

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by SAM L. RUDD, hereinafter referred to as "Developer".

W I T N E S S E T H:

WHEREAS, Developer is the owner of certain property in the County of Leon, State of Florida, which is more particularly described as:

See Exhibit "A" attached hereto and made a part hereof.

NOW, THEREFORE, Developer hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to THE LAKES OF TALLAHASSEE HOMEOWNERS' ASSOCIATION, INC. corporation, not for profit, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any unit which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Property" or "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be added.

Section 4. "Unit" shall mean and refer to any completed dwelling unit and the real property on which it is located in the "Properties".

This Instrument Prepared By,
Edgar M. Moore
Of Moore & Williams
Professional Association
P. O. Box 1169
Tallahassee, Florida 32302

RECORDED IN THE PUBLIC
RECORDS OF LEON COUNTY,
FLORIDA
Feb 10 3 54 PM 1984
CLERK OF CIRCUIT COURT

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Section 5. "Common Areas and Facilities" are for the common use and enjoyment of the owners as described in Article II, Section 2, below, and shall include all real property and improvements located thereon, now or hereafter owned by the Association, and all personal property now or hereafter owned by the Association. The Common Areas and Facilities shall include the interior road system of The Lakes.

Section 6. "Developer" shall mean and refer to Sam L. Rudd, his heirs, successors and assigns. The Developer shall, at all times, have the right to assign its interest herein to any successor or nominee.

Section 7. "First Mortgagee" shall mean all banks, savings and loan or building and loan associations, credit unions, life insurance companies, business trusts, or other institutional-type lenders holding first mortgage loans secured by a unit, or units, within the Property.

ARTICLE II

PROPERTY RIGHTS

Section 1 - Title to Common Areas and Facilities.
At its election, the Developer may retain the legal title to all or any part of the real property and improvements thereon which are to be used as Common Areas and Facilities until such time as the Developer has completed improvements thereon and until such time as, in the opinion of the Developer, the Association is able to maintain the property and improvements as Common Areas and Facilities. Notwithstanding the above, and regardless of whether or not the Developer is able to select a majority of the Board of Directors under Article III, when the Developer has sold and closed on seventy percent (70%) of the first sixty-three (63) units built, he must convey to the Association the real property and improvements thereon which are to be used as Common Areas and Facilities.

If and when additional property is added to this Declaration, the Developer will again, at its election, be able to retain the legal title to all or any part of the newly added real property and improvements thereon which are to be used as additional Common Areas and Facilities until such time as the Developer has completed improvements thereon, and until such time as, in the opinion of the Developer, the Association is able to maintain the additional property and improvements as new Common Areas and Facilities. Notwithstanding the above, and regardless of whether or not the Developer is able to select a majority of the Board of Directors under Article III, when the Developer has sold and closed on seventy percent (70%) of the units built on the additional real property added to this Declaration, he must convey to the Association the

additional real property and improvements thereon which are to be used as new Common Areas and Facilities.

When the Developer elects to, or when he is required to, the Developer shall convey (by special warranty deed) the real property and improvements thereon to the Association, subject to taxes for the year of conveyance, and to restrictions, conditions, limitations and easements of record.

Section 2 - Owners' Right of Use. Every owner shall have a right and nonexclusive easement of enjoyment in and to the Common Areas and Facilities. Specifically, the owners shall have an easement for ingress and egress along and across the interior road system of The Lakes. The positioning or location of the interior road system shall never be modified so that any owner would not have ingress and egress to his or her unit or units. If and when additional units are built, each new unit owner of an additional Unit will have a right and nonexclusive easement of enjoyment in the Common Areas and Facilities that are serving the previously built units. If and when additional Common Areas and Facilities are built, every current owner of every unit already built and every owner of every unit that is built in the future in The Lakes will have a right and nonexclusive easement of enjoyment in the new Common Areas and Facilities. For the purpose of this section, the term "owner" includes his respective rental tenants, licensees, guests, invitees, agents, servants and employees. Every owners' right of use is subject to the following:

(a) the right of the Association to take such steps as are reasonably necessary to protect the above-described Properties against foreclosures;

(b) all provisions of this Declaration and the Articles and By-Laws of the Association;

(c) Rules and Regulations adopted by the Association governing use, operation, maintenance and enjoyment of the Common Areas and Facilities;

(d) the right of the Association to suspend the owner's voting rights and right of use in the recreational facilities for any period during which any assessment, or installment thereon, against the owner's Unit remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published Rules and Regulations; and

(e) the right of the Association to dedicate or transfer all or any part of the Common Areas and Facilities to any public agency, authority or utility for such purposes, subject to Article XI, Section 1(a) of this Declaration, and subject to such conditions as may be agreed to by the members and applicable government authorities. No such dedication or

transfer shall be effective unless this Declaration is amended in accordance with the requirements of Article XXI of this Declaration.

(f) the right of the Association to borrow money for the purpose of improving, repairing or rebuilding the Common Areas and Facilities, and in aid thereof, with the assent of seventy-five percent (75%) of the entire membership of the Association, to mortgage the Common Areas.

ARTICLE III

DEVELOPER'S CONTROL OF BOARD OF DIRECTORS

Section 1 - Priority. Notwithstanding any other provision of this Declaration, except Article II, Section 1, and Article XI, and regardless of the voting power (Article V) of unit owners other than the Developer, and regardless of the number of units sold, the provisions of this Article III take priority and govern over all other provisions of this Declaration, except Article II, Section 1, and Article XI.

Section 2 - Election of a Majority of the Board of Directors by the Developer. Unit owners other than the Developer are not entitled to elect a majority of the members of the Board of Directors until at least three (3) years after the date of closing on the sale of the first unit. Three years after the date of closing on the sale of the first unit, unit owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors at the earliest of (i) four years after 50% of the units that ultimately will be governed by the Association have been conveyed to purchasers; or (ii) three months after 90% of the units that ultimately will be governed by the Association have been conveyed to purchasers; or (iii) when all the units that ultimately will be governed by the Association have been completed, some of them have been conveyed to purchasers and none of the others are being offered for sale by the Developer in the ordinary course of business; or (iv) when some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business.

Section 3 - Developer Member(s). The Developer is entitled to elect at least one-third (1/3rd) of the members of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least one percent (1%) of the units.

Section 4 - Recall of Developer Members. Members of the Board of Directors selected by the Developer are not subject to recall by vote of the Association's members.

Section 5 - Relinquishment of Control. Either before or not more than sixty (60) days after the time the unit owners, other than the Developer, elect a majority of the members of the Board of Directors, the Developer shall relinquish control of the Board of Directors. Simultaneously, the Developer, if he has not already delivered, shall deliver to the Association all property of the unit owners and of the Association held or controlled by the Developer.

Section 6 - Early Transfer. Nothing contained in this Article III shall be deemed to prevent the Developer from transferring control of the Board of Directors to the unit owners other than the Developer before the occurrence of the events described in this Article.

ARTICLE IV

MEMBERSHIP

Section 1 - Membership. All persons or entities who are record owners of units and the Developer (at all times as long as he owns any property subject to this Declaration or has the right to appoint a Director of the Association) shall be members of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member. Membership, other than the Developer, shall be appurtenant to, and may not be separated from, ownership of any Unit which is subject to assessment.

Section 2 - Membership - When it Arises and Terminates. Persons or entities, other than the Developer, shall become members of the Association on the acquisition of fee title to a unit in The Lakes. Membership, other than the Developer's, shall be terminated when a person or entity no longer owns a unit in The Lakes. The Developer's membership terminates at the later of (1) when the Developer no longer owns any property subject to this Declaration, or (2) when the Developer no longer has the right to appoint a director of the Association.

ARTICLE V

VOTING

Section 1 - Classes of Voting Membership. Subject to Article III, the Association shall have two classes of voting membership:

Class A. Class A members shall be all the owners, other than the Developer, but the Developer shall

become a Class A member when the Developer's Class B membership is converted to a Class A membership. Each Class A member shall be entitled to one (1) vote for each Unit owned.

Class B. The Class B member(s) shall be the Developer and shall be entitled to three (3) votes for each Unit owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

Section 2 - Majority Vote. Subject to Article III, the acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum is present shall be binding on all members for all purposes unless this Declaration, the Articles or By-Laws require a larger percentage of vote, in which case the larger percentage shall control.

Section 3 - Voting When Multiple Owners of a Single Unit. If a unit is owned by more than one natural person, any record owner of the unit may vote in person or by proxy, provided that there shall be no more than one vote per unit. In the case of conflict among the owners of a unit, the vote for that unit shall not be counted on the matter under consideration in which the conflict arose, whether the conflict appears by vote in person or by proxy.

Section 4 - Voting When Unit Owner is a Corporation or Partnership. Ballots may be cast for units owned by corporations or partnerships by a president, vice president a partner, or any other person designated in a written certificate filed with the secretary of the Association and signed by a president or vice-president of a corporation or a partner of a partnership.

ARTICLE VI

MAINTENANCE AND RIGHT OF ACCESS TO UNITS

Section 1 - Owner's Responsibility. It shall be the responsibility of each owner, resident or lessee to keep sidewalks and passageways located on his respective unit free from litter and debris, to remove trash to the nearest dumpster, and to maintain a neat and acceptable appearance for his unit, free of trash, debris and other unsightly items. Only porch and lawn furniture will be permitted outside a unit and the furniture cannot be left unattended. In addition, permanent objects, such as picnic tables, etc., or any other objects which would hinder the mowing and general maintenance cannot be left outside unattended by the owner. In the event such owner shall fail to discharge his aforesaid obligations in a manner satisfactory to the Board of Directors of the Association, the Association, after (1) notice to such owner; (2)

giving such owner an opportunity to be heard; and (3) approval by a majority vote of its Board of Directors, shall have the right, through its agents and employees, to enter into and upon said unit and maintain, repair and restore such portion of said unit. The cost of same when performed by the Association shall be added to and become a part of the charge assessment to which such unit is subject. Each owner specifically consents and agrees to this provision, recognizing that proper maintenance of all units is important to protect the value of the other units within the property.

Section 2 - Association's Obligations. The Association shall maintain, repair and restore all of the Common Areas and Facilities. In addition, the Association shall cut, trim and maintain the grass and shrubs located on the Common Areas and Facilities and on each individual unit. The cost of same shall be paid by the Association from the aforesaid assessments referred to in Article X hereof.

Section 3 - Right of Access. In addition to the right of access provided in Section 1 above, the Association shall have the irrevocable right of access to each unit during reasonable hours as necessary for the maintenance, repair and replacement of any Common Areas and Facilities, or for making emergency repairs necessary to prevent damage to the Common Areas and Facilities, or to another unit or units.

Section 4 - Fumigation; Right of Access. Notwithstanding any other section of this Article VI, the Association shall have an irrevocable right of access to each unit during reasonable hours as is necessary for the fumigation of each unit or units. When all units of The Lakes are fumigated, the cost of the fumigation shall be a general assessment. When a particular unit is fumigated at the request of the unit owner or at the direction of the Board of Directors who have, in their sole opinion, determined that a pest problem exists, then the cost of the fumigation shall be a charge assessment against the unit owner.

ARTICLE VII

PARTY WALLS

Section 1 - General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the units shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2 - Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

Section 3 - Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4 - Weatherproofing. Notwithstanding any other provisions of this Article, an owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5 - Right to Contribution Runs with Land. The right of any owner to contributions from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

Section 6 - Arbitration. Notwithstanding the arbitration provisions of Article XXIII, in the event of any dispute arising concerning a party wall or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. Arbitration procedures shall be in accordance with Chapter 682, Florida Statutes, known as the Florida Arbitration Code.

ARTICLE VIII

FISCAL MANAGEMENT

Section 1 - Board Adoption of Budget. The Board of Directors of the Association shall adopt a budget for the current operating expenses of the Association in advance of each fiscal year at a special meeting of the board called for that purpose at least 45 days before the end of each fiscal year. The Board shall mail a notice of the meeting and a copy of the proposed annual budget to the members not less than thirty (30) days before the meeting of the Board at which the Board will consider the budget. The meeting shall be open to all members.

Section 2 - Budget Requirements. The proposed annual budget of common expenses shall be detailed and shall

show the amounts budgeted by accounts and expense classifications, including, when applicable, but not limited to:

- (a) administration of the Association;
- (b) management fees;
- (c) maintenance;
- (d) taxes on Association property;
- (e) insurance;
- (f) guard service and other security provisions;
- (g) fumigation expenses;
- (h) utilities, including street lights;
- (i) other expenses;
- (j) operating capital; and
- (k) repair and replacement reserve accounts if provided for under Article IX of this Declaration.

Section 3 - Unit Owner's Rejection of Excessive Budget. If a budget adopted by the Board of Directors requires general assessment against the unit owners in any fiscal year exceeding 120% of the general assessment for the previous year, the board, upon receiving, within 60 days of the Board's adoption of the budget, written application of 10% of the unit owners, shall call a special meeting of the unit owners within 30 days. If the written application of 10% of the unit owners is not received by the Board of Directors within 60 days of the Board's adoption of the budget, the budget shall be deemed to be approved by the unit owners. The special meeting shall be called on not less than ten days' written notice to each unit owner. At the special meeting, unit owners shall consider the proposed budget. If a majority of the unit owners approve the budget, the budget shall be adopted. If the budget is not approved by a majority vote, the Board of Directors and the unit owners shall reach an agreement on a budget which is approved by both a majority of the Board and a majority of the unit owners. If no agreement can be reached, the Board of Directors alone shall adopt a budget which will not require a general assessment exceeding 120% of the general assessment for the preceding fiscal year. Provisions for emergency, special and charge assessments shall be excluded from the computation in determining whether general assessments exceed 120% of general assessments of the previous year.

Section 4 - Alternative Budget Adoption by Members.

At its option, for any fiscal year, the Board of Directors may propose a budget to the unit owners at a meeting of members or in writing. If the proposed budget is approved by a majority of the unit owners at the meeting or by a majority of all unit owners in writing, the budget shall be adopted.

Section 5 - Amended Budget. Subject to Section 3 of this Article, if the amounts budgeted prove to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. The budget may be amended for emergency or special non-recurring expenses.

Section 6 - Accounting Records and Reports. The association shall maintain accounting records in the county in which The Lakes is located, according to good accounting practices. The records shall be open to inspection by unit owners or their authorized representatives at reasonable times. The records shall include, but are not limited to:

A. a record of all receipts and expenditures;
and

B. an account for each unit, designating the name and current mailing address of the unit owner, the amount of each assessment, the dates and amounts in which the assessments come due, the amount paid on the account and the balance due. Within 60 days after the end of each fiscal year, the Board of Directors shall mail or furnish by personal delivery to each unit owner a complete financial report of actual receipts and expenditures for the previous twelve months.

Section 7 - Depository. The depository of the Association shall be those banks or savings and loan Associations, state or federal, located in Florida, as shall be designated from time to time by the Board of Directors and in which the money for the Association shall be deposited. Withdrawal of money from those accounts shall be only by checks or other withdrawal instruments signed by those persons as are authorized by the Directors.

Section 8 - Fidelity Bonding. Each officer and director of the Association who controls or disburses its funds shall be bonded by a fidelity bond in the principal sum of not less than \$10,000.00. The cost of bonding shall be at the expense of the Association.

Section 9 - Annual Election of Income Reporting Method. The Board of Directors shall make a determination annually, based on competent advice, whether it shall cause the association's income to be reported to the Internal Revenue Service by the "regular" method (Federal Tax Form 1120) or the

"alternative" method (Federal Tax Form 1120H), according to which method of reporting shall best serve the interests of the association for the reporting period under consideration.

ARTICLE IX

REPAIR AND REPLACEMENT RESERVE

The Board of Directors of the Association may, but are not required to, obtain from members contributions to capital on a regular basis, which contributions, if any, will be used to establish a replacement and repair reserve. Such contributions to capital, if assessed by the Board of Directors, shall be general assessments. Such fund shall be deposited in a special account with a lending institution, the accounts of which are insured by an agency of the United States of America. The replacement reserve may be expended only for the purpose of effecting the replacement and repair of the units, the Common Areas and Facilities and the equipment of the Association as designated by the Board of Directors utilizing prescribed corporate accounting procedures. The amounts required to be allocated to the replacement reserve may be reduced, by appropriate resolution of the Board of Directors, upon the accumulation in such replacement reserve of a sum equal to the full replacement value of the items required for repair and replacement. Full replacement value shall be annually determined by the Board of Directors for casualty insurance purposes. Under no circumstances may the repair and replacement reserve be commingled with any other funds or used for any purpose other than that for which it was established. The replacement and repair reserve shall be specifically allocated to specific capital improvements, including by way of illustration, but not limited to, paved roads, sidewalks, repainting of the exterior of units and both the exterior and interior of Common Areas and Facilities, re-roofing of units and of Common Areas and Facilities, resurfacing of roads and tennis courts, new buildings, new recreational buildings and equipment.

ARTICLE X

COVENANTS FOR ASSESSMENTS AND COLLECTION

Section 1 - Covenant for Assessments. The Developer, for each Unit owned by it, hereby covenants, and each owner of any Unit (by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance), including any purchaser at a judicial sale, but not, however, any holder of any mortgage to which the assessed lien is subordinate as provided hereafter, shall hereafter be deemed to covenant and agree to pay to the Association, for any assessments due on the unit at the time of

purchase and for any assessments coming due while he is the unit owner, such assessments to be fixed, established and collected from time to time as hereinafter provided.

Section 2 - Control by the Board of Directors. The Board of Directors of the Association shall fix the assessments, which shall be in amounts determined in accordance with the projected financial needs of the Association and in accordance with Article VIII of this Declaration, all decisions of the Board of Directors of the Association regarding assessments and collections shall be dispositive and controlling.

Section 3 - Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Properties, including, but not limited to, fumigation of units, maintenance of lawns, shrubs or other plantings of units and, if necessary, the maintenance, repair and restoration of units; and, in particular, for the improvement and maintenance of the Common Areas and Facilities, for landscaping, and for other community improvements on boundaries or in right of ways, including, but not limited to, the costs of taxes, insurance, labor, equipment, materials, management, guard and security service, street lights, maintenance and supervision thereof, as well as for such other purposes as are permissible activities of the Association and are undertaken by it.

Section 4 - Uniform Rate of Assessment. All assessments, other than charge assessments, shall be fixed at a uniform rate for each unit. Charge assessments shall be at a uniform rate if the charge assessment is based on use by or service provided to all units, but charge assessments do not have to be uniform where the use is by or service is provided to a particular unit.

Section 5 - General Assessments. General assessments shall be made against the unit owners not less frequently than quarterly in the discretion of the Board of Directors. The general assessments shall be made in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred.

Section 6 - Emergency Assessments. Assessments for emergency expenses that cannot be paid from the general assessments shall be made by the Board of Directors after thirty (30) days' notice given to the unit owners.

Section 7 - Special Assessments. Special assessments for capital improvements, major repairs, or tax levies or special assessments of taxing authorities, that can not be paid

from general assessments shall be made by the Board of Directors after thirty (30) days' notice given to the unit owners.

Section 8 - Charge Assessments. In addition to general, emergency and special assessments, there may be charges by the Association against members. These charges may include, without limitation, charges for the use of The Lakes property, parking of extra vehicles, fines, maintenance services furnished at the expense of a member and other services furnished for the benefit of a member.

Section 9 - Date of Commencement of Assessments; Due Dates. The assessments provided for herein shall commence on the date or dates (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement. The due date of any assessment shall be fixed in the resolution authorizing such assessment. The assessments shall be payable in advance in installments determined by the Board.

Section 10 - Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each unit for each assessment period at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any owner. Written notice of the assessment shall be sent to every owner subject thereto not later than seven (7) days after fixing the date of commencement thereof.

The Association shall, upon demand at any time, furnish to any owner liable for said assessment, or mortgagee or other record lienholder, a certificate, in writing, signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 11 - Assessments, Amended Budget. Unpaid assessments for the remaining portion of the year for which an amended assessment is made shall be payable in as many equal installments as there are installment payment dates remaining in the budget year as of the date of the amended assessment.

Section 12 - Liability for Assessment. Each unit owner, including one who acquires the unit at a judicial sale, shall be:

- (a) Jointly and severally liable with the prior owner for all assessments due from prior owners remaining

unpaid or unsatisfied at the time the unit owner purchases the unit.

(b) Liable for all assessments coming due while he is the unit owner.

(c) Jointly and severally liable with his grantee in a voluntary conveyance for all unpaid assessments which become due and payable before the voluntary conveyance.

Section 13 - Sale, Transfer, Waiver of Abandonment. The liability for assessments and installments on them may not be avoided by sale or transfer of the unit, or by waiver of the use or enjoyment of any common areas or facilities or by abandonment of the unit for which the assessments are made.

Section 14 - Collection: Interest, Application of Payment, Acceleration. If the assessments and installments on them are not paid within ten (10) days after the delinquency date (the date the assessments and installments on them were due as fixed by the Board of Directors), the assessments and installments on them shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per year until paid. All assessment payments shall be applied first to interest and then to the assessment payment due. Furthermore, if any installment of an assessment remains unpaid thirty (30) days after same shall become due, the Board of Directors may declare the entire annual assessment as to that delinquent owner due and payable in full as if the entire amount was originally assessed.

Section 15 - Lien for Assessment. If the assessments and installments on them are not paid on the date when due, such assessment and installments on them shall then become delinquent and shall, together with such interest thereon and cost of collection thereof, including reasonable attorneys' fees, become a charge on the land and a continuing lien on the Unit that shall bind such property in the hands of the owner, his heirs, devisees, personal representatives and assigns, and shall also be a continuing personal obligation of the owner against whom the assessments and installments were levied. The lien is effective from and after recording a claim of lien in the public records of the county in which the unit is located. The claim of lien includes only those assessments and installments that are due at the time the lien is recorded. The lien is subordinate to any mortgage on the unit recorded before it.

Section 16 - Subordination of Lien to Mortgage. A first mortgagee who acquires title by foreclosure or deed in lieu of foreclosure shall not be liable for unpaid assessments and installments on them of previous owners unless those assessments and installments on them are evidenced by a lien recorded before the foreclosed mortgage. However, the first mortgagee

will be liable for assessments and installments on them which become due and payable after a sale or transfer of such unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure of such mortgage (i.e., assessments that accrue after title has passed by way of foreclosure, but not those accruing before title passes). The written opinion of either the Developer or the Association that the assessment lien is subordinate to a mortgage shall be dispositive of any question of subordination.

Section 17 - Collection: Suit, Notice. The Association may bring an action to foreclose any lien for assessment and installments on them in the manner that a mortgage on real property is foreclosed and the unit owner hereby expressly grants to the Association a power of sale in connection with said lien. It also may bring an action to recover a money judgment for the unpaid assessment and installments on them without waiving any claim of lien. In either case, there shall be added to the amount of the assessment and installments on them the cost of preparing and filing the complaint in such action (including reasonable attorneys' fees); and in the event a judgment is obtained, such judgment shall include interest on the assessment and installments on them as above provided and a reasonable attorney's fee to be fixed by the court, together with the cost of the action. The Association shall give notice to the unit owner of its intention to foreclose its lien at least thirty (30) days before the foreclosure action is filed. The notice shall be given by delivery of a copy of it to the unit owner or by certified mail, return receipt requested, addressed to the unit owner.

The Association has the right to purchase the unit at the foreclosure sale, and to hold, lease, mortgage or convey it.

Section 18 - Exempt Property. The Board of Directors of the Association shall have the right to exempt property subject to this Declaration from the assessments or liens created herein if such property is used (and as long as it is used) for any of the following purposes:

(a) As an easement or other interest therein dedicated and accepted by the public authority and devoted to public use.

(b) As Common Areas and Facilities as defined in Article I hereof.

(c) As properties exempted from ad valorem taxation by the laws of the State of Florida, to the extent agreed to by the Association.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens. Any owner of any exempted property shall not have any membership rights or obligations with respect to the exempted property as long as the property is exempted.

ARTICLE XI

RIGHTS OF FIRST MORTGAGEES AND CERTAIN OWNERS

Section 1 - Prior Written Approval. Regardless of any provision to the contrary contained in this Declaration, the Articles or the By-Laws, unless at least two-thirds (2/3rds) of the first mortgagees (based upon one vote for each first mortgage owned) or owners (other than the Developer) of individual units have given their prior written approval, the Association shall not be entitled to:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas and Facilities. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas and Facilities by the Association shall not be deemed a transfer within the meaning of this clause;

(b) change the method of determining the general assessments, special assessments, emergency assessments, or other charge assessments which may be levied against an owner;

(c) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, or the maintenance of the Common Areas and Facilities;

(d) fail to maintain fire and extended coverage on insurable Common Areas and Facilities on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on replacement cost);

(e) use hazard insurance proceeds for losses to any Common Areas and Facilities for other than the repair, replacement or reconstruction of such Common Areas and Facilities;

Section 2 - Payment of Taxes or Other Charges. First mortgagees of units may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area and Facilities, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such

Common Areas and Facilities. First mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Section 3 - Priority as to Insurance Proceeds and Condemnation Awards. A first mortgagee of a Unit, pursuant to its mortgage, shall have priority over the Unit owner and any other party in the case of a distribution to such Unit owner of insurance proceeds or condemnation awards for losses to or taking of Common Areas and Facilities.

Section 4 - Nature of Default. A first mortgagee, upon request, is entitled to written notification from the Association of any default or violation of any of the Rules and Regulations of the Association.

ARTICLE XII

INSURANCE

Section 1 - Insurance on Common Areas and Facilities. Subject to Article XI, Section 1(d), the Board of Directors of the Association, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements owned by the Association against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief, in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any such hazard, and shall also obtain a broad form public liability policy covering all of the Common Areas and Facilities, and all damage or injury caused by the negligence of the Association or any of its agents, or which may be the responsibility of the Association because of its ownership of the Common Areas and Facilities. Premiums for all such insurance shall be common expenses to be deemed general assessments. All such insurance coverage shall be written in the name of the Association.

Section 2 - Additional Insurance in the Name of the Association. In addition to casualty insurance on the Common Areas and Facilities, the Association may, in the discretion of the Board of Directors, obtain and continue in effect adequate flood insurance and blanket all-risk casualty insurance in such form as the Board of Directors deems appropriate for the full replacement cost of all units. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance equals at least the full replacement cost. The premiums for such coverage(s) shall be common expenses of the Association, and shall be general assessments. If such insurance is obtained, all units shall be similar insured and the insurance coverage shall be written in the name of the Association.

Section 3 - Procedures When Casualty and Insurance in Name of Association. Subject to Article XI, Section 1(e), in the event of damage or destruction by fire or other casualty to any property covered by insurance written in the name of the Association, the Board of Directors shall, with the concurrence of the mortgagee holding a mortgage upon the Common Areas and Facilities, if the damage is to any Common Areas and Facilities or with the concurrence of the mortgagee(s), if any, holding mortgages on any units that are damaged or destroyed, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the property to as good condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a Federal government agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signature of at least a majority of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. In the event of loss or casualty, the Board of Directors shall advertise for sealed bids with any licensed contractors, and then may negotiate with any contractor, who shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed building or buildings. In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same condition as formerly, the Board of Directors shall levy a special assessment against all members of the Association, as established by Article X, Section 7 above, to make up any deficiency for repair or rebuilding of the Common Areas and Facilities.

Section 4 - Unit Owner's Insurance. Each owner may obtain additional insurance at his or her own expense; provided, however, no owner shall be entitled to exercise his or her right to maintain insurance coverage in such a way as to decrease the amount which the Association, on behalf of all the owners and their mortgagees, may realize under any insurance policy which the Association's Board of Directors may have in force at any particular time. It shall be the individual responsibility of each owner, at his or her own expense, to provide, as he or she sees fit, title insurance on his or her individual unit, additional hazard insurance, homeowner's liability insurance, theft and other insurance covering real and personal property damage and loss, personal liability insurance, and such other insurance on his or her unit, property or person, as is not provided by the Association pursuant to the provisions of this Article.

Section 5 - Unit Owner's Responsibility. By virtue of taking title to a unit, each owner covenants and agrees that in the event the Association does not carry blanket all-risk casualty insurance on the units, each unit owner will obtain

adequate hazard insurance covering physical damage or loss to his unit, and shall promptly submit a copy of such insurance policy, with proof of payment of the premium, to the Board of Directors. The Board of Directors may, in their sole discretion, reject any policy as inadequate, and shall promulgate minimum standards to determine adequacy, to be set forth in the By-Laws or Rules and Regulations of the Association. In the event that the Board of Directors rejects a policy as inadequate, they shall levy a charge assessment against the unit owner in an amount necessary to purchase adequate coverage.

Each unit owner further covenants and agrees that in the event of damage or destruction to his unit, that unless fifty percent (50%) or more of all the units are rendered uninhabitable for a period of more than sixty (60) days by a common casualty, that the unit owner will rebuild the unit in accordance with Article XV, Section 13. If the unit owner's unit is damaged or destroyed, and if fifty percent (50%) or more of all the units are rendered uninhabitable for a period of more than sixty (60) days by a common casualty, and if the owner thereof determines not to rebuild or reconstruct, then that owner shall clear the land on which the damaged or destroyed unit sits of all debris and return the land substantially to its natural state. The obligation of a unit owner to rebuild or reconstruct shall not be applicable to any owner whose unit is insured under a casualty insurance policy obtained by the association.

ARTICLE XIII

CONDEMNATION

In the event all or any part of the Common Areas and Facilities are taken by eminent domain proceedings or conveyed to any governmental body in lieu thereof, the money payable as a result of such taking and any legal action necessary to collect the award shall be used to reduce assessments other than charge assessments, on a uniform basis and/or refunded to the unit owners. If the award is refunded to the unit owners, the first mortgagees of each respective unit will have priority over the unit owner as provided in Article XI, Section 3. Any award for the taking of all or part of a unit shall be payable to the owner or his mortgagee, as their respective interests may appear.

ARTICLE XIV

ARCHITECTURAL CONTROL

Section 1 - Improvements and Structures. No building, fence, wall or other structure shall be commenced, erected or maintained upon the property, whether located within or on a

unit or within or on the Common Areas and Facilities, nor shall any unit or Common Area and Facility be repainted on the exterior or added to, changed, or altered until the plans and specifications showing the nature, kind, shape, height, materials, color or finish and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event the Board, or its designated committee, fails to approve or disapprove such design and location within sixty (60) days after all the relevant plans and specifications have been submitted to it, approval shall have been deemed granted, and this Article will be deemed to have been fully complied with.

Section 2 - Casualty. Notwithstanding Section 1, if a unit is destroyed or damaged by casualty such that the unit owner is required to rebuild or repair as required by Article XV, Section 13 of this Declaration, then, in that event, the unit owner shall be liable for the cost of such rebuilding or repair, but the Board of Directors of the Association will contract for the necessary repair or rebuilding. The unit owner's insurance proceeds, if any, shall be deposited in escrow and shall only be paid out to the Board of Directors or to the selected contractor upon the consent of the mortgagee of the unit owner. In the event of such loss or casualty, the Board of Directors shall advertise for sealed bids with any licensed contractors and then may negotiate with any contractor, who shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed building or buildings. The Board of Directors shall have the final decision on who is chosen as builder and shall have the sole right to supervise the construction. In the event the unit owner's insurance proceeds are nonexistent, or insufficient to pay all the costs of repairing and/or rebuilding the unit to the same condition as it was formerly, then the unit owner will be liable for any costs in excess of his applicable insurance proceeds.

Section 3 - Drainage and Water Channels. No obstruction, diversion, bridging or confining of existing channels upon, under and/or across any portion of said property through which water in the time of storms or otherwise naturally flows or through which water has been caused to flow artificially by the Developer in the development of the said property shall be made by any person in such manner as to cause damage to any property. The Board of Directors or the architectural committee may determine that a new channel or a diverted, bridged or reconstructed existing channel is adequate to carry the amount of storm and other water liable to flow therein, and may approve the same; provided, however, that the right is hereby expressly reserved to the Developer as an incident to

the development of the entire property, to change existing channels for the natural flow of water and also create channels and means of artificial drainage and water flow and, further, to cause reasonable increases and decreases in the amount of water which would in a state of nature flow into and through any such natural or artificial water channels or means of drainage.

ARTICLE XV

USE RESTRICTIONS

Section 1 - Residential Use. The property is hereby restricted to residential dwellings for residential use except for such portion of the Common Areas and Facilities which shall be set aside for the construction and use of recreational facilities. No professional, business or commercial activity of any sort shall be conducted on any unit, including without limitation legal or medical services, hair dressing and related beauty parlor service, music or dancing lessons, and child care centers. This provision shall not, however, prevent Developer from using any unit for model or display purposes, or as a construction, sales or management office.

Section 2 - Construction. Additional buildings or structures shall not be erected upon or added to any unit and no buildings or structures shall be moved from other locations onto a unit. Structures of a temporary character, including without limitation trailers, vans, motor homes, tents, shacks, garages, barns, animal shelters, or other buildings shall not be allowed on any portion of a unit or on the Common Areas and Facilities at any time. This provision shall not, however, prevent Developer from using temporary structures during the construction of units and Common Areas and Facilities, or the sale of units or, as necessary, for management of the properties.

Section 3 - Compliance with Laws. No use shall be made of any unit which violates any laws, ordinances or regulations of any governmental body having jurisdiction or which constitutes a fire or health hazard.

Section 4 - Insurance. No use shall be made of any unit, or any objects kept therein, which shall increase the premium rates for insurance maintained by the Association upon all Common Areas and Facilities as hereinabove provided for, or of insurance maintained by any other unit owner.

Section 5 - Conveyances of Lots. Each lot shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions and provisions hereof.

Section 6 - Certain Rights of Developer. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for Developer, its successors or assigns, to maintain during the period of construction and sale of the units, the construction of the Common Areas and Facilities, and the management of the properties by the Developer, upon such portion of the property as Developer deems necessary, such facilities as in the sole opinion of Developer may be reasonably required, convenient or incidental to the construction, sale and management of the units and of the Common Areas and Facilities, including, but not limited to, business offices, storage areas, construction yards, signs, model units, sales offices and management offices.

Section 7 - Loud Noises Prohibited. No loud or objectionable noises or obnoxious odors shall emanate from any unit which may be a nuisance or annoyance or cause discomfort to other owners or occupants. In addition, the following are prohibited:

- (a) excessive party noise after 11:00 P.M.;
 - (b) blowing of horns and screeching of tires;
- and
- (c) portable radios, televisions and stereos in the yards when the volume is turned so loud as to be a nuisance to neighbors.

All provisions of the Tallahassee City Code (as presently constituted or as amended from time to time in the future) relating to noise are incorporated in this Declaration, and violation thereof shall subject the unit owner to the sanctions set forth in the City Code or in this Declaration.

Section 8 - Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any of the units, except that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose.

Dogs and other animals shall not be left unattended to run free in the development. The Tallahassee City Code requires that dogs and other domestic pets be kept on a leash. All provisions of the Tallahassee Code (as presently constituted and as amended from time to time in the future) relating to animals and fowl are incorporated in this Declaration, and violation thereof shall subject the responsible unit owner to the sanctions set forth in the City Code or in this Declaration.

Leashed dogs shall be walked in wooded areas away from traffic areas, walkways and other units. A dog or other pet shall not be permitted to soil the yard of another unit owner or occupant.

In addition, units owners and occupants are not allowed to keep or have any of the following:

- (a) reptiles, including, but not limited to, snakes and lizards;
- (b) spiders, including, but not limited to, tarantulas;
- (c) outdoor aquariums; and
- (d) large hunting birds, including, but not limited to, eagles, hawks, ospreys or owls.

Section 9 - Signs. No advertising signs (except "for rent" or "for sale" signs), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on a unit or the Common Areas and Facilities, nor shall a unit or the Common Areas and Facilities be used in any way or for any purpose which may endanger the health or unreasonably disturb the owner of any unit or any resident thereof. No business activities of any kind whatsoever shall be conducted in any unit or on any portion of the Common Areas and Facilities; provided, however, the foregoing covenants shall not apply to the business activities, signs and billboards, or the construction, maintenance and management of buildings, if any, of Developer, its agents and assigns, and of the Association, its successors and assigns, in furtherance of its power and purposes as set forth in its Articles of Incorporation, By-Laws and this Declaration. No owner or tenant of owner may place any sign or offensive object or artwork within his residence that is visible through any windows or glass doors of the unit from the exterior. Any "for rent" or "for sale" sign shall not be closer than six (6) feet of the curb, shall be no larger than 18" by 24", and must be approved by the Association.

Section 10 - Storage. All equipment, garbage cans, service yards, woodpiles of storage piles shall be kept concealed from view. All rubbish, trash or garbage shall be regularly removed from the units by the unit owner, and from Common Areas and Facilities and shall not be allowed to accumulate thereon. No outside clotheslines shall be allowed, and no clothes or other items are to be hung or left outside a unit.

Section 11 - Planting and Fencing. No plants, gardens, fences, hedges or walls shall be erected or maintained around the units and Common Areas and Facilities, except such as are installed in accordance with the initial construction of

the buildings located thereon and except such as are approved by the Association's Board of Directors.

Section 12 - Duty to Maintain Utilities. All fixtures and equipment installed within a unit, commencing at a point where the utility lines, pipes, wire, conduits or systems enter the exterior walls of a unit, shall be maintained and kept by the owner thereof. An owner shall do no act nor any work that will impair the structural soundness or integrity of another residence or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other residences or their owners.

Section 13 - Duty to Rebuild After Casualty. Unless fifty percent (50%) or more of the units are rendered uninhabitable for a period of more than sixty (60) days by a common casualty, each unit owner shall have the duty to put his unit into as good repair as before any casualty that may have occurred, subject to Article XIV on architectural control. This obligation is absolute and is for the benefit of every other unit owner.

Section 14 - Antennas. Without prior written approval and the authorization of the Board of Directors, no exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any unit or the Common Areas and Facilities, other than an aerial for a master antenna system approved by the Association, should any such master system or systems be utilized and require any such exterior antenna.

Section 15 - No Transient Rentals. The respective units shall not be rented by the owners thereof for transient or hotel purposes, which shall be defined as:

- (a) rental for any period less than thirty (30) days; or
- (b) any rental if the occupants are provided customary hotel services, such as room service for food and beverage, maid service, furnishing laundry and linen, and bell-boy service.

Other than the foregoing obligations, the owners of the respective units shall have the absolute right to lease same provided that said lease is made subject to the covenants and restrictions contained in this Declaration and further subject to the Articles, By-Laws and such Rules and Regulations as may be issued and amended from time to time by the Board of Directors.

Section 16 - Use of Vehicles. Motor vehicles shall not be allowed on bicycle or pedestrian trails. Boats, mobile homes, trailers, trucks (except pickup trucks), campers and

like vehicles shall not be parked or stored on the property. Go-carts and golf carts, except as used by security personnel, cannot be operated on the property. Automobiles, motorcycles, motorized bikes or other vehicles which give off loud noise due to non-existent, illegal or defective mufflers are prohibited. Rapid acceleration or deceleration of vehicles, particularly of a nature to cause excessive noise, is strictly prohibited.

Section 17 - Parking. Except as provided in the Rules and Regulations as duly adopted and amended from time to time by the Board of Directors, all automobiles owned or controlled by owners, their guests or tenants shall be parked in the garage of each unit, and not on the Common Areas and Facilities.

Section 18 - Garage Doors. Garage doors are to remain closed at all times whenever possible.

Section 19 - Vehicle Repairs. Automobile or other vehicle repairs of even a minor nature, such as changing of oil, etc., is strictly prohibited. Violation of this provision shall subject the automobile owner or responsible unit owner to a fine or other permissible sanction without a first-violation warning.

Section 20 - Vehicles Permitted Only on Certain Areas. All vehicular traffic, except as hereinafter provided, shall be only on such interior road system, and not on any of the other Common Areas and Facilities. Nothing herein contained shall be deemed to prohibit emergency, repair, management and maintenance vehicles from using and driving upon the other Common Areas and Facilities when such use is needed for emergency, management, maintenance and repair purposes. Nothing herein shall be construed to be in derogation of Declarant's easement as set forth in Article XX, Section 3.

Section 21 - Repainting of the Exterior of a Unit. The unit owner may not repaint the exterior of his unit except in accordance with Article XIV, Section 1. For the purpose of this Section, the term "Owner" includes his respective rental tenants, licensees, guests, invitees, agents, servants and employees.

ARTICLE XVI

ABATING AND ENJOINING VIOLATIONS

Section 1 - Violations by Unit Owners. The violation of any of the use restrictions above or of any Rule or Regulation adopted by the Board of Directors, or the breach of any provision of the By-Laws, Articles or of this Declaration, shall give the Association, through its Board of Directors,

after (1) notice to such owner; (2) giving such owner an opportunity to be heard; and (3) approval by a majority vote of the Board of Directors, the right, in addition to any other rights set forth elsewhere:

(a) to enter the unit in which or as to which such violation or breach exists and to summarily abate and remove at the expense of the unit owner any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board or the Association shall not thereby be guilty in any manner of trespass; or

(b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of such breach.

(c) to impose fines pursuant to Section 617.10(3), Florida Statutes, on unit owners in such reasonable sums as they may deem appropriate, but not to exceed \$150.00. The Board may collect those fines as a charge assessment in one or more installments. Each day of violation shall be a separate violation.

For the purposes of this section only, the term "owner" shall include the owner and his respective rental tenants, licensees, guests, invitees, agents, servants and employees.

Section 2 - Violations by the Association. A unit owner may bring an action against the Association for damages, injunctive relief, or both, if the Association fails to comply with the provisions of this Declaration, the Articles, the By-Laws or the Rules and Regulations.

Section 3 - Attorneys' Fees. In any action brought pursuant to the provisions of this article, the prevailing party is entitled to recover reasonable attorneys' fees.

ARTICLE XVII

LIABILITY SURVIVES MEMBERSHIP TERMINATION

Termination of membership in the Association shall not relieve or release a former member from any liability or obligation incurred with respect to The Lakes during the period of membership, nor impair any rights or remedies that the Association may have against the former member arising out of his membership and his covenants and obligations incident to that membership.

ARTICLE XVIIILIMITATIONS ON UNIT OWNER LIABILITY
FOR USE OF COMMON AREAS AND FACILITIES

Each unit owner may be personally liable for the acts or omissions of the Association relating to the use of the Common Areas and Facilities. That liability shall be shared with other unit owners in the same percentages as their respective interests in the Common Areas and Facilities. No individual unit owner's liability shall exceed the value of his unit.

ARTICLE XIXCOMMON TAXES

In the event that any taxing authority having jurisdiction over the property shall levy or assess any tax or special assessment against the Common Areas and Facilities, then such tax or special assessment shall be separately levied and collected as a special assessment by the Association against all of the owners of all units. Such special assessments by the Association shall be separately identified by the Association.

ARTICLE XXEASEMENTS

Section 1 - Easements for Encroachments. Each unit and the Common Areas and Facilities shall be subject to an easement for encroachments created by construction, settling and overhangs, as originally designed or constructed. A valid easement for the encroachments and for the maintenance of same, so long as it stands, shall and does exist. In the event units are partially or totally destroyed and then rebuilt, the owners of the units so affected agree that minor encroachments of parts of the adjacent units or Common Areas and Facilities due to construction shall be permitted and that a valid easement for the encroachment and the maintenance thereof shall exist.

Section 2 - Utility and Service Easements. There is hereby created a blanket easement upon, across, over and under all of the property for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, gas, telephones and electricity, and a master television antenna system. By virtue of this easement, it shall be expressly permissible for the electrical and/or telephone company to erect and maintain the necessary poles and other necessary equipment on the property and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior

walls of the units. An easement is further granted to all police, fire protection, ambulance and all similar persons to enter upon the streets and Common Areas and Facilities in the performance of their duties. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines or other utilities may be installed or relocated on the property except as initially programmed and approved by the Developer or thereafter approved by Developer or the Association's Board of Directors. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Developer, until such time as the real property to be used for Common Areas and Facilities is conveyed to the Association as provided in Article II of this Declaration, and thereafter the Board of Directors of the Association, shall have the right to grant such easement on the property without conflicting with the terms hereof. The easement provided for in this Article XX shall in no way affect any other recorded easement on the property.

Section 3 - Easement Over Streets and Rights of Way for Developer. There is hereby created a blanket easement upon, across and over all of the streets and rights of way in favor of Developer, its agents, contractors, subcontractors, materialmen and successors and assigns, including without limitation tenants, prospective purchasers, purchasers, and contract purchasers, for ingress and egress from any property owned by Developer or in which Developer has an interest under any Agreement for Deed to and from the public streets. This easement may be used for purposes of constructing improvements upon property owned by Developer and for ingress and egress by the successors and assigns of Developer.

Section 4 - Underground Electric Service.

(a) Underground electric service shall be available to all units and the metering equipment shall be located on the exterior surface of the wall at a point to be designated by the utility company. The utility company furnishing the service shall have a five (5) foot wide easement along and centered on the underground electric power service conductors installed from the utility company's easement to the designated point of service on the unit's structure.

(b) Easements for the underground service may be crossed by driveways and walkways provided the Developer or builder makes prior arrangements with the utility company furnishing electric service. Such easements for underground service shall be kept clear of all other improvements, including buildings, patios or other pavings, other than crossing walkways or driveways, and neither Developer nor any utility company using the easements shall be liable for any damage done by either of them or their assigns, their agents,

employees, or servants to shrubbery, trees, flowers, or other improvements of the owner located on the land covered by the easements.

ARTICLE XXI

AMENDMENTS

Amendments to this Declaration shall be proposed and adopted in the following manner:

Section 1 - Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered.

Section 2 - Proposal of Amendments. An amendment may be proposed either by a majority of the Board of Directors or by not less than one-third (1/3rd) of the members of the Association.

Section 3 - Adoption of Amendments. The amendment shall be adopted if it is approved by not less than seventy-five percent (75%) of the votes of the entire membership of the Association.

Section 4 - Exception for Developer. No amendment is necessary for the Developer to annex additional real property to this Declaration or to record a certificate of surveyor.

Section 5 - Amendment of Subordination Provisions. No amendment shall alter the subordination provisions of this Declaration without prior approval of any mortgagee enjoying such protection and the county attorney of Leon County, if he determines his consent to be necessary.

Section 6 - Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of this Declaration. The certificate shall be executed by the president or vice president and attested by the secretary or assistant secretary of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the public records of the county.

Section 7 - Format. Proposals to amend existing Articles shall contain the full text of the Article to be amended. New words shall be underlined and words to be deleted shall be lined through with hyphens. If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying "SUBSTANTIAL REWORDING OF DECLARATION. SEE DECLARATION ARTICLE ____ FOR PRESENT TEXT".

Section 8 - Effect of Amendment on Other Documents.

If an amendment to this Declaration would amend, alter or be inconsistent with the provisions of any other documents, then such other documents are deemed amended to conform to this Declaration.

Section 9 - Consistent with Other Laws.

This Declaration shall be deemed amended in those particulars as may be required to make it consistent with any federal, state or local law or ordinance.

ARTICLE XXII

ANNEXATION

Section 1 - Additional Real Property.

Additional real property to be used for units or for Common Areas and Facilities may be annexed to the properties in the following ways:

(a) by the developer - no amendment to this Declaration is necessary; or

(b) by amendment to this Declaration as provided for in Article XXI.

If and when such additional property is annexed to the properties, subject to Article II, such property shall come under the control of the Association and shall be subject to the then existing Declaration, Articles of Incorporation, By-Laws and Rules and Regulations of the Association.

ARTICLE XXIII

ARBITRATION OF INTERNAL DISPUTES

Except for Article VII where arbitration is mandatory, internal disputes arising from the operation of The Lakes among units owners, the Association, their agents and assigns may be resolved by voluntary binding arbitration. Each party to the dispute first must agree to the arbitration process and, in such case, the arbitrator's decision will be final. If judicial proceedings are taken after arbitration, the arbitrator's final decision shall be admissible in a court of competent jurisdiction. Nothing in this article shall preclude any party from proceeding alternatively in the manner prescribed in Article X or Article XVI above. Arbitration procedures shall be in accordance with Chapter 682, Florida Statutes, known as the Florida Arbitration Code.

ARTICLE XXIV

CR1101PG 203

GENERAL PROVISIONS

Section 1 - Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Developer, the Association, or the owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of 25 years from the date hereof, after which time said covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed by the then owners of two-thirds (2/3rds) of the units, has been recorded in which the owners agree to terminate said covenants and restrictions in whole or in part. However, this Section shall not apply to the grants of easement contained herein which shall be perpetual unless terminated by vote of one hundred percent (100%) of the owners of the property described in Exhibit "A" and such additional property that may be added to these Covenants, Conditions and Restrictions.

Section 2 - Severability. Invalidation of any one of these covenants or restrictions by judgment or court shall in nowise affect any other provision which shall remain in full force and effect.

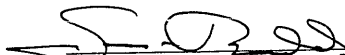
Section 3 - Enforcement. The Association or any owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4 - No Partition. The Common Areas and Facilities shall remain undivided and no unit owner nor any other person shall bring any action for partition or division thereof without the written consent of all members, and of all holders of a mortgage or mortgages encumbering any unit or the Common Areas and Facilities.

Section 5 - Construction. Whenever the context permits or requires, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

Section 6 - Effective Date. This Declaration shall become effective upon recordation of this Declaration in the Public Records of Leon County, Florida.

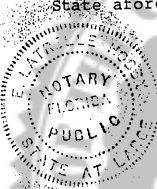
IN WITNESS WHEREOF, the undersigned, being the Declarant hereof, has hereunto set its hand and seal, this 2nd day of February, 1984.


 (SEAL)
SAM L. RUDD

STATE OF FLORIDA)
COUNTY OF LEON)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared SAM L. RUDD, well know to me as the person named as Developer in the foregoing Declaration of Covenants, Conditions and Restrictions, who executed the same freely and voluntarily.

WITNESS my hand and official seal in the County and State aforesaid, this 2nd day of February, 1984.



 (SEAL)
NOTARY PUBLIC
My Commission Expires:

2-25-86

Notary Public, State of Florida
My Commission Expires Feb. 25, 1986
Bonded Thru Troy Fain Insurance, Inc.

THE LAKES SUBDIVISION, PHASE 1
Section 2, Township 1 South, Range 1 West

OR1101PG 205

A tract or parcel of land in Section 2, Township 1 South, Range 1 West, Leon County, Florida, said tract containing Lot 4, Block E, of the Eppes Heights, Unit No. 2, a subdivision as per map or plat thereof recorded in Plat Book 3, page 94, of the public records of Leon County, Florida, also containing the East 40 feet of Lot 1, Block E, of Eppes Heights, Unit No. 1, a subdivision as per map or plat thereof recorded in Plat Book 3, page 93, of the public records of Leon County, Florida, more particularly described as follows:

Begin at an old concrete monument in the base of a cedar tree marking the SW corner of Lot 4, Block E of Eppes Heights, Unit No. 2, a subdivision as per map or plat thereof recorded in Plat Book 3, page 94, of the public records of Leon County, Florida, said point also lying on the Northerly right of way boundary of a 100 foot Power Line Easement, and run thence North 29 degrees 35 minutes 52.0 seconds West along the Westerly boundary of Lot 4, Block E of said Eppes Heights Unit No. 2, a distance of 257.98 feet to the NE corner (also the most Northerly corner) of Lot 2, Block E of said Eppes Heights, Unit No. 1; thence South 60 degrees 25 minutes 45.0 seconds West along the Northerly boundary of said Lot 2 a distance of 40.0 feet to an existing concrete monument; thence North 29 degrees 34 minutes 15.0 seconds West 99.88 feet to an existing concrete monument marking the Northerly boundary of Lot 1, Block E of the said Eppes Heights, Unit No. 1, also the Southerly right of way boundary of Airport Drive; thence North 60 degrees 25 minutes 45.0 seconds East along the Northerly boundary of said Lot 1 and a projection thereof and the Southerly right of way of Airport Drive 114.21 feet; thence North 89 degrees 49 minutes 23.3 seconds East along the Southerly right of way boundary of Airport Drive 219.46 feet to an existing concrete monument marking the Westerly right of way boundary of Eppes Drive; thence South 29 degrees 22 minutes East along said Westerly right of way boundary 421.70 feet to the SE corner of said Lot 4, said point also lying on the Northerly right of way boundary of said Power Line Easement; thence continue South 29 degrees 22 minutes East, 151.00 feet; thence South 30 degrees 32 minutes East, 80.06 feet; thence South 35 degrees 20 minutes

24.4 seconds West, 198.71 feet; thence North 86 degrees 32 minutes West, 267.71 feet; thence North 3 degrees 28 minutes East, 63.00 feet; thence North 86 degrees 32 minutes West, 149.22 feet; thence North 25 degrees 25 minutes East, 214.55 feet* to the POINT OF BEGINNING; containing 5.82 acres more or less.

Subject to easements and restrictions of record.

Paul N. Williamson

Paul N. Williamson, P.L.S.
Florida Registration No. 3208



*; thence North 03 degrees 40 minutes East, 100.00 feet

