111.47 FEET; THENCE NORTH 48° 05' 27" WEST, 591.26 FEET; THENCE NORTH 77° 37' 30" WEST, 77.76 FEET TO A POINT ON THE EASTERLY LINE OF PREVIOUSLY MENTIONED LOT 56, RIVER HILLS RESERVE - UNIT ONE; THENCE SOUTH 12° 22' 30" WEST, ALONG SAID EASTERLY LINE OF LOT 56, A DISTANCE OF 25.00 FEET TO THE POINT OF BEGINNING.