

Q. P. BRANCH

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**DECLARATION AND GENERAL PROTECTIVE COVENANTS FOR
PINE LAKE UNIT ONE AT EAGLE HARBOR**

THIS DECLARATION is made this 26th day of March, 2002 by Eagle Harbor at Fleming Island Joint Venture, a Florida joint venture, duly authorized to do business in the State of Florida, its successor or assigns ("Declarant"), and joined in by **PINE LAKE OWNERS ASSOCIATION, INC.**, a Florida corporation not for profit ("Association") and **D.R. HORTON, INC.-JACKSONVILLE**, a Delaware corporation ("Horton").

WITNESSETH:

WHEREAS, Declarant is the owner of all lots within Pine Lake (as that term is hereinafter defined) not owned by Horton; and

WHEREAS, Horton is the owner of the land described on **Exhibit "E"** attached hereto; and

WHEREAS, Pine Lake is located in Clay County, Florida, and is legally described on **Exhibit "A"** attached hereto; and

WHEREAS, Declarant is developing Pine Lake as a planned, multi-family residential community; and

WHEREAS, Declarant by this Declaration imposes those certain protective covenants, conditions and restrictions set forth herein upon the land legally described on **Exhibit "A"** attached hereto (the "Committed Property") and Horton joins with and consents to the imposition of such protective covenants, conditions and restrictions; and

WHEREAS, Declarant may, in its sole discretion, from time to time, convey, lease or grant a license or other use right to lands within or without Pine Lake by deed, easement, or otherwise to the Association (which must accept the same), or Declarant may, in its sole discretion, cause additional parties to do so, for the purpose of maintenance, landscaping, drainage, recreation or other purposes that will be for the use

and benefit of some or all of its "Members" (as that term is hereinafter defined) and of families, tenants and guests; and

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the values and amenities established as aforesaid to create a not-for-profit corporation pursuant to Chapter 720, Florida Statutes, known as the Pine Lake Owners Association, Inc., which Association has joined in this Declaration and to which there has been and will be delegated and assigned certain powers and duties of operation, administration, maintenance and repair of portions of Pine Lake, including the collection and disbursement of the "Operating Expenses" (as that term is hereinafter defined), all as more particularly set forth herein;

NOW, THEREFORE, Declarant declares that the Committed Property is and shall be owned, used, sold, conveyed, encumbered, demised, and occupied subject to the covenants, conditions, restrictions, easements, reservations, regulations, burdens, liens, and all other provisions of this Declaration, all as hereinafter set forth, which shall run with the Committed Property and be binding on all parties having any right, title or interest in the Committed Property, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each "Owner" (as that term is hereinafter defined) thereof.

ARTICLE I

Definitions

The following words and phrases when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Access Area" shall mean and refer to that portion of each Improved Lot, which surrounds the exterior of the Dwelling Unit.

(b) "Adjacent Lot" shall mean and refer to that Lot or Lots immediately to either side of a Townhouse Lot.

(c) "Articles" shall mean and refer to the Articles of Incorporation of Pine Lake Owners Association, Inc., a Florida corporation not for profit, attached hereto as **Exhibit "B,"** as may be amended from time to time.

(d) "Association" shall mean and refer to the Pine Lake Owners Association, Inc., a Florida corporation not for profit, its successors or assigns, which has its principal place of business in Clay County, Florida. The Association is NOT a condominium association.

(e) "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.

(f) "Building" shall mean and refer to a building in Pine Lake containing two or more attached Dwelling Units sharing party walls and a common roof.

(g) "Bylaws" shall mean and refer to the Bylaws of the Association, attached hereto as Exhibit "C," as may be amended from time to time.

(h) "Committed Property" shall mean and refer to the property described in Exhibit "A" attached hereto and made a part hereof or any additional property hereafter made subject to this Declaration by the Declarant in accordance with the provisions of this Declaration.

(i) "County" shall mean and refer to Clay County, Florida.

(j) "Declarant" shall mean and refer to Eagle Harbor at Fleming Island Joint Venture, a Florida joint venture, duly authorized to do business in the State of Florida, its designee, successors and assigns, and subsidiaries.

(k) "Declaration" shall mean and refer to this Declaration and General Protective Covenants for Pine Lake, as may be amended from time to time.

(l) "Development" shall mean and refer to the development area commonly known as Pine Lake.

(m) "Dwelling Unit" shall mean and refer to a residential townhouse unit in Pine Lake to be used as an abode for one family.

(n) "Improved Lot" shall mean and refer to any Townhouse Lot upon which a Dwelling Unit has been constructed.

(o) "Institutional Mortgagee" shall mean and refer to (a) a lending institution having a first mortgage lien upon a Lot including any of the following institutions: (a) Federal or State Savings and Loan or Building and Loan Association, a national or state bank or real estate investment trust, or mortgage banking company doing business in the State of Florida, or life insurance company; or (b) any "Secondary Mortgage Market Institution" including the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Administration and Veterans Administration and such other Secondary Mortgage Market Institution as the Board shall hereafter approve in writing which has acquired a first mortgage upon a Lot; or (c) any and all investors or lenders, or the successors and assigns of such investors or lenders which have loaned money to Declarant to acquire, or construct improvements upon the Committed Property and who have a mortgage lien on all or a portion of the Committed Property securing such loan; or (d) such other lenders as the Board shall hereafter approve in writing which have acquired a first mortgage upon a Lot.

(p) "Landscape Easement" shall mean and refer to those areas depicted on the Site Plan (**Exhibit D**, attached hereto) as Landscape Easements. All Landscape Easements, shall be maintained by the Association, with such maintenance constituting a portion of the Common Expenses and all improvements located in such Landscape Easements shall be the property of the Association.

(q) "Lot" or "Townhouse Lot" means any platted lot, whether improved or unimproved, intended for the construction of a Dwelling Unit and located within the Committed Property.

(r) "Master Association" shall mean the Towncenter and East of 17 at Eagle Harbor Association.

(s) "Master Declaration" shall mean Towncenter and east of 17 at Eagle Harbor Declaration of Covenants, Conditions, Restrictions, Limitations and Easements recorded December 5, 1997, in Official Records Book 1690, page 340, public records of Clay County, Florida.

(t) "Operating Expenses" shall mean and refer to the expenses for which Owners are liable to the Association as described in this Declaration and in any other document governing Pine Lake, and include, but are not limited to, the costs and expenses incurred by the Association in fulfilling its obligations hereunder and in administering, operating, owning, constructing, reconstructing, financing, maintaining, repairing and replacing improvements thereon, as well as expenses incurred by the Association in fulfilling its obligations under this Declaration and any other document governing Pine Lake, which mean and include the costs and expenses described in these documents as such and include regular and special assessments made by the Association in accordance with the terms hereof.

(u) "Owner" or "Lot Owner" shall mean and refer to the record owner (other than Declarant), whether one or more persons, firms or entities, who has acquired fee simple title to any Townhouse Lot.

(v) "Party Wall" shall mean and refer to the entire wall, from front to rear, all or a portion of which is used for support of each adjoining structure, situate or intended to be situate on the boundary line between adjoining Lots.

(w) "Plat" shall mean and refer to the Subdivision Plat of Pine Lake Unit One as recorded at Official Records Book 36, Pages 78 through 90, inclusive, of the Public Records of Clay County, Florida.

(x) "Property Line" shall mean and refer to the perimeter boundary line of any Lot (hereinafter defined) within the Committed Property.

(y) "Site Plan" shall mean and refer to the graphic depiction of Pine Lake attached hereto as **Exhibit "D"** as may be amended from time to time.

(z) "Rules and Regulations" shall mean and refer to the rules and regulations promulgated by the Board in accordance with the terms of this Declaration.

(aa) "Pine Lake" shall mean and refer to the townhome development to be located on the property described in attached Exhibit "A" or such additional property as Declarant may, from time to time designate in accordance with this Declaration.

(bb) "Supplemental Declaration" shall mean and refer to an instrument executed by Declarant for the purpose of subjecting additional real property to this Declaration, or for such other purposes as more fully described herein.

(cc) "Surface Water or Stormwater Management System" shall mean a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system, as permitted pursuant to Chapters 40C-4, 40C-40, or 40C-42, Florida Administrative Code.

ARTICLE II

Description of the Project, Plans for Development and Declarant's Rights and Powers

Section 1. Pine Lake . The Project is located within Eagle Harbor at Fleming Island, which comprises a tract of land located in Clay County, Florida, in north Clay County, south of State Road 220 or east of US Highway 17 ("Pine Lake Project"). The Pine Lake Project also includes recreation areas and improvements thereon

Section 2. The Development Order . The Project is part of a Development of Regional Impact ("DRI") 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 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 Project is also part of a Community Development District ("CDD") which provides for the funding, construction and special maintenance of roads and utility lines, as well as the ownership and maintenance of the Platted Tracts, including the Surface and Stormwater System, within the Pine Lake 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 owned, operated or maintained by the CDD.

Section 4. General Plan of Development. Declarant and Horton are the owners of Pine Lake and presently plan to develop Pine Lake as a single-phase multi-family townhouse development within the Pine Lake Project. Declarant has the right, but is not obligated, to build up to one hundred forty-seven (147) Dwelling Units within the real property described in Exhibit "A" to this Declaration, hereafter known as Pine Lake. Therefore, the Development may consist of one hundred Forty-seven (147) Dwelling Units, together with improvements thereto as described in this Declaration.

Section 5. Committed Property. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN CONTAINED OR CONTAINED IN ANY OTHER DOCUMENT, ONLY THAT PORTION OF PINE LAKE WHICH IS COMMITTED PROPERTY (AS THAT TERM IS DEFINED IN THIS DECLARATION) SHALL BE SUBJECT TO THE PROVISIONS OF THIS DECLARATION AND ANY OTHER DOCUMENT GOVERNING THE COMMITTED PROPERTY.

Section 6. Additions to Committed Property; Certain Amendments. Declarant shall have the right, and hereby reserves the right, from time to time to bring other property not presently part of Pine Lake into the Committed Property. Any additional properties brought within the scheme of this Declaration and shall become part of the Association. The right of Declarant as provided for in the preceding sentence of this Section shall be for a period of twenty (20) years commencing with the recording of this Declaration in the Public Records of Clay County, Florida.

Declarant, its successors and assigns, shall not be obligated to add to the Committed Property and bring within the scheme of this Declaration any or all of the remaining portions of Pine Lake. The additions and amendments authorized under this subsection shall only be made by Declarant, shall not require the consent or approval of the Association, Members or any other person or entity, and shall be made by the recording in the Public Records of the County of a Supplemental Declaration with respect to the additional property, which shall extend the scheme of this Declaration to such property or modify the Declaration with respect to such additional properties as hereinafter set forth. Such Supplemental Declaration(s) shall identify Lots within the properties described therein. Declarant's rights under this Section 3 are paramount to the provisions of Section 7 of Article XIII of this Declaration.

Supplemental Declarations may contain such complementary additions and modifications of this Declaration as may be necessary to reflect the different character, if any, of that portion of Pine Lake or the additional properties which are the subject of such Supplemental Declaration as are not inconsistent with the scheme of this Declaration, as determined by Declarant. Further, such Supplemental Declarations may contain provisions relating to such portions of Pine Lake and/or such additional property, or any

portions thereof, dealing with, among other things, assessments and the basis thereof, rules and regulations, architectural controls and other provisions consistent with the nature of the Development of such properties and pertaining to all or part of such portion and/or such additional properties to the exclusion of other portions of Pine Lake.

The provisions of this Article II, Section cannot be amended without the written consent of Declarant, and any amendment of this Article II, Section without the written consent of Declarant, shall be deemed null and void.

Section 7. Warranties. Upon conveyance of a Dwelling Unit to an Owner, Declarant shall assign all warranties from the applicable builder or sub-contractor, if any. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, EXCEPT FOR THE WARRANTIES DESCRIBED IN THIS SECTION 7, DECLARANT DISCLAIMS ANY OTHER EXPRESS WARRANTIES, OR ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS AS TO THE DWELLING UNIT OR IMPROVED LOT, AND ALL ITEMS OF PERSONAL PROPERTY CONTAINED THEREIN, WHETHER ARISING FROM CUSTOM, USAGE, COURSE OF TRADE, CASE LAW OR OTHERWISE, OR ANY OTHER WARRANTIES WHATSOEVER.

Section 8. Sprinkler System. Certain portions of the property shall be encumbered by portions of a sprinkler system designed to serve as the irrigation system for the entire Development. No portion of the sprinkler system shall be conveyed to any Owner.

ARTICLE III

Membership and Voting Rights in the Association

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Townhouse Lot, which is or is at any time made subject to this Declaration shall be a Member of the Association. Membership shall be appurtenant to and inseparable from ownership of a Lot. Transfer of Lot ownership either voluntarily or by operation of law shall terminate membership in the Association, and said membership shall thereupon be vested in the transferee.

When any one Lot is owned by more than one person, firm, individual, corporation or other legal entity, the composite title holder shall be and constitute one member of the Association. Any person, firm, individual, corporation or legal entity owning more than one Lot shall be as many Members as the number of Lots owned.

Section 2. Classes of Memberships and Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all of those Owners as defined in Section 1, with the exception of Declarant. The Class A Members shall be entitled to one

membership interest and one vote for each Lot in which they hold the interests required for membership by Section 1.

Class B. Class B Members shall be Declarant, including any of its subsidiaries to which Declarant may transfer title. The Class B Member shall be entitled to ten (10) membership interests and ten (10) votes for each Lot in which it holds the interest required for membership by Section 1, and the Class B Member shall be entitled to elect a majority of the Board of Directors until such time that the last Lot owned by Declarant within Pine Lake has been sold and conveyed by the Declarant.

Upon the transfer of title of any Lot, which is held for sale by Declarant to an Owner other than to one of Declarant's subsidiaries, the Class B membership interest appurtenant to such Lot shall be automatically converted to a Class A membership interest.

NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, DECLARANT OR ITS DULY AUTHORIZED SUBSIDIARY SHALL HAVE THE RIGHT TO ELECT A MAJORITY OF THE BOARD OF DIRECTORS OF THE ASSOCIATION UNTIL SUCH TIME AS DECLARANT NO LONGER HOLDS THE TITLE TO ANY PORTION OF PINE LAKE.

ARTICLE IV

Grant and Reservation of Easements

Section 1. Access Easements. Declarant does hereby establish and create for the benefit of the Association and for the benefit of any and all Owners of Lots subject to this Declaration, their tenants, invitees and Institutional Mortgagees and does hereby give, grant and convey to each of the aforementioned, the following easements, licenses, rights and privileges:

(a) Right-of-way for ingress and egress for pedestrian traffic and for access, as necessary, over, under, and across the Access Areas for each Townhouse Lot, including, but not limited to, access to the lake shore abutting any Lot. This easement shall not be construed to permit the operation of any type of motorized vehicle on any portion of the Access Areas of a Lot, except as may be required or permitted by other easements providing for maintenance, construction or access by emergency vehicles.

Section 2. Public Easements. Fire, police, health, sanitation, and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Committed Property as needed.

Section 3. Easement for Encroachments on Lots.

(a) If any portion of any roadway, walkway, fence, gate, parking area, roof drainage system, roof, trellis, water lines, sewer lines, utility lines, sprinkler system or any other structure as originally constructed by Declarant or its designee, successor or assign encroaches on any Lot, it shall be deemed that the Owner of such Lot has granted a perpetual easement to the Owner of the adjoining Lot or the Association as the case may be, for continuing maintenance and use of such encroaching roadway, walkway, fences, gates, parking area, roof drainage system, roof, trellis, water line, sewer line, utility line, sprinkler system or other structure originally constructed by Declarant. The foregoing shall also apply to any replacement of any such roadway, walkway, fence, gate, parking area, roof drainage system, roof, trellis, water lines, sewer lines, utility lines, sprinkler system or other structure, if same are constructed in substantial conformance to the original. Other encroachments may hereafter be maintained as provided in a Supplemental Declaration. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of this Declaration.

(b) There shall be an easement for encroachment in favor of the Association and all Townhouse Lot Owners in the event any Dwelling Unit now or hereafter encroaches upon any other Dwelling Unit as a result of minor inaccuracies in survey, construction or reconstruction or due to settlement or movement. The encroaching improvements shall remain undisturbed for so long as the encroachment exists. Any easement for encroachment shall include an easement for the maintenance and use of the encroaching improvement in favor of the Dwelling Unit Owners, their designees, mortgagees and the Association. If any portion of any Lot encroaches upon the Access Areas and Platted Tracts as a result of the construction, reconstruction, repair, shifting settlement or moving of any portion of the Committed Property, a valid easement for the encroachment and for the maintenance of same shall exist so long as the encroachment exists.

Section 4. Easement for Maintenance by Association. Declarant hereby grants to the Association, its employees, subcontractors, agents and designees, a non-exclusive, perpetual easement over, through, across and under each Lot to permit the Association, its employees, subcontractors, agents or designees to maintain and replace, as necessary, those portions of the Lot required to be maintained, replaced and repaired by the Association, as provided in this Declaration.

Section 5. Easement for Sprinkler System. Declarant hereby reserves to itself and grants to the Association, its employees, subcontractors, agents and designees, a non-exclusive, perpetual easement over, through, across and under each Lot for the installation, maintenance, operation, repair and replacement of sprinkler system lines and sprinkler heads, which lines and heads are hereby deemed to be the property of the Association; provided, however, no lines shall be located under a Dwelling Unit on a Lot. Should a sprinkler line(s) or sprinkler head(s) be required to be maintained, repaired or replaced as a result of the negligence by an Owner, his family, servants, guests or invitees, the applicable Owner shall be responsible for the costs thereof, and the Association shall have the right to levy an assessment against the Owner of said Lot for

same, which assessment shall have the same force and effect as all other special assessments.

Section 6. Reservation of Easement by Declarant.

(a) Easements for Development and Sales.

(1) Declarant reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Committed Property, including all Lots, for the purpose of constructing adjacent properties and completing its work in developing and providing for the development of the Committed Property; and, toward this end, reserves the right to grant and reserve easements and rights-of-way, through, under, over and across the Committed Property, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, electric and other utilities and for any other materials or services necessary for the completion of such work.

(2) Declarant also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers, and drainage lines which may from time to time be in or along the streets and roads of other areas of the Platted Tracts.

(3) Declarant also reserves the right for itself, its designees, successors and assigns, to continue to use the Committed Property, and any roadways, sales offices, model homes, signs and parking spaces located on the Committed Property, in its efforts to market or develop Dwelling Units or Lots in the Development.

(b) Amendment. This section may not be amended without the prior written consent of Declarant.

ARTICLE V

Maintenance

Section 1. Lot Maintenance.

(a) Association.

(1) The Association, through action of its Board of Directors, shall provide exterior maintenance at its expense upon each Lot as follows: paint, repair, replace and care for roofs, gutters, downspouts, and exterior building surfaces, including wood trim, all as originally installed by Declarant or Horton. The Association shall be responsible for the painting or staining of any garage door as required but shall not be responsible for the maintenance of any mechanical component of any garage door or any garage door opener, such maintenance being the responsibility of the Lot Owner.

(2) In addition to the exterior maintenance referred to in the preceding sentence, the Association shall be obligated to maintain in good repair and replace as necessary that part of the fences, gates, paving, drainage structures, landscaping, trees, shrubs, grass, walks, drives, sprinkler systems, street lighting fixtures, driveways, parking places and other exterior improvements situated on each Lot and outside each Dwelling Unit, all as originally installed by Declarant or Horton. The Association's maintenance responsibilities shall not include the back yard of any Lot. The Association shall not be responsible for the repair of any paving on a Lot which has been damaged as a result of oil, transmission fluid or other substances leaking onto any paving through the neglect of the Owner or occupant of the Lot on which such paving is located. Such repairs, if undertaken by the Association, shall be billed as a Special Assessment against the Lot on which such repairs are performed.

(3) The Association shall not maintain landscaping or grass installed by any Lot Owner, nor will it maintain plantings within the deck or patio area of a Dwelling Unit, which will specifically be the responsibility of the Lot Owner to maintain. The Lot Owner shall be responsible for watering the grassed area and landscaping on the Lot. The time and frequency of watering shall be determined by the Lot Owner. The cost of sprinkling as well as the maintenance and repair of the sprinkling system shall be an expense of the Lot Owner. The cost and expense of repair, maintenance and replacement of any part of the sprinkler system damaged by a Lot Owner, his family, lessees, guests, servants or invitees, may be assessed against said Lot.

(4) The Lot Owner shall contract for garbage removal, the Lot Owner shall comply with the regulations promulgated in such regard. The cost and expense of garbage removal shall be an Operating Expense.

(5) The Association shall not maintain any other portion of the platted Lot and improvements thereon.

(b) Lot Owner. The Lot Owner is responsible to maintain and repair everything on the Lot, including but not limited to, the Dwelling Unit and any other improvements, except for items which the Association is required to maintain, as specifically provided in the paragraph above. Provided, however, Lot Owners shall be responsible for the maintenance, repair and replacement, if applicable, of water and sanitary sewer lateral pipes servicing their Dwelling Units, which laterals extend from the applicable water and sewer main to the Dwelling Units, notwithstanding that a portion of such lateral may be located within any recreational area. The Lot Owner is responsible to maintain, repair and replace the air-conditioning and heating system and appurtenances thereto, servicing the Dwelling Unit and improvements located on his Lot and any other portion of the air-conditioning and heating system or appurtenances thereto servicing his Dwelling Unit which may be located on the Platted Tracts. The Lot Owner shall also maintain all screening, glass, and all doors, windows or other openings in the exterior of the Dwelling Unit, except for any periodic painting or staining required.

Section 2. Assessments. All maintenance performed by the Association pursuant to Sections 1 and 2 (a) above and all expenses hereunder shall be paid for by the Association as Operating Expenses through assessments imposed by the Board of Directors in accordance with Article VII. Such assessments shall be against all Lots equally. No Owner may waive or otherwise escape liability for the assessments for such maintenance by non-use of any recreational area or abandonment of right to use any recreational areas.

Assessments shall include payment for insurance and taxes on any recreational areas.

The cost and expense of Association-provided maintenance shall be funded by an Association assessment against all Owners and shall be paid by the Association.

Section 3. Disrepair of Dwelling Units and Lots. If the Owner of any Lot shall fail to maintain his Lot, and the improvements situated thereon, as required by any provision of this Declaration, in a manner reasonably satisfactory to the Board of Directors of the Association or any committee established by such Board, except for such areas as the Association is required to maintain, upon direction of the Board of Directors, the Association shall have the right, through its agents and employees, to enter upon the Lot to maintain and restore the improvements erected on such Lot. The cost of any maintenance supplied by the Association pursuant to this Section shall be added to and become part of the assessment to which such Lot is subject.

Section 4. Access at Reasonable Hours. For the purpose solely of performing the maintenance required by this Article, the Association, through its duly authorized agents and employees, shall have the right without notice to enter upon any Owner's Lot at reasonable hours on any day except Sunday and legal holidays.

Section 5. Negligence of Owner. Should any portion of a Dwelling Unit which the Association is required to maintain pursuant to this Article be required to be maintained, repaired or replaced as a result of the negligence of the Owner, his family, lessee, guests, servants or invitees, the applicable Owner shall be responsible for the cost thereof and the Association shall have the right to levy an assessment against the Owner of said Lot for same, which assessment shall have the same force and effect as all other assessments.

Section 6. Management. The Association, through the action of its Board of Directors, shall have the right to employ a manager or management firm which employment may either be on the basis of an employee of the Association or as an independent contractor.

ARTICLE VI

Covenant for Maintenance Assessments

Section 1. Creation of the Lien and Personal Obligation of the Assessments.

Each Owner of any Townhouse Lot by acceptance of a deed or instrument of conveyance, whether or not it shall be so expressed in such deed or other instrument of conveyance, including any purchaser at a judicial sale, or by the acquisition of title in any other manner, shall be deemed to covenant and agree to pay to the Association annual assessments or charges for the maintenance of the Lots as provided in this Declaration, including such reasonable reserves as the Association may deem necessary, special assessments as provided in this Article, and assessments for maintenance as provided herein. Assessments for Operating Expenses shall be fixed, established and collected from time to time as herein provided. The annual, special and other assessments, together with such interest and costs of collection as hereinafter provided, shall, upon the recordation of a claim of lien, be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest and costs of collection, shall also be the personal obligation of the person who is the Owner of such property at the time when the assessment became due. All assessments by the Association for Operating Expenses shall be assessed against all Lots equally. No Owner may waive or otherwise escape liability for the assessments provided herein by non-use or abandonment. Furthermore, the obligation of the Association and the Owners for assessments, and the obligation for maintenance shall commence upon conveyance of the Lot.

Section 2. 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 Owners in Pine Lake and, in particular, for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Lots situated upon the Committed Property, including, without limiting the foregoing, the payment of taxes (if any), insurance, repair, replacement, maintenance, additions, and the cost of labor, equipment, materials, utilities, services, management and supervision, as well as any other costs set forth in this Declaration for which the Association is responsible.

Section 3. Budget and Commencement of Payment.

(a) The Association's Board of Directors shall, from time to time, but at least annually, fix and determine a budget representing the sum or sums necessary and adequate for the continued operation of the Association. The Board shall determine the total amount of Operating Expenses, including the operational items such as insurance, repairs, replacements, reserves, maintenance and other expenses, as well as charges to cover any deficits from prior years and capital improvements and reserves approved by the Board. The total annual assessments and any supplemental assessments shall be shared by all Lots based upon the formula and terms and provisions set forth herein and in the Articles and Bylaws.

(b) Each Lot shall commence paying its share of the Association assessments commencing with the day title of the Lot is conveyed by deed from Declarant to the first grantee thereof; provided, however, a conveyance by Declarant to a

related or affiliated entity or subsidiary shall not be deemed a conveyance to the first grantee. Subject to the provisions of Section 4 immediately below (which provisions are only applicable during any guarantee period or any extension thereof), the assessment for Operating Expenses for each Lot shall be the dividend arrived at by dividing the total anticipated Operating Expenses reflected by the budget, other than those Operating Expenses which are properly the subject of a special assessment, by the total number of all Lots which have been conveyed by Declarant as of the date the budget was adopted. The total number of Lots responsible for payment of Operating Expenses will be adjusted from time to time in accordance with this Declaration. All questions regarding the number of Lots subject to assessments shall be determined by the Association.

(c) Additionally, each Lot shall pay a one-time initial assessment fee of \$250.00, due on the day title of the lot is conveyed by Deed unless waived by Declarant, whether such conveyance is the first conveyance or a subsequent conveyance; however, a conveyance by Declarant to a related or affiliated entity or subsidiary shall not be deemed a conveyance for this purpose.

Section 4. Interim Assessment Period. For a period of one year commencing with the date of the conveyance by Declarant of the first Lot within the Committed Property, excluding conveyances by Declarant to an entity or subsidiary related to or affiliated with Declarant, the assessments of the Association shall be in the amount as specified in the initial estimated operating budget of the Association (the "Interim Assessment Period"). During the Interim Assessment Period, Declarant shall pay the amount of Operating Expenses of the Association incurred during that period and not produced by the assessments at the level stated in the initial estimated operating budget receivable from other Lot Owners, as provided herein, and during said period, Declarant shall not be required to pay any specific sum for its share of the Operating Expenses of the Association as to any Lots owned by it. Provided, however, Declarant shall pay the deficit during said period. During the Interim Assessment Period, however, Declarant's responsibility to fund deficits in the budget is not intended to include, and does not include and shall never be deemed to include, expenses or fees called for or occasioned by an action or decision of the Board of Directors when Lot Owners, other than Declarant, elect a majority of the Board of Directors, when such expenses or fees are inconsistent with expenses or fees preceding that time. In such event, Declarant, at its option, may pay the sums required to be paid by it; or, Declarant, at its option, may terminate the Interim Assessment Period. In such case, it shall pay the assessments of the Association as to the Lots owned by it.

Declarant hereby reserves the right, to be exercised in its sole discretion, to extend from time to time the termination date of the Interim Assessment Period for such period of time as Declarant determines. Should Declarant elect to extend the Interim Assessment Period, Declarant shall notify the Board of Directors of the Association of its election prior to the termination date of the original term or an extended term, and such notice shall set forth the new termination date of the Interim Assessment Period. Declarant reserves the right, in its sole discretion, to require the Board of Directors of the Association to increase the amount of the assessments due from Lot Owners other than

Declarant for each extension by an amount not to exceed fifteen (15%) percent of the amount of assessment for the preceding period. Provided, however, in no event may Declarant require the Board of Directors to increase the assessment due from Lot Owners other than Declarant by more than fifteen (15%) percent for each year of extension of the guarantee. The Board of Directors of the Association agrees to comply with the requirements of Declarant, as provided herein, and increase the assessments payable from Lot Owners other than Declarant during any extension of the Interim Assessment Period. Should the Board of Directors of the Association fail to increase such assessments, as may be required by Declarant hereunder, Declarant shall have the unconditional right to terminate the Interim Assessment Period, as contained herein; or, Declarant shall have the right to specifically enforce its rights as provided herein.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, re-construction, repair or replacement of a capital improvement upon any common area, including fixtures and personal property related thereto; provided that any such special assessment shall have the assent of two-thirds of the votes of members who are voting in person or by proxy at a meeting duly called for such purpose.

Section 6. Due Dates; Duties of the Board of Directors. All assessments shall be payable annually in advance or on such other basis as is ordered by 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 Lot and shall prepare a roster of the Lots and assessments applicable, which shall be kept in the office of the Association and shall be open to inspection by any Member. Upon the written request of a Member or his Institutional Mortgagee, the Board shall promptly furnish such Member or his Institutional Mortgagee with a written statement of the unpaid charges due from such Member.

Section 7. Effect of Non-Payment of Assessment; The Personal Obligation of the Member; The Lien; Remedies of the Association. If an assessment is not paid on the date when due, then at the option of the Board, such assessment, together with the balance of the annual assessment established by the Board, shall become delinquent and shall, together with such interest thereon, late charges and the cost of collection thereof, including reasonable attorneys' fees and court costs, thereupon become a continuing lien on the Member's Lot which shall bind such property in the hands of the Member, his heirs, devisees, personal representatives and assigns. Such lien shall be prior to all other liens except: (a) tax or assessment liens of the taxing division of any governmental authority, including but not limited to, state, county and school district taxing agencies; and (b) all sums unpaid on any bona fide first mortgage held by an Institutional Mortgagee of record encumbering the Dwelling Unit. The personal obligation of the Member who was the Owner of the Lot when the assessment fell due, to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them, although the lien shall continue to encumber the Lot.

If the assessment is not paid within ten (10) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the maximum permissible rate in the State of Florida. A late charge of up to \$25.00 may be assessed by the Board and the Association through its Board. The Board may bring an action at law against the Member or former Member personally obligated to pay the same or it may bring an action to foreclose the lien against the property. There shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and reasonable attorneys' fees to be fixed by the court, together with the cost of the action and the aforesaid late charge.

Section 8. Selling, Leasing and Gifts of Lots, Etc.

(a) No Member shall convey, mortgage, pledge, hypothecate, sell or lease his Lot and the Dwelling Unit thereon unless and until all unpaid assessments assessed against such Lot shall have been paid as directed by the Board of Directors; such unpaid assessments, however, may be paid out of the proceeds from the sale of the Lot or by the purchaser of such Lot. Any sale or lease of the Lot in violation of this section shall be voidable at the election of the Board of Directors.

(b) Upon the written request of a Member or his Institutional Mortgagee, the Board or its designee shall furnish a written statement of the unpaid charges due from such Member which shall be conclusive evidence of the payment of amounts assessed prior to the date of the statement but unlisted thereon. A reasonable charge may be made by the Board for issuance of such statements.

(c) The provisions of this section shall continue to apply in the event of the acquisition of a Lot by an Institutional Mortgagee who shall acquire title to such by foreclosure or by deed in lieu of foreclosure. In such event the unpaid assessments against the Lot which were assessed for Operating Expenses and became due prior to the acquisition of title by such Institutional Mortgagee shall not be deemed waived by the Association. Additionally, such provisions shall also apply to any assessments which are assessed and become due after the acquisition of title by the Institutional Mortgagee and to any purchaser from such Institutional Mortgagee.

(d) Whenever the term Lot is referred to in this section, it shall include the Member's interest in the Association and the Member's interest in any property acquired by the Association. Any Member may convey or transfer his Lot by gift during his lifetime or devise the same by will or pass the same by intestacy.

(e) The provisions of this section shall not apply to Declarant. This section may not be amended without the prior written consent of Declarant.

Section 9. Subordination of Lien. The lien for assessments provided for in this Article shall be superior to all other liens, except tax liens, mortgage liens in favor of

Institutional Mortgagees, and mortgage liens in favor of mortgagees under mortgages now existing or hereafter granted by Declarant, as mortgagor.

Section 10. Exterior Maintenance Assessment. The Association, through action of its Board of Directors, shall provide exterior maintenance upon each Lot as provided in Article VI. The cost of the exterior maintenance referred to in Article VI shall be an Operating Expense.

Section 11. Capital Improvements. Funds necessary for capital improvements, emergencies or non-recurring expenses may be levied by such Association as special assessments, upon approval of a majority of the Board of Directors of such Association and also, for such funds exceeding the sum of \$5,000.00, upon approval by two-thirds favorable vote of the Members of such Association voting at a meeting or by ballot as may be provided in the Bylaws of such Association.

Section 12. Certificate of Assessment. The Association shall upon demand at any time furnish to any Owner liable for an assessment a certificate in writing signed by an officer of the Association, setting forth whether such assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment of any assessment to the Association therein stated to have been paid.

ARTICLE VII

Common Structural Elements

Section 1. Definition. Each Building contains or shall contain certain elements, features or parts, which are structural elements of the Building or of more than one Dwelling Unit (such elements, features, or parts being hereinafter referred to as "Common Structural Elements"). The Common Structural Elements of each Building shall include the following:

(a) Party Walls. All division walls between two townhomes beginning at the unfinished surface of each side of such wall (hereinafter referred to as "Party Walls") located upon a Property Line between two townhomes, provided that the mere fact such a division wall between two Townhomes is found not to be on a Property Line shall not preclude such division wall from being a Party Wall.

(b) Roofing. The entire roof of the Building, any and all roof support structures, and any and all appurtenances to such roof and roof support structures, including, without limitation, the roof covering, roof trim and roof drainage fixtures, all of which are collectively referred to herein as the "Roofing." Should the Roofing or part thereof extend beyond the Townhomes, same shall not be deemed to violate the provisions of this Declaration and such easements as may be necessary to accommodate and permit the Roofing as same shall be constructed or hereby imposed.

(c) Foundation. The entire concrete floor slab or wood floor system if used in lieu thereof and all foundational and support structures and appurtenances thereto, all of which are collectively referred to as the "Foundation." Should the Foundation or part thereof extend beyond the Townhomes, same shall not be deemed to violate the provisions of this Declaration and such easements as may be necessary to accommodate and permit the Foundation as same shall be constructed or thereby imposed.

Section 2. General. Each Owner shall own that portion of the Party Wall which stands on his own Lot. To the extent not inconsistent with the provisions of this Article, the general rule of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to each Party Wall (or party fence, if applicable) which is built by Declarant as part of the original construction of the Dwelling Units upon the Lots and any replacement thereof.

If any portion of any structure, as originally constructed by Declarant or its designee, including any Party Wall or fence, shall protrude over two adjoining Lots, it shall be deemed that said Owners have granted perpetual easements to the adjoining Owner or Owners for continuing maintenance and use of the projection, Party Wall or fence. The foregoing shall also apply to any replacements of any structures, Party Walls or fences, if same are constructed in conformance with the original structure, party wall or fence. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of these covenants and restrictions.

Section 3. Sharing Maintenance or Repair. The costs of reasonable repair and maintenance of Common Structural Elements shall be shared equally by the Owners who make use of the wall in proportion to such use, except as otherwise provided herein. Such costs shall not be an Operating Expense.

Section 4. Destruction by Fire or Other Casualty. In the event of damage or destruction of Common Structural Elements from any cause whatsoever, other than the negligence or willful misconduct of either Owner thereto, the Owners shall, at their joint expense, repair or rebuild said Common Structural Elements in accordance with the requirements of Article XI, Section 7 of this Declaration, and each Owner, his successors and assigns, shall have the right to full use as herein contained of said Common Structural Elements so repaired or rebuilt. If damage or destruction is a result of one Owner's negligence or willful misconduct, that party shall be responsible for the total repair and replacement in a timely fashion. If either Owner fails to pay his share of repair or replacement, as aforesaid, then the other Owner shall have such Common Structural Elements repaired or reconstructed and shall be entitled to file in the Public Records of the County, a claim of lien on the premises of the Owner failing to pay for the amount of such defaulting Owner's share of the repair or replacement costs. Owner shall have the right to foreclose said claim of lien in accordance with the same procedural requirements as now provided for in Florida Statutes for foreclosure of a mechanic's lien; provided, however, said claim of lien shall be filed within ninety (90) days from date repairs or replacements were made to the party wall, and suit thereon shall be commenced one (1) year from date such lien is filed. If either or both Owners shall give or shall have given a

mortgage or mortgages upon his property to an Institutional Mortgagee, then such Institutional Mortgagee shall have the full right, at its option, to exercise the rights of its mortgagor as an Owner hereunder and, in addition, the right to add to the outstanding balance of such mortgage any amounts paid by the Institutional Mortgagee for repairs hereunder and not reimbursed to said Institutional Mortgagee by the Owners.

Section 5. Easement for Repairs. If repairs or reconstruction to the Common Structural Elements shall be necessary, all necessary entries on or into the adjacent Dwelling Unit upon the Adjacent Lot shall not be deemed a trespass so long as the repairs and reconstruction shall be done in a timely and workmanlike manner. Consent is hereby given to enter on or into adjacent Dwelling Units to effect necessary repairs and reconstruction.

Section 6. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7. Weather Proofing. Notwithstanding other provisions of this Article, an Owner who by his negligent or willful act causes a Party Wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary repair and protection against such elements.

Section 8. Arbitration. In the event of any dispute arising concerning Common Structural Elements, or under the provisions of this Article, each party shall choose one arbiter, and such arbiters shall choose one additional arbiter, and the decision of a majority of all of the arbiters shall be final and conclusive of the questions involved.

Section 9. Alterations. The Owner of a Dwelling Unit sharing a Party Wall with an adjoining Dwelling Unit shall not cut windows or other openings in the party wall, nor make any alterations, additions or structural changes in the Party Wall.

Section 10. Structural Cross Easements. Cross easements of support and use over, upon, across, under, through and into the Common Structural Elements shall exist in favor of the Association, the Owners or their designees for the continued use, benefit and enjoyment and continued support, service, maintenance, repair and design of all Dwelling Units and Common Structural Elements within any of the Buildings.

ARTICLE VIII

Insurance

Section 1. Dwelling Units, Lots.

(a) (i) Owner's Insurance Coverage. Each Owner shall be required to obtain and maintain adequate insurance on his Dwelling Unit which shall insure the property for its full replacement value, with no deductions for depreciation, against loss

by fire, storm or other hazards or casualty. Such insurance shall name the Association an additional insured and shall be sufficient to cover the full replacement value, or to cover necessary repair or reconstruction work. Such insurance shall be written in the manner acceptable to the Board of Directors of the Association and shall contain a clause which provides ten (10) days prior written notice to the Board of Directors of the Association before the policy can be cancelled. Each Owner shall be required, on an annual basis, concurrent with the payment of annual assessments pursuant to this Declaration, to supply the Board of Directors with evidence of insurance coverage on his Dwelling Unit which complies with the provisions of this Section. Each Owner shall also be responsible for the purchasing of liability insurance for accidents occurring on his or her Lot.

(ii) Action by Board. If the insurance provided under this Section has not otherwise been adequately obtained by each Owner, as determined by the Board of Directors, then the Board shall obtain such insurance coverage. Insurance obtained by the Board of Directors shall be written in the name of the Association as Trustee for the benefit of the applicable Homeowner.

(iii) Payment of Premium. Premiums for insurance obtained by the Board of Directors for the benefit of an individual Owner, as provided hereinabove, shall not be an Operating Expense, but shall be an individual assessment (special assessment) payable in accordance with the provisions of Article VII of this Declaration.

(iv) Repair or Replacement of Damaged or Destroyed Property. Each Owner shall be required to reconstruct or repair any Dwelling Unit destroyed by fire or other casualty, covered by insurance written in the name of the Association as Trustee. The insurance proceeds shall be deposited in a bank or other financial institution, subject to withdrawal only by the signature(s) of an agent(s) duly authorized by the Board of Directors. If no repair or rebuilding has been contracted for, or otherwise substantially started by the Owner within thirty (30) days of the receipt of the insurance proceeds, the Board of Directors shall itself initiate the repair or rebuilding of the damaged or destroyed portions of the structure and/or exterior of the Dwelling Unit pursuant to Section 2(b) hereinbelow.

(b) Association Action. Notwithstanding the provisions of the above subsection (a) of this Section 2, the following provisions shall also apply to Dwelling Units which have Common Structural Elements:

(i) Association Approval. The insurance referred to in subsection (a) of this Section shall be written in a manner acceptable to the Association. The Association shall carry out the functions set forth hereafter.

(ii) Insurance Trustee. Each policy shall contain a loss payment provision which provides that the proceeds of any loss shall be payable to the Association who shall hold such funds in trust to insure that repairs are made as hereinafter set forth. Each policy shall also contain a clause that it is non-cancelable without ten (10) days prior written notice to the Association. Each Owner shall be required to supply the

Association with evidence of insurance coverage on his Dwelling Unit which complies with the provisions of this Section.

(iii) Action by Board. If the insurance provided under this Section has not otherwise been adequately obtained by each Owner, as determined by the Board of the Directors of the Association, then the Board of Directors of the Association shall obtain such insurance coverage. The purpose of such insurance will be to protect, preserve and provide for the continued maintenance and support of separately owned Dwelling Units which shall include Common Structural Elements. Insurance obtained by the Board of Directors of the Association shall be written in the name of the Association, as Trustee, for the benefit of the applicable Owner.

(iv) Payment of Premiums. Premiums for insurance obtained by the Board of Directors for the benefit of an individual Owner, as provided hereinabove, shall not be a part of the Operating Expenses, but shall be an individual assessment (special assessment) payable in accordance with the provisions of Article VII of this Declaration.

(v) Repair or Replacement of Damaged or Destroyed Property. Each Owner shall, with the concurrence of the Owner's Institutional Mortgagee, if any, and the Board of Directors of the Association, be required to reconstruct or repair any Dwelling Unit destroyed by fire, storm or other casualty in accordance with the requirements of Article XI, Section 7 of this Declaration. Insurance proceeds issued for such repair shall be in the name of the Association, as Trustee. The insurance proceeds shall be deposited in a bank or other financial institution, subject to withdrawal only by the signature(s) of an agent(s) duly authorized by Board of Directors of the Association. If no repair or rebuilding has been contracted for or otherwise substantially started by the Owner within thirty (30) days after the Association receives the insurance proceeds, the Board of Directors of the Association is hereby irrevocably authorized by such Owner to initiate the repair or rebuilding of the damaged or destroyed portions of the structure and/or exterior of the Dwelling Unit. Repairs should be done in a good and workmanlike manner in conformance with the original plans and specifications. The Board of Directors of the Association may advertise for sealed bids from any licensed contractors and may then negotiate with said contractors. The contract or contracts selected to perform the work shall provide full performance and payment bonds for such repair or rebuilding, unless such requirement is waived by the Board of Directors of the Association. If the insurance proceeds are insufficient to fully pay the costs of repairing and/or rebuilding the damaged or destroyed portions in a good and workmanlike manner, the Board of Directors of the Association shall levy a special assessment against the Owner in whatever amount is required to make up the deficiency. If the insurance proceeds exceed the cost of repairing and/or rebuilding, such excess shall be paid over to the respective Owner and/or the Owner's mortgagee in such portions as shall be independently determined by those parties.

(c) Administrative Fee. Should the Association obtain the insurance coverage on a Dwelling Unit pursuant to this Article, then the Association may charge

and the applicable Owner shall be responsible for, as a special assessment against the Lot, an administration fee of \$100.00. Said fee is in addition to the charge for the premium, for which Owner is also responsible.

(d) Notwithstanding anything to the contrary in this Article, the Association, its Director or officers, shall not be liable to any person should it fail for any reason whatsoever to obtain insurance coverage on a Dwelling Unit.

ARTICLE IX

The Association

The Association shall have all statutory and common law powers of a Florida corporation not for profit, to the extent they do not conflict with all powers provided in its Articles and Bylaws, and all powers granted in this Declaration.

ARTICLE X

Building and Use Covenants

Section 1. Land Use. The use of a Dwelling Unit Tracts by a Member or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the Articles and Bylaws and the Rules and Regulations of the Board of Directors. A Dwelling Unit shall be used only for residential purposes for immediate members of a single family and their guests and invitees.

Section 2. Building Type. No building shall be erected, altered, placed or permitted to remain on any Lot other than the Townhouse Dwelling Unit of the type originally constructed by Declarant. All Building exteriors shall be completed within nine (9) months from commencement of construction or issuance of a building permit, whichever comes first.

Section 3. Architectural Control. Architectural control is governed by the master Declaration.

Section 4. Change in Buildings. Neither the Association nor any Owner shall make or permit any structural modification or alteration of any Building except with the prior written consent of the architectural review committee of the Master Association (the "Architectural Review Committee"), or its successor, and all Institutional Mortgagees holding a mortgage on a Dwelling Unit within said Building. Consent may be withheld if, in the sole discretion of the party requested to give the same, it appears that such structural modification or alteration would affect or in any manner endanger other Dwelling Units. No Building shall be demolished or removed without the prior written consent of all Owners of all other Dwelling Units within such Building and of all

Institutional Mortgagees holding a mortgage on a Dwelling Unit within said Building, and also the prior written consent of Declarant or its successors. Declarant shall have the right, but shall not be obligated, to assign all of its rights and privileges under this Article to the Association.

Section 5. Regulations. Regulations promulgated by the Board of Directors, or any committee established by the Board of Directors, or any committee established by the Board concerning the use of Pine Lake shall be observed by the Members and their family, invitees, guests and tenants; provided, however, that copies of such regulations are furnished to each Member by personal delivery or by regular mail prior to the time the regulations become effective.

Section 6. Building Location. Buildings shall be located in conformance with this Declaration, the applicable ordinances of Clay County and any specific approvals thereunder, or as originally constructed on a Lot by Declarant its successors or assigns or Horton.

Section 7. Damage to Buildings. If a Dwelling Unit is damaged, through Act of God or other casualty, then the Owner shall promptly cause his Dwelling Unit to be repaired and rebuilt substantially in accordance with the architectural plans and specifications used by the Declarant or Horton for the original construction of such Dwelling Unit. It shall be the duty of the Association to enforce such repair or rebuilding of the Dwelling Unit to comply with this responsibility in accordance with Article VIII hereinabove. To accomplish the requirements of this Section, each Owner shall insure his Dwelling Unit at the highest insurable value, including, but not limited to, full replacement value of the premises, in accordance with Article X, above.

Section 8. Exterior Appearances and Landscaping. The paint, coating, stain, and other exterior finishing colors on all buildings may be maintained as originally installed by the Declarant, without prior approval of the Architectural Review Committee. Prior approval by the Architectural Review Committee shall be necessary before any such exterior finish color is changed. Furthermore, prior approval shall be required if the Association or any Owner wishes to paint, varnish, stain or make any application to exterior trellises or wood treatment, if any. The landscaping, including, without limitation, the trees, shrubs, lawns, flower beds, walkways, and ground elevations, shall be maintained as originally installed by Declarant, unless the prior approval for any substantial change in obtained from the Association and the Architectural Review Committee. Neither aluminum foil, paper, nor anything which the Architectural Review Committee deems objectionable, may be placed on windows or glass doors. No Owner may place any furniture, equipment or objects of any kind or construct any structures, slabs or porches beyond the limits of any Building or patio wall or place any objects such as bicycles, toys, barbecues, etc., on the rear patio unless concealed from the view of the road frontage and other Dwelling Units, except, however, customary outdoor furniture.

All Lots shall be kept in a clean and sanitary manner and no rubbish, refuse or garbage shall be allowed to accumulate or any fire hazard allowed to exist.

Section 9. Grades and Elevations. To preserve and maintain proper drainage in Pine Lake, no changes in grades or elevations of any portion of a Lot (including the swale areas) or Platted Tracts shall be made without the prior written approval of the Architectural Review Committee. Final floor elevations and all other applicable grades must be shown on the site plan and approved by both the Committee and the Association prior to construction.

Section 10. Drainage Swale. The Association shall maintain all drainage swales within the Committed Property. Standards for the location, width, depth and invert grades of culverts shall be initially established by the Declarant and enforced by the Architectural Review Committee. The Declarant shall provide the Association and Architectural Review Committee with sets of "as-built" drawings which set forth the location of invert grade, width and depth. Nothing shall be constructed, maintained, altered or permitted to exist on any portion of the Committed Property if, in the opinion of the Committee, it obstructs, would obstruct or otherwise impede the flow of surface drainage.

Section 11. Fertilizers. To reduce the dissolution of nitrogen into the ground and surface waters in amounts injurious to the environment, only fertilizers which are capable of releasing nutrients at a controlled rate, such as organic fertilizer, are permissible.

Section 12. Sales and Rentals. No Lot or Dwelling Unit thereon may be sold, rented, or sublet without express written notice to the Board of Directors of the Association. This provision is for the purpose of making certain that subsequent owners and renters understand the rights and obligations of Members of the Association, including, but not necessarily limited to, the Declaration and Rules and Regulations. In addition, the Board of Directors may authorize the use of a registration form to be completed by prospective purchasers or renters. No Dwelling Unit may be rented, leased or sublet for a period of less than thirty (30) days. All enforcement procedures applicable to this Declaration shall be equally applicable to enforcement of this section.

Section 13. Violations. In the event of a violation of this Declaration, or of any rule properly promulgated by the Board of Directors of the Association, the Association may, as an additional remedy, provide written notice of the violation to the Owner of record, and if said violation shall continue for a period of seven (7) days from the receipt of the written notice, the Owner may be assessed an amount up to \$25.00 per day, per violation. This assessment shall be considered in the same manner as hereinbefore provided for regular assessments and those sections providing for the recording of the assessment lien, enforcement and collection shall also apply.

Section 14. Declarant Rights. Notwithstanding any other provision in this Declaration, Declarant is irrevocably empowered to sell, lease or rent Lots on any terms to any purchasers or lessees for as long as it owns any Lot. This section is intended to provide Declarant with the broadest authority and power to transact and implement its business, and such activities shall be free and clear of any restrictions contained in this

Declaration which would impede such activities. Declarant shall have the right to transact any business necessary to consummate sales and leases of said Lots, temporary uses for model homes, parking lots and/or sales offices, maintain signs, have employees in the office, use the Platted Tracts and show Lots. Sales office signs and all items pertaining to sales shall not be considered property of the Association and shall remain the property of Declarant.

ARTICLE XI

Additional Powers Reserved to Declarant

Section 1. Declarant Related Documents. So long as Declarant shall own any of the Committed Property, no Declarant related amendment shall be made to the Declaration, to any Supplemental Declaration, to the Articles, Bylaws, Rules and Regulations, or any other similar Association document, nor shall any such Declarant related amendments or documents be executed, adopted or promulgated by the Association or the Board of Directors unless such Declarant related amendment or document shall be specifically approved in writing by Declarant in advance of such execution, adoption, promulgation and recording.

Section 2. Definitions. For the purposes of Section 1 of this Article, an amendment or document which does any of the following shall be considered to be a Declarant related amendment:

- (a) Discriminates or tends to discriminate against Declarant as an Owner or otherwise;
- (b) Directly or indirectly by its provisions or in practical application relates to Declarant in a manner different from the manner in which it relates to other Owners;
- (c) Modifies the definitions provided for by Article I of this Declaration in a manner which alters Declarant's rights or status;
- (d) Modifies or repeals any provision of Article II of this Declaration;
- (e) Alters the character and rights of membership as provided for by Article III of this Declaration or affects or modifies in any manner whatsoever the rights of Declarant as a Member of the Association;
- (f) Alters any previously recorded or written agreement with any public or quasi-public agencies, utility company, political subdivision, public authorities or other similar agencies or bodies, respecting zoning, streets, roads, drives, easements or facilities;

(g) Denies the right of Declarant to record a Supplemental Declaration with respect to portions of Pine Lake or adding properties subject to this Declaration or otherwise making provisions in accordance with the powers granted to Declarant in this Declaration;

(h) Modifies the basis or manner of Association assessments as applicable to Declarant or any Lots owned by Declarant as provided for by Articles V and VI;

(i) Modifies the provisions of Article X (architectural control) as applicable to Declarant or any Lots owned by Declarant;

(j) Alters the provisions of any Supplemental Declaration; or

(k) Denies the right to Declarant, its contractors and subcontractors, to maintain temporary construction trailers, sheds or other buildings upon the Committed Property; or

(l) Alters or repeals any of Declarant's rights or any provision applicable to Declarant's rights as set forth in any provision of this Declaration or of any Supplemental Declaration or other document applicable to Declarant.

The decision to approve or not approve any Declarant related document or Amendment by Declarant in accordance with Section 1 of this Article shall be in the sole and absolute discretion of Declarant and Declarant shall not be liable to the Association, its Members or any party as a result of granting or refusing to grant such approval.

Section 3. Declarant Lands. So long as Declarant continues to construct any facilities in the Development, no action may be taken by the Board or the Association applicable to the Declarant or any of the Lots or other land owned by Declarant unless such action shall be approved in writing by Declarant; or, unless the need therefor shall be waived by the Declarant in writing.

ARTICLE XII

General Provisions

Section 1. Beneficiaries of Easements, Rights and Privileges. The easements, licenses, rights and privileges established, created and granted by this Declaration shall be for the benefit of and restricted solely to, the Association, Declarant and its subsidiaries and assigns, the Owners of Lots, and to any other party to whom the Declarant or Association is entitled to grant such easements, licenses, rights and privileges under this Declaration; and any Owner may also grant the benefit of such easement, license, right or privilege to his tenants and guests and their immediate families for the duration of their tenancies or visits, subject to the Rules and Regulations of the

Board of Directors; but, the same is not intended nor shall it be construed as creating any rights in or for the benefit of the general public.

Section 2. Duration. The covenants and restrictions of this Declaration shall run with and bind the land that has been made a part of the Association and shall inure to the benefit of and be enforceable by Declarant, the Association, or the Owner of any land subject to this Declaration, and their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the then Owners of two-thirds of the Lots and all Institutional Mortgagees of Lots has been recorded, agreeing to change said covenants and restrictions in whole or in part. Provided, however, that no such agreement to change shall be effective unless made and recorded one (1) year in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken.

Section 3. Notice. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 4. Enforcement. Enforcement of these covenants and restrictions shall be by Declarant, its assigns, the Association or any Owner of five (5) or more Lots by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by Declarant, the Association, any Owner or other party to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. These covenants may also be enforced by the Architectural Review Committee. The prevailing party in any proceeding at law or in equity provided for in this Section shall be entitled to recover in said suit the cost of the action, including reasonable attorneys' fees as fixed by the court, including attorneys' fees in connection with appeal of any action.

Section 5. Disposition of Assets Upon Dissolution of Association. Upon dissolution of the Association, its real and personal assets, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the case of the Surface Water or Stormwater Management System which is maintained by the Association, the responsibility for the operation and maintenance of the System must be transferred to and accepted by an entity which would comply with § 40C-42.027, Florida Administrative Code and be approved by the Clay River Water Management District prior to any termination, dissolution or liquidation of the Association. If such dedication is refused acceptance, which refusal in the case of the County shall be by formal resolution of the Board of County Commissioners, such assets shall be granted, conveyed and assigned to any corporation not for profit, association, trust or other organization to

be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. No such disposition of the Association properties shall be effective to divest or diminish any right or title to any Member vested in him under the licenses, covenants and easements of this Declaration, or under any subsequently recorded covenants and deeds applicable to Pine Lake, unless made in accordance with the provisions of this Declaration or said covenants and deeds.

Section 6. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order or otherwise shall in no way affect any other provisions which shall remain in full force and effect.

Section 7. Amendment. Excepting Supplemental Declarations and in addition to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges, and liens of this Declaration may be amended, changed, added to, derogated, or deleted at any time and from time to time, upon the execution and recordation of any instrument executed by: (1) Declarant, for so long as it holds title to any Lot affected by this Declaration and said amendment by Declarant shall not require the consent of any mortgagees, Owners of Lots nor of the Association, either now or in the future; or, alternatively, (2a) by Owners holding not less than two-thirds vote of the membership in the Association or by an instrument signed by the President and Secretary of the Association attesting that such instrument was approved by Members entitled to vote two-thirds of the votes of the Association at a meeting of the Members called for such purpose; provided, that so long as Declarant is the owner of any Lot affected by this Declaration, Declarant's consent must be obtained; and (2b) by all Institutional Mortgagees of Lots affected by this Declaration, provided that so long as Declarant is the owner of any Lot affected by this Declaration, Declarant's consent must be obtained. Any amendment must be properly recorded in the Public Records of the County to be effective.

Any amendment to this Declaration which alters the Surface Water or Stormwater Management System, beyond the maintenance in its original condition, including the water management portions of the Platted Tracts, must have the prior approval of the Clay River Water Management District.

Section 8. Administration. The administration of the Association shall be in accordance with the provisions of this Declaration and the Articles of Incorporation and Bylaws which are made a part of this Declaration and attached hereto as **Exhibits "B" and "C"** respectively.

Section 9. Conflict. In case of any conflict between the Articles and Bylaws, the Articles shall control. In case of any conflict between the Articles or Bylaws and this Declaration, this Declaration shall control.

Section 10. Effective Date. This Declaration shall become effective upon its recordation in the Official Records of Clay County.

Section 11. Approval of Association Lawsuits by Owners. Notwithstanding anything contained herein to the contrary, the Association shall be required to obtain the approval of three-fourths (3/4) of all Owners (at a duly called meeting of the Owners at which a quorum is present) prior to the payment of legal or other fees to persons or entities engaged by the Association for the purpose of suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit other than for the following purposes:

- (a) the collection of Assessments;
- (b) the collection of other charges which Owners are obligated to pay pursuant to the Pine Lake Documents;
- (c) the enforcement of the use and occupancy restrictions contained in the Pine Lake Documents, including, but not limited to, those against tenants; or
- (d) in an emergency where waiting to obtain the approval of the Owners creates a substantial risk of irreparable injury to Pine Lake or any portion thereof.

IN WITNESS WHEREOF the undersigned have executed this document this 26th day of March, 2002.

Signed in the presence of:

EAGLE HARBOR AT FLEMING ISLAND JOINT VENTURE, a Florida joint venture

Deborah S. Stivers

Print name: Deborah S Stivers

By: **Northwest Crossings Corporation,**
Its general partner

Minnie L. Green
Print name: MINNIE L. GREEN

By: *L.H. Romo, Jr.*
Print Name: L.H. ROMO, JR.
Its _____ President
Dated: March 27, 2002

By: **East West partners of Jacksonville, Limited Partnership,**
its general partner

By: **East West Partners of Jacksonville, Inc. its sole general partner**

Print name: _____

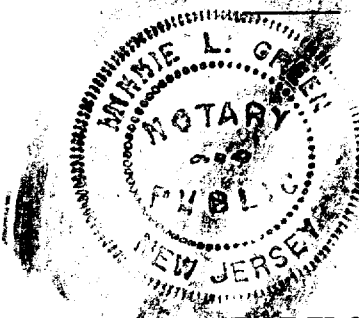
By: _____
Roger S. Arrowsmith
Its President
Dated: _____

Print name: _____

STATE OF NEW JERSEY
COUNTY OF BERGEN

The foregoing instrument was acknowledged before me on the 27th day of MARCH, 2002, by L. H. RONNIE, JR., the ~ President of Northwest Crossings Corporation, a Delaware corporation, as General Partner of Eagle harbor at Fleming Island Joint Venture, a Florida joint venture, on behalf of the corporation which is acting on behalf of the joint venture. He signed to the foregoing instrument and acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said joint venture and: *(notary must check appropriate box).*

is/are personally known to me.
produced a current _____ driver's license as identification.
produced _____ as identification.



WINNIE L. GREEN
Notary Public, State of New Jersey
My Commission Expires August 12, 2006

Winnie Green
Signature of Notary
Print name: WINNIE L. GREEN
Notary Public, State of NEW JERSEY
Commission expires: AUGUST 12, 2006

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me on the _____ day of, _____ 2002, by Roger S. Arrowsmith, the President of East West partners of Jacksonville, Inc., a Virginia corporation, as General Partner of East West partners of Jacksonville Limited Partnership, A Virginia limited partnership, as General Partner of Eagle Harbor at Fleming Island Joint Venture, a Florida joint venture, on behalf of said corporation which is acting on behalf of said limited partnership which is acting on behalf of said joint venture. He signed to the foregoing instrument and acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said joint venture and: *(notary must check appropriate box).*

is/are personally known to me.
produced a current _____ driver's license as identification.
produced _____ as identification.

Signature of Notary
Print name: _____
Notary Public, State of _____
Commission expires: _____

IN WITNESS WHEREOF, _____ has hereunto caused this documents to be signed by its proper officers this _____ day of _____, 2002.

Signed in the presence of:

EAGLE HARBOR AT FLEMING ISLAND JOINT VENTURE, a Florida joint venture

Print name: _____

By: Northwest Crossings Corporation,

Its general partner

Print name: _____

By: _____

Print name: _____

Its _____ President

Dated: _____

By: East West partners of Jacksonville, Limited Partnership, its general partner

By: East West Partners of Jacksonville, Inc. its sole general partner

Marilyn D. Myers
Print name: Marilyn D. Myers

Cynthia Villaverde
Print name: Cynthia Villaverde

By: *Roger S. Arrowsmith*
Roger S. Arrowsmith
Its President
Dated: _____

STATE OF
COUNTY OF

The foregoing instrument was acknowledged before me on the _____ day of _____, 2002, by _____, the _____ President of Northwest Crossings Corporation, a Delaware corporation, as General Partner of Eagle harbor at Fleming Island Joint Venture, a Florida joint venture, on behalf of the corporation which is acting on behalf of the joint venture. He signed to the foregoing instrument and acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said joint venture and: *(notary must check appropriate box)*.

_____ is/are personally known to me.
_____ produced a current _____ driver's license as identification.
_____ produced _____ as identification.

Signature of Notary
Print name: _____
Notary Public, State of _____
Commission expires: _____

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me on the 29th day of March, 2002, by Roger S. Arrowsmith, the President of East West partners of Jacksonville, Inc., a Virginia corporation, as General Partner of East West partners of Jacksonville Limited Partnership, A Virginia limited partnership, as General Partner of Eagle Harbor at Fleming Island Joint Venture, a Florida joint venture, on behalf of said corporation which is acting on behalf of said limited partnership which is acting on behalf of said joint venture. He signed to the foregoing instrument and acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said joint venture and: *(notary must check appropriate box)*.

is/are personally known to me.
_____ produced a current _____ driver's license as identification.
_____ produced _____ as identification.

Lori J. Stokes
Signature of Notary
Print name: _____
Notary Public, State of _____
Commission expires: _____



ACCEPTANCE

FOR GOOD AND VALUABLE CONSIDERATION, the receipt whereof is hereby acknowledged, Pine Lake Owners Association, Inc., a Florida corporation not for profit, hereby agrees to accept all of the benefits and all of the duties, responsibilities, obligations and burdens imposed upon it by the provisions of this Declaration and Exhibits attached hereto.

IN WITNESS WHEREOF, the above described corporation, a Florida corporation not for profit, has caused these presents to be signed in its name by its President and its corporate seal affixed, attested by its Secretary, this 29 day of MARCH, 2002.

Signed, Sealed and Delivered in the presence of:

PINE LAKE OWNERS ASSOCIATION, INC., a Florida corporation not for profit

Donna M. Volner
Print name: DONNA M. VOLNER
Sharlene Mattice
Print name: SHARLENE MATTICE

By: Kenneth L. Johns, Jr.
Kenneth L. Johns, Jr., President
Attest: [Signature]
Jan J. Doan, Secretary

(Corporate Seal)

STATE OF FLORIDA

COUNTY OF DUVAL

The foregoing Acceptance was acknowledged before me the 29th day of March 2002, by Kenneth L. Johns and Jan J. Doan, as President and Secretary, respectively, of Pine Lake Owners Association, Inc., a Florida corporation not for profit, on behalf of the corporation.

WITNESS my hand and official seal on the day and year last aforesaid.



Kathleen T Shippey
Print name: KATHLEEN T SHIPPEY
Notary Public, State of Florida
My Commission expires: 4-27-04

D.R. HORTON, INC.-
JACKSONVILLE, a Delaware
corporation

Donna M. Volner
Print name: DONNA M. VOLNER

Sharlene Matyice
Print name: SHARLENE MATYICE

By: [Signature]
John E. Zakoske
Its Vice President

STATE OF FLORIDA

COUNTY OF DUVAL

The foregoing Acceptance was acknowledged before me the 24th day of March 2002, by John E. Zakoske, as Vice President, of D.R. Horton, Inc.-Jacksonville, a Delaware corporation, on behalf of the corporation.

WITNESS my hand and official seal on the day and year last aforesaid.



Kathleen T Shippey
Print name: KATHLEEN T SHIPPEY
Notary Public, State of Florida
Mt Commission expires: 4-27-04

EXHIBIT "A"

PINE LAKE UNIT ONE AT EAGLE HARBOR, ACCORDING TO PLAT THEREOF AS RECORDED IN PLAT BOOK 36, PAGES 78 THROUGH 90, INCLUSIVE, OF THE PUBLIC RECORDS OF CLAY COUNTY, FLORIDA.

FILED

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SECRETARY OF STATE
TALLAHASSEE FLORIDA

ARTICLES OF INCORPORATION

OF

PINE LAKE OWNERS ASSOCIATION, INC.

The undersigned natural persons, all of whom are citizens of the State of Florida, acting as incorporators under the laws of the State of Florida, Chapter 617, Florida Statutes, applicable to corporations not for profit, do hereby adopt the following Articles of Incorporation for such corporation.

ARTICLE ONE

The name of the corporation shall be **PINE LAKE OWNERS ASSOCIATION, INC.**

ARTICLE TWO

The corporation is a non-profit corporation.

ARTICLE THREE

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

ARTICLE FOUR

This Association is formed to be the corporate entity which is to be responsible for the performance of certain duties and the enforcement of certain rights as provided in the Declaration and General Protective Covenant for Pine Lake recorded or to be recorded in Clay County, Florida, for all phases of the subdivision to be known as Pine Lake Unit One at Eagle Harbor and located in Clay County, Florida.

The Association shall operate, maintain and manage the surface water and stormwater management system(s) in a manner consistent with the St. Johns River Water Management District Permit No. 40-019-63517-1, requirements and applicable District rules, and shall assist in the enforcement of the restrictions and covenants contained herein.

The Association shall levy and collect adequate assessments against members of the Association for the costs of maintenance repairs and other costs to be incurred by the Association.

The assessments shall be used for the maintenance and repair of the subdivision, for administrative costs incurred by the Association and for such other purposes as shall be determined by the Association.

ARTICLE FIVE

The members of the corporation shall be all fee simple lot owners in all phases of the subdivision to be known as Pine Lake Unit One at Eagle Harbor in Clay County, Florida. Upon the purchase of a lot, the lot owners shall automatically become Class A members as defined in the covenants and restrictions of Pine Lake to be recorded. Membership shall be appurtenant to, and inseparable from, ownership of a lot.

ARTICLE SIX

The street address of the initial principal business office of the corporation is **9456 Philips Highway, Suite 1, Jacksonville, Florida 32256**. The address of the registered office and the name of the initial Registered Agent are: CLIFFORD B. NEWTON, 10192 San Jose Boulevard, Jacksonville, Florida, 32257.

ARTICLE SEVEN

This corporation shall never have less than THREE (3) Directors. The number of Directors constituting the initial Board of Directors of the Corporation is THREE (3) and the names and addresses of the persons who are to serve as the initial Directors until the first election shall be as follows:

1. KENNETH L. JOHNS, JR.
9456 Philips Highway, Suite 1
Jacksonville, Florida 32256
2. JOHN E. ZAKOSKE
9456 Philips Highway, Suite 1
Jacksonville, Florida 32256
3. JAN J. DOAN
9456 Philips Highway, Suite 1
Jacksonville, Florida 32256
4. ROGER S. ARROWSMITH
1880 Eagle Harbor Parkway
Orange Park, Florida 32003

Directors shall serve and be appointed as provided in the By-Laws of the Association.

ARTICLE EIGHT

The names and addresses of the Subscribers to these Articles of Incorporation are listed in Article Seven above.

ARTICLE NINE

The affairs of the Corporation are to be managed by the Officers of the Corporation who shall be appointed by the Board of Directors. The names, addresses and offices of the persons who are initially to serve as officers of the Corporation are as follows:

KENNETH L. JOHNS, JR. - President
9456 Philips Highway, Suite 1
Jacksonville, Florida 32256

JOHN E. ZAKOSKE - Vice President
9456 Philips Highway, Suite 1
Jacksonville, Florida 32256

JAN J. DOAN - Secretary
9456 Philips Highway, Suite 1
Jacksonville, Florida 32256

ROGER S. ARROWSMITH, Asst. Vice President
1880 Eagle Harbor Parkway
Orange Park, Florida 32003


ARTICLE TEN

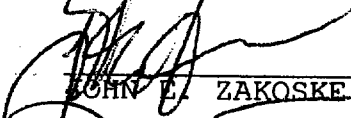
In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the stormwater management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation. If the association is dissolved, the assets shall be dedicated to a public body, or conveyed to a nonprofit organization with similar purposes.

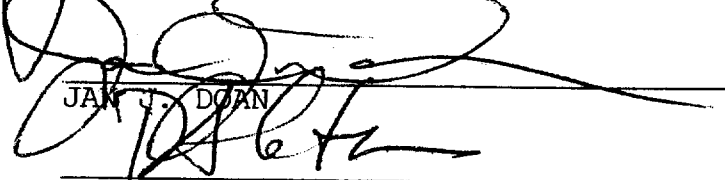
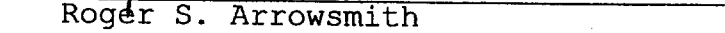
ARTICLE ELEVEN

The power to alter, amend or repeal the By-Laws or Articles of Incorporation or to adopt new By-Laws shall be vested in the Board of Directors. The By-Laws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with the law or with the Articles of Incorporation.

IN WITNESS WHEREOF, we have hereunto set our hands and seals
this 28 day of March, 2002.


KENNETH L. JOHNS, JR.


JOHN E. ZAKOSKE


JAN J. DORN

Roger S. Arrowsmith

FILED

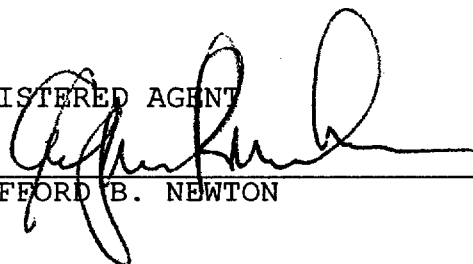
CERTIFICATE DESIGNATING PLACE OF BUSINESS 02 APR -1 PM 3:55
OR DOMICILE FOR THE SERVICE OF PROCESS
WITHIN THIS STATE, NAMING AGENT UPON WHOM SECRETARY OF STATE
PROCESS MAY BE SERVED TALLAHASSEE FLORIDA

In compliance with Section 48.091, Florida Statutes, the following is submitted:

FIRST, that PINE LAKE OWNERS ASSOCIATION, INC. desiring to organize under the laws of the State of Florida, with its principal place of business at 9456 Philips Highway, Suite 1, Jacksonville, Florida, 32256, has named CLIFFORD B. NEWTON, located at the registered office of the corporation, to-wit, 10192 San Jose Boulevard, Jacksonville, Florida 32257, as its Agent to accept service of process within this state.

Having been named to accept service of process for the above stated corporation at the place designated in this certificate, I hereby agree to act in this capacity, and I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I accept the duties and obligations of Section 607.325 of the Florida Statutes.

REGISTERED AGENT



CLIFFORD B. NEWTON

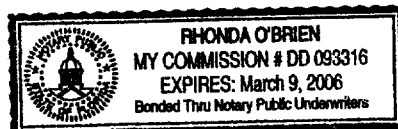
STATE OF FLORIDA

COUNTY OF DUVAL

Sworn to and subscribed before me this 29 day of March, 2002, by Clifford B. Newton, who is personally known to me.



Notary Public, State of Florida



BYLAWS
OF
PINE LAKE UNIT OWNERS ASSOCIATION, INC.

A corporation not for profit
under the laws of the State of Florida

ARTICLE I

IDENTITY

These are the Bylaws of the **PINE LAKE OWNERS ASSOCIATION, INC.**, hereinafter called the "Association", a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State on April 1, 2002.

The Association has been organized for the purpose of performing the functions outlined in the covenants, conditions and restrictions as may be recorded, for all phases of PINE LAKE UNIT ONE AT EAGLE HARBOR, a subdivision located in Clay County, Florida ("the subdivision"), including any amendments thereto (the "covenants"), and specifically for the purpose of the continual maintenance and cleaning of the storm and/or surface water management systems required by the St. Johns River Water Management District or other governmental agencies pursuant to the permits issued and other applicable rules and regulations.

The Members of the Association shall be all lot owners, as more particularly defined in the covenants.

Initially, the office of the Association shall be at 9456 Philips Highway, Suite 1, Jacksonville, Florida, 32256, but may be changed from time to time, and meetings of Members and Directors may be held at such places within the State of Florida as may be designated by the Board of Directors.

The fiscal year of the Association shall be the calendar year.

The seal of the Association shall bear the name of the corporation, the word "Florida", the words "Corporation not for profit", and the year of incorporation. The seal shall be in a form authorized by the Board of Directors from time to time.

ARTICLE II

MEMBERS MEETINGS

A. Annual meeting. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association and each subsequent regular annual meeting of the members shall be held in the same month of each year thereafter, on a day selected by the board.

At the termination of Class B membership, the members shall meet for the purpose of electing directors and transacting business and determining when subsequent annual meetings shall be held.

B. Special Meetings. Special meetings of the members shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast one-third (1/3) of the votes of the entire membership. At a special meeting of the Members, the Association may only conduct that business and address those matters that were stated in the notice of the special meeting to be the purpose thereof.

C. Notices. Notice of all members' meeting stating the time and place and the object for which the meeting is called shall be given by the President or Vice President or Secretary at least fifteen (15) days before such meeting unless waived in writing by all of the members. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed within the time frame as provided in the covenants. Proof of such mailing shall be given by the affidavit of the person giving the notice.

D. Quorum. A quorum at members' meetings shall be as provided in the covenants.

E. Voting Rights. The voting rights of the members shall be as specified in the covenants.

F. Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

G. Adjourned meetings may be rescheduled as provided in the covenants.

H. Written Consent and Joinder. In the event that any action is authorized to be taken by the Members at a meeting, it shall be permissible to approve such action by a written consent and joinder by the proportion of Members required to approve such action; provided, however, that notice of the Association's intent to seek written consent and joinder shall be sent to all Members in accordance with the notice provision herein.

I. Proviso. Provided, however, that until the Declarant (as defined in the covenants)(Class B member) of the subdivision has completed all of the contemplated improvements and closed the sales of all of the lots, or until the Declarant elects to terminate its control of the Association, whichever shall occur first, the proceedings of all meetings of members of the Association shall have no effect unless approved by the Board of Directors, which approval shall not be unreasonably withheld.

ARTICLE III

DIRECTORS

A. Governing Body. The affairs of the Association shall be governed by a Board of Directors. Except as provided in paragraph B of this Article, the Directors must be owners and reside in the subdivision.

B. Directors Appointed by Declarant. The Directors shall be selected by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant, so long as the Class B membership exists as set forth in the Declaration, unless the Declarant shall earlier surrender this right to select Directors. The Directors selected by the Declarant need not be Owners or residents in the subdivision. The names of the initial Directors selected by the Declarant are set forth in the Articles of Incorporation of the Association.

C. Number. The Board shall initially consist of three (3) members. After the Class B membership ceases, the Board shall consist of no less than three members who shall be elected by the membership at large at the annual meetings.

D. Term. The Directors appointed by the Class B member shall serve at its pleasure. The term of office of Directors elected by Class A members shall be the calendar year following his election and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

E. Removal. Any Director elected by the Class A members may be removed from the Board, with or without cause, by a majority vote of the Class A members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Directors and shall serve until the next annual meeting of the members.

F. Compensation. No Director shall receive compensation for any service he may render to the Association. However, a Director may be reimbursed for his actual expenses incurred in the performance of his duties.

G. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the Class A members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

H. Proviso. The Declarant shall have veto power on any act of the Board of Directors which affects the marketability of any units still owned by the Declarant.

ARTICLE IV

MEETINGS OF DIRECTORS

Directors appointed by Class B member:

A. The Directors meetings shall be scheduled by the Directors at their discretion.

Directors elected by Class A members:

A. Organization Meeting. The first meeting of the members of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

B. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors.

C. Special Meetings. Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Not less

than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

D. Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

E. Quorum. A quorum at a Director's meeting shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Articles of Incorporation or the Covenants or these By-laws.

F. Adjourned Meetings. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

G. Action Taken Without a Meeting. The Board of Directors may take any action without a meeting which it could take at a meeting by obtaining the written consent and joinder of all Directors. Any action so taken shall have the same effect as though taken at a meeting of the Directors.

H. Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such Director for the purpose of determining a quorum.

I. Presiding Officer. The presiding officer at a Directors' meeting shall be the Chairman of the Board if such an officer has been elected; and, if none, the President shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

ARTICLE V

POWER AND DUTIES OF BOARD OF DIRECTORS

Subject to the provisions of the Covenants, the Board of Directors shall have the following powers and duties:

A. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not

reserved to the membership by other provisions in the Covenants or Articles of Incorporation, and specifically comply with all requirements of the surface and stormwater management permits;

B. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

C. Employ a manager, an independent contractor, or such other employees as the Board deems necessary, and to prescribe the duties and compensation of any such employee, and to provide for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties;

D. Prepare and adopt an annual budget in which there shall be established the contribution of each Owner to the common expenses, subject to the provisions in the covenants;

E. Make assessments to defray the common expenses, establish the means and methods of collecting such assessments, and establish the period of the installment payments of the annual assessment, send written notice of each assessment to every owner subject thereto, and to file and foreclose liens against any property for which assessments are not paid, all as provided in the Covenants;

F. Provide for the operation, care, upkeep and maintenance of all areas which are the maintenance responsibility of the Association, as set forth in the covenants;

G. Collect the assessments, depositing the proceeds thereof in a bank depository which it shall approve and using the proceeds to administer the Association;

H. Open bank accounts on behalf of the Association and designate the signatories required;

I. Enforce by legal means the provisions of the Covenants and these Bylaws, and bring any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

J. Pay the cost of all services rendered to the Association or its members which are not directly chargeable to Owners;

K. Keep books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and specify the maintenance and repair expenses and any other expenses

incurred, which books and records shall be open for inspection by any of the members at reasonable times and upon reasonable notice;

L. Contract with any person or entity for the performance of various duties and functions;

M. Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

N. Cause any or all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate;

O. To present to the members at the annual meeting, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote, a statement of all acts and corporate affairs;

P. To oversee the common areas, enforce rules and regulations, and such other duties relating to the common areas as may be necessary from time to time.

ARTICLE VI

OFFICERS AND THEIR DUTIES

A. Enumeration of Offices. The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create. The President and Treasurer shall be elected from among the members of the Board of Directors.

B. Election of Officers. Until termination of the Class B membership, officers shall be appointed by the Board of Directors and shall serve at the pleasure of the Board of Directors. Thereafter, the election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

C. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless sooner removed or otherwise disqualified to serve.

D. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

E. Resignation and Removal. Any officer may be removed from

office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

F. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the vacancy.

G. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to paragraph D of this Article.

H. Duties. The duties of the officers are as follows:

President

The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the members from time to time as he, in his discretion, may determine appropriate to assist in the conduct of the affairs of the Association. He shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

The Vice President shall act in the place and stead of the President in the event of the President's absence or inability to act, shall assist the President generally, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and perform such other duties as required by the Board.

Treasurer

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of account; upon request of the Board of Directors, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

In addition, the Treasurer shall, when requested on behalf of any lot owner, furnish a certificate setting forth whether or not the assessments on a specified lot have been paid, which certificate shall be binding upon the Association as of the date of its issuance, as provided in the Covenants.

ARTICLE VII

COMMITTEES

The Association may appoint a committee to govern the architectural guidelines as provided in the Covenants and such other committees as deemed appropriate in carrying out its purpose.

ARTICLE VIII

AMENDMENTS

These By-laws may be amended as provided in the Articles of Incorporation or any amendment thereto.

PINE LAKE UNIT I AT EAGLE HARBOR

