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SYD CROSBY, FLAGLER County
By: J. Naughty D.C. Time:16:09:4

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DECLARATION OF GENERAL PROTECTIVE COVENANTS AND EASEMENTS

THIS DECLARATION is made this 26th day of MAY, 1998 by KING'S KID, INC., its successors or assigns (the Declarant) and joined in by LAKE VIEW HOMEOWNERS ASSOCIATION AT PALM COAST, INC., a Florida corporation not for profit (the Association).

WITNESSETH:

WHEREAS, Declarant is the owner of the Committed Property (as that term is hereinafter defined); and

WHEREAS, the Committed Property is located in Flagler County, Florida, and is legally described on Exhibit "A" attached hereto; and

WHEREAS, Declarant intends to develop the Committed Property under the general name of Lake View, as described in Article II hereof; 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; 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 the Committed Property 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 617, Florida Statutes, known as the Lake View Homeowners Association at Palm Coast, 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 the Committed Property, 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) "Architectural Review Committee" or "Committee" shall mean and refer to a committee appointed by Declarant pursuant to Article X, Section 3, herein.
- (b) "Articles" shall mean and refer to the Articles of Incorporation of Lake View Homeowner's Association at Palm Coast, Inc., a Florida corporation not for profit, attached hereto as Exhibit "B," as may be amended from time to time.
- (c) "Association" shall mean and refer to the Lake View Homeowner's Association at Palm Coast, Inc., a Florida corporation not for profit, its successors or assigns, which has its principal place of business in Flagler County, Florida. The Association is NOT a condominium association.
- (d) "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.
- (e) "Bylaws" shall mean and refer to the Bylaws of the Association, attached hereto as Exhibit "C," as may be amended from time to time.
- (f) "Committed Property" shall initially mean and refer to the property described in Exhibit "A" attached hereto and made a part hereof, as the same may be added to from time to time by the Declarant by means of Supplemental Declarations.
- (g) "Common Area" shall mean and refer to any portion of Committed Property owned or maintained by the Association and devoted to the common use and enjoyment of all Owners together with any improvements thereon. Common Areas may include, without limitation, any commonly owned open space, utilities, private streets, sidewalks, street lights, signage, recreation facilities, and Surface Water or Stormwater Management Systems within or about the Committed Property, all as further described in Article IV hereof.
- (h) "County" shall mean and refer to Flagler County, Florida.

(i) "Declarant" shall mean and refer to King's Kid, Inc. their designees, successors and assigns.

(j) "Declaration" shall mean and refer to this Declaration of General Protective Covenants for Lake View Homeowners Association at Palm Coast, Inc., as may be amended or supplemented from time to time.

(k) "Dwelling Unit" shall mean and refer to a residential home of whatever style or type as may be constructed in Lake View to be used as an abode for one family and shall also include the platted lot intended for the construction of such a residential home.

(l) "Institutional Mortgagee" shall mean and refer to (a) a lending institution having a first mortgage lien upon a Dwelling Unit 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 Dwelling Unit; 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 Dwelling Unit.

(m) "Member" shall mean and refer to all those Owners who are members of the "Association."

(n) "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 Lake View, 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 the Common Areas, other real property, or portions of either and improvements thereon, as well as expenses incurred by the Association in fulfilling its obligations under this Declaration and any other document governing Lake View, 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.

(o) "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 lot or Dwelling Unit.

(p) "Lake View" shall mean and refer to the residential development being constructed by Declarant and located on the Committed Property.

(q) "Property Line" shall mean and refer to the perimeter boundary line of any lot within the Committed Property.

(r) "Property Plan" shall mean and refer to the Plat(s) or site plans of the Committed Property attached hereto as Exhibit "D" as may be amended or added to from time to time.

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

(t) "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. All Surface Water or Stormwater Management Systems located on the Committed Property or Common Areas of Lake View shall be maintained by the Association as part of the Operating Expenses.

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

ARTICLE II

Declarant's Rights and Powers

Section 1. Committed Property. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN CONTAINED OR CONTAINED IN ANY OTHER DOCUMENT, ONLY THAT PORTION OF LAKE VIEW 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 2. 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 Lake View into the Committed Property. Any additional properties brought within the scheme of this Declaration may contain Dwelling Units, lots or Common Areas and shall become part of the Association.

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 Lake View. 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 Dwelling Units, lots and Common Properties within the properties described therein. Declarant's rights under this Section 3 are paramount to the provisions of Section 7 of Article XII 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 Lake View 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 Lake View 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 Lake View.

The provisions of this Article II, Section 3, cannot be amended without the written consent of Declarant and any amendment of this Article II, Section 3 without the written consent of Declarant shall be deemed null and void.

Section 3. Warranties. Upon conveyance of lot or a Dwelling Unit by Declarant to an Owner, Declarant shall provide such Owner with only those warranties specified in the Owner's Agreement for Sale and Purchase. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, EXCEPT FOR THE WARRANTIES DESCRIBED IN THIS SECTION 3, DECLARANT DISCLAIMS ANY OTHER EXPRESS WARRANTIES OR ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS AS TO THE LOT OR DWELLING UNIT, 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 4. Changes in Use or Boundaries. Declarant shall have the right, by an amendment or Supplemental Declaration executed by Declarant alone, without the consent of the Association, any Institutional Mortgagees or the Owners, to take such action as may be required to relocate portions, change the use, or modify the boundaries of any of the Common Areas notwithstanding that such portions of the Common Areas may be Committed Property.

ARTICLE III

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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 Dwelling Unit or 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 Dwelling Unit or lot. Transfer of Dwelling Unit or 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 Dwelling Unit or 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 Dwelling Unit or lot shall be as many Members as the number of Dwelling Units or 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 Dwelling Unit or lot in which they hold the interests required for membership by Section 1.

Class B. Class B Members shall be Declarant. The Class B Member shall be entitled to ten (10) membership interests and ten (10) votes for each Dwelling Unit or lot it holds the interest required for membership by Section 1. The Class B Member shall be entitled to elect a majority of the Board of Directors until such time that the last Dwelling Unit or lot owned by Declarant within Lake View has been sold and conveyed by the Declarant.

Upon the transfer of title of any Dwelling Unit or lot which is held for sale by Declarant to an Owner, the Class B membership interest appurtenant to such Dwelling Unit shall be automatically converted to a Class A membership interest.

When any one Dwelling Unit or lot is owned by more than one person, firm, individual, corporation or other legal entity, the voting rights pertaining to such Dwelling Unit or lot shall be as prescribed in the Articles or Bylaws.

NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, DECLARANT 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 LAKE VIEW.

ARTICLE IV

Common Areas

Section 1. Common Area. Common Areas are those portions of the Committed Property designated as such in this Declaration, a Supplemental Declaration, Property Plan or other written instrument recorded in the Public Records of the County. Common Areas shall include, but not be limited to, all Surface Water and Stormwater Management Systems located on the Committed Property. So long as Declarant appoints a majority of the Board of Directors, the Common Areas shall be only that property designated as such by Declarant. Declarant shall have the right, and the power, but neither the duty nor the obligation, in its sole discretion, to, or to cause others to, convey, lease or grant a license or other use right to real property within or without Lake View whether it be Committed Property or not, to the Association for such purposes as may be expressed in the instrument of conveyance, lease or grant of easement or use. No such real property shall be considered to be Common Area until actually so conveyed, leased or grant of easement or other use right is created by a written instrument. The Association shall accept from Declarant, or others approved by Declarant, any such conveyance, lease, grant of easement or grant of use right.

Section 2. Easements. Declarant reserves the right for itself and its designees to grant additional easements for use, ingress and egress, governmental services and utilities over, across and under the Common Areas, for the use and benefit of persons designated in such easements, whether or not such persons are Members of the Association.

Section 3. Maintenance. The Association may enter into agreements with other persons or entities, to provide for the maintenance, upkeep and repair of any of the Common Area or any other property which the Association has the obligation to maintain, upkeep and repair under this Declaration.

Section 4. Title in Association. Declarant or its successors and assigns shall convey and transfer to the Association the record fee simple title of those portions of the Committed Property that constitute the Common Areas. The Association shall accept such conveyance subject to this Declaration. To preserve and enhance the property values and amenities of Lake View, the Common Areas, and any facilities now or hereafter built or installed thereon, the Association shall at all times maintain such facilities in good repair and condition and shall operate same in accordance with high standards. The maintenance and repair of the Common Areas may include, but not be limited to, the repair and maintenance of roadways, landscaped areas, walkways, recreational facilities (if any), streetlights, entrance features or signs. The Association, by its execution of this Declaration, covenants and agrees to accept all conveyances of Common Areas. This section shall not be amended to reduce or eliminate the

obligation for maintenance or repair of the Common Areas without the prior written consent of Declarant.

The Association shall be responsible for the maintenance thereof in a continuous and satisfactory manner, compliance with any continuing obligation imposed on the owner of any such Common Area by the terms of any permit issued by a governmental agency having jurisdiction over such Common Areas. The Association shall be responsible for the maintenance, operation and repair of the surface water or Stormwater Management System. Maintenance of the surface water or Stormwater Management System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the St. Johns River Water Management District. The Association shall be responsible for such maintenance and operation. Any repair or reconstruction of the surface water or stormwater management system shall be as permitted, or, if modified, as approved by the St. Johns River Water Management District. The Association shall be responsible for the payment of taxes assessed against Common Areas and any improvements and any personal property thereon accruing from and after the conveyance to the Association. Such taxes shall be prorated as of the date of conveyance. Prior to conveyance of the title thereto to the Association, the taxes assessed against such property shall be paid by Declarant or its successors or assigns.

Section 5. Title to Additional Common Areas. From time to time, Declarant reserves the right, but not the obligation, to convey to the Association legal title to additional Common Areas, subject only to the condition that such properties shall be subject to the covenants set forth in this Declaration.

Declarant shall not be obligated to bring any additional Common Areas within the scheme of this Declaration nor to convey title to such Common Areas to the Association. The additions authorized under this section may be made by Declarant in accordance with Article II, Section 2, of this Declaration.

Section 6. Waterbodies, Lakes and Drainage Systems. Certain portions of the Common Area may contain waterbodies, lakes and Surface Water or Storm Water Management Systems (hereafter "Lakes"). With respect to any such Lake which becomes part of the Committed Property:

(a) The boundaries of any Lake shall be subject to accretion, reliction and other minor natural changes.

(b) Swimming in any Lake is prohibited. No motorized boats, rafts or other water craft shall be permitted on a Lake, except for boats used by the Association, their agents, Declarant, Declarant's designees or a governmental agency. ANY PERSONS WHO SWIM IN OR OTHERWISE USE A LAKE SHALL DO SO AT THEIR OWN RISK AND SHALL HOLD DECLARANT AND THE ASSOCIATION HARMLESS FROM ANY CLAIM OR LOSS ARISING THEREFROM.

(c) No fence, wall, gate, hedge, dock, davit or other similar or dissimilar structure shall be constructed on any lot abutting a Lake.

(d) Except as otherwise provided in this Declaration or Supplemental Declaration, the Association shall maintain all Lakes. A nonexclusive easement is hereby reserved in favor of Declarant, the Association and their designees for ingress, egress, and access to any portion of the Committed Property in order to maintain a Lake. All costs of maintenance of any Lake shall be an Association Operating Expense, unless otherwise provided in this Declaration or in a Supplemental Declaration.

(e) No person, other than the Declarant or Association with the Declarant's written permission, shall withdraw water from any Lake for any purpose.

ARTICLE V

Grant and Reservation of Easements

Section 1. **Easement of Enjoyment.** Each Member and each tenant, agent or invitee of Members shall have a right and easement of enjoyment in and to the Common Areas, and such easement shall be appurtenant to and shall pass with the title of the Dwelling Unit or lot, subject to this Declaration, including the following:

- (a) The right and duty of the Association to levy assessments against each Dwelling Unit or lot for the purpose of maintaining the Common Areas and facilities.
- (b) The right of the Association to adopt and enforce rules and regulations governing the use of the Common Areas and all facilities at any time situated thereon.
- (c) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors, provided that no such dedication, transfer, or determination as to the purposes or as to the conditions thereof, shall be effective unless seventy-five (75%) percent of the Members shall vote in favor thereof at a meeting of the Members called for such purpose, or unless an instrument signed by Members entitled to cast seventy-five (75%) percent of the eligible votes have been recorded agreeing to such dedication, transfer, purpose or condition and unless written notice of the action is sent to every Member at least ninety (90) days in advance of any action taken.

- (d) The right of Declarant and the Association to grant and reserve easements and rights-of-way in, 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 and other utilities, and the right of Declarant to grant and reserve easements and rights-of-way in, through, under, over, upon and across the Committed Property for the completion of the Development.

Section 2. Access Easements. Declarant does hereby establish and create for the benefit of the Association and for the benefit of any and all Owners of Dwelling Units or lots subject to this Declaration, their tenants, invitees and Institutional Mortgagees, and does hereby give, grant and convey to each of the aforementioned, an easement for right-of-way for ingress and egress by vehicles or on foot, as practicable, in, through, over, under and across the streets, roads, and walks within Common Areas (as they may be built or relocated in the future) for all purposes.

Section 3. Easement for Encroachments on Dwelling Units, Lots or Common Areas.

(a) If any portion of any roadway, walkway, fence, gate, parking area, roof drainage system, roof, trellis, water line, sewer line, utility line, sprinkler system or any other structure as originally constructed by Declarant or its designee, successor or assign encroaches on any Dwelling Unit, lot or Common Area, it shall be deemed that the Owner of such Dwelling Unit, lot or Common Area has granted a perpetual easement to the Owner of the adjoining Dwelling Unit, lot or Common Area or the Association as the case may be, for continuing maintenance and use of such encroaching roadway, walkway, fence, gate, 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 line, sewer line, utility line, 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 Owners in the event any Common Area or Dwelling Unit now or hereafter encroaches upon any other Dwelling Unit or lot 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 Owners, their designees, mortgagees and the Association. If any portion of any Dwelling Unit encroaches upon the Common Areas 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. Utility Easement. Subject to Declarant's prior written approval, Declarant, at its discretion, may grant to the Owner of each Dwelling Unit and lot a non-exclusive perpetual easement on, over, under and across the Common Area and Committed Property for the installation, maintenance, operation, repair and replacement of utility lines, including water and sanitary sewer lateral pipes servicing the Dwelling Unit, together with wires, pipes, conduits, cable television lines, telephone lines and equipment and drainage lines.

Section 5. 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 Dwelling Units and 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 Common Areas.

(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 at no charge, in its efforts to market or develop Dwelling Units in Lake View.

(4) Easements are hereby reserved to the Declarant for the installation, construction, reconstruction, maintenance, operation and inspection of any and all services and utilities, including, but not limited to cable television, cablevision, sidewalks drainage or waterways, which easements shall be confined to a 5 foot width along the interior boundaries of the rear property lot line, side property line and front property line to every lot.

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

ARTICLE VI

Section 1. Maintenance of Common Areas. The Association shall at all times maintain in good repair, operate, manage, insure and replace as often as necessary, any and all improvements situated on the Common Areas, including but not limited to, any courtyards, fences, gates, recreational facilities, lawns, landscaping, sprinkler systems, paving, drainage structures, street lighting fixtures and appurtenances, sidewalks and other structures, and utilities, all of such work to be done as ordered by the Board of Directors of the Association acting on a majority vote of the Board members.

Section 2. Dwelling Unit Maintenance. The Owner is responsible to maintain and repair all portions of the Dwelling Unit, including but not limited to, the exterior of the Dwelling Unit, any landscaping, utility lines, paving and any other improvements located on the lot on which the Dwelling Unit is located. 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 the Common Area. Notwithstanding the provisions of Section 1 of this Article, each Owner of a Dwelling Unit shall be responsible to mow and provide routine maintenance to any portion of the right of way between the Dwelling Unit's Property Line and the edge of pavement of the right of way, whether such area be described as Common Area or a portion of the public right of way.

Section 3. Assessments. All maintenance performed by the Association pursuant to Section 1 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 Dwelling Units and lots equally for Operating Expenses attributable to the Association's maintenance of Common Areas. No Owner may waive or otherwise escape liability for the assessments for such maintenance by non-use of the Common Areas or abandonment of his right to use the Common Areas.

Assessments shall include payment for insurance and taxes on the Common Area. The cost and expense of Association provided maintenance shall be funded by an Association assessment against all Owners, as the case may be, and shall be paid by the Association notwithstanding that title to a Common Area may be vested in Declarant.

Section 4. Disrepair of Dwelling Units. If the Owner of any Dwelling Unit shall fail to maintain the exterior of his Dwelling Unit, 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 Dwelling Unit to maintain and restore the improvements making up such Dwelling Unit. 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 Dwelling Unit is subject.

Section 5. 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 the property of the Owner. Except in the case of an emergency, such entry shall be at reasonable hours on any day except Sunday and legal holidays.

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 VII

Covenant for Maintenance Assessments

Section 1. Creation of the Lien and Personal Obligation of the Assessments. Each Owner of any Dwelling Unit or lot by acceptance of a deed therefor 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 and expenses, Common Areas, 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 Dwelling Units and 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 Dwelling Unit or 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 Lake View 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 appropriate portion of the Common Areas and of the Dwelling Units and 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 owners of Dwelling Units and lots based upon the formula and terms and provisions set forth herein and in the Articles and Bylaws.

(b) Each Owner of a Dwelling Unit or lots shall commence paying his share of the Association assessments on the day title to the Dwelling Unit is conveyed by deed from Declarant to the first grantee thereof. 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 Dwelling Unit and lots 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 Dwelling Units and lots on the Committed Property as of the date the budget was adopted. The total number of Dwelling Units and lots responsible for payment of Operating Expenses may be adjusted from time to time in accordance with this Declaration. All questions regarding the number of Dwelling Units and lots subject to assessments shall be determined by the Declarant prior to the expiration of Declarant's Class B membership and, thereafter, by the Association.

Section 4. Interim Assessment Period. For a period of one year commencing with the date of the conveyance by Declarant of the first Dwelling Unit or lot within the Committed Property, 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 Dwelling Unit or 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 Dwelling Units or 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 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 Dwelling Units and 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 Owners other than Declarant for each extension by an amount not to exceed twenty five (25%) percent of the amount of assessment for the preceding period, exclusive of any special assessments levied in the preceding period. Provided, however, in no event may Declarant require the Board of Directors to increase the assessment due from Owners other than Declarant by more than twenty five (25%) 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 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. Due Dates: Duties of the Board of Directors. All assessments shall be payable monthly, in advance, on the first day of the calendar month, 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 Dwelling Unit and lot and shall prepare a roster of the Dwelling Units and 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 6. 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 Dwelling Unit or 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 or lot. The personal obligation of the Member who was the Owner of the Dwelling Unit or 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 Dwelling Unit or lot.

If the assessment is not paid within ten (10) days after the due date, the assessment shall bear interest from the due date at the maximum permissible rate in the State of Florida. A late charge of up to \$25.00 may also 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 Dwelling Unit or lot. 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 7. Selling or Leasing of Dwelling Units, Etc.

(a) No Member shall convey, mortgage, pledge, hypothecate, sell or lease his Dwelling Unit or lot unless and until all unpaid assessments assessed against such Dwelling Unit or 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 Dwelling Unit or lot or by the purchaser of such Dwelling Unit or lot. Any sale or lease of the Dwelling Unit or 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 not apply to the acquisition of a Dwelling Unit or 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 Dwelling Unit which were assessed for Operating Expenses and became due prior to the acquisition of title by such Institutional Mortgagee shall be deemed waived by the Association and shall be charged to all other members of the Association as an Association expense. Such provisions shall, however, 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 Dwelling Unit or 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 Dwelling Unit or 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 8. 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 9. 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. If the amount of such special assessment is estimated to exceed the sum of \$4,000.00, the assessment must be approved 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 10. Certificate of Assessment. The Association shall 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 Dwelling Unit or lot. Such certificate shall be conclusive evidence of payment of any assessment to the Association therein stated to have been paid.

Section 11. Capital Contribution. Upon the initial conveyance of title to a Dwelling Unit or lot from the Declarant to an Owner, such Owner shall pay the Declarant, in addition to any other sums required, a capital contribution equal to two (2) months' installment of the then current Association Assessment. The Capital Contribution shall be held by the Declarant on behalf of the Association and may be used to pay start-up expenses, insurance premiums, utility deposits and delinquent assessments, and to meet unforeseen expenditures or to acquire additional equipment or services. The Capital Contribution Fund may or may not earn interest as Declarant shall determine.

ARTICLE VIII

Insurance

Section 1. Common Areas.

(a) General Liability. The Association, by action of its Board of Directors, shall maintain public liability insurance, to the extent obtainable, covering the Association and

each Association Member, lessee and occupant and the managing agent, if any, against liability for any negligent act of commission or omission attributable to them which occurs on or in the Common Areas.

(b) Additional Insurance. To the extent obtainable, the Board of Directors may also obtain the following insurance:

(i) Property damage insurance, including vandalism and malicious mischief endorsements, insuring the Common Areas; and,

(ii) worker's compensation insurance, if required by law; and,

(iii) Directors' and Officers' liability insurance, fidelity insurance and other insurance it may deem proper to protect the Association, its members and property; and,

(iv) Such other insurance as the Board may, in its discretion, deem advisable.

(c) Assured and Loss Payable. All casualty insurance policies purchased by the Association hereunder shall be for the benefit of the Association and all Owners and their mortgagees as their interests may appear and shall provide that all proceeds covering casualty losses of \$10,000.00 or less shall be paid to the Association. Any sum in excess of \$10,000.00 shall be paid either to the Association or to an insurance trustee as the Association shall determine at the time. An "Insurance Trustee" shall be any bank or trust company or other corporate trustee authorized for and doing business in Florida, as designated by the Board of Directors of the Association. The duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust pursuant to the terms of the insurance trust agreement to be executed by the Association and the Insurance Trustee, which shall not be inconsistent with any of the provisions herein set forth.

(d) Payment of Premiums. The Board of Directors shall collect and pay the premiums for insurance as a part of the Operating Expenses. Expenses of any Insurance Trustee appointed shall be paid by means of special assessment by the Board.

(e) Mandatory Repair. Unless there occurs substantial damage or destruction to all or a substantial part of a Common Area facilities, the Association and the Owners shall use insurance proceeds to repair, replace and rebuild the damage caused by casualty loss. Related costs and expenses not covered by insurance shall be borne by the Owners in a fair and equal manner.

(f) Association as Agent. The Association is hereby irrevocably appointed agent for each Owner to adjust all claims arising under insurance policies purchased by the Association and to execute releases thereof.

Section 2. Dwelling Units.

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(a) Owner's Insurance Coverage. Each Owner shall be required to obtain and maintain adequate insurance on his Dwelling Unit against loss by fire, storm or other hazards or casualty. Each Owner shall also be responsible for purchasing of liability insurance for accidents occurring on his or her Dwelling Unit. The Association shall have no obligation to obtain or carry insurance coverage for any Dwelling Unit or insure against any risk relating to a Dwelling Unit.

(b) 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 according to the plans and specifications for the original Dwelling Unit. Any changes from the original plans and specifications must be approved by the Committee prior to start of reconstruction or repair. Such reconstruction or repair shall be commenced within thirty (30) days of the casualty and diligently continued until the reconstruction or repair is completed. If the Owner elects not to repair or reconstruct the Dwelling Unit, the damaged structure (including any slab or foundation and any driveway, walkway or similar improvement) shall be cleared from the property within thirty (30) days of the casualty and the property shall be sodded and maintained by the Owner in a neat and attractive condition acceptable to the Association. In no event shall the Owner's failure to rebuild or repair a Dwelling Unit result in any abatement of the assessments due to the Association for that Dwelling Unit.

(c) Association Action - Repair or Demolition of Damaged or Destroyed Dwelling Unit. If no repair or reconstruction has been contracted for or otherwise substantially started by the Owner of a damaged Dwelling Unit within thirty (30) days after a written notice from the Board of Directors that such repair or demolition is required, the Board of Directors of the Association is hereby irrevocably authorized by such Owner, in the discretion of the Board of Directors to initiate the repair or rebuilding of the damaged or destroyed portions of the structure and/or exterior of the Dwelling Unit or to remove the damaged Dwelling Unit if the Board determines that demolition is more practical due to the extent of the damage. 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 contractors 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. The Board of Directors of the Association shall levy a special assessment against the Owner in whatever amount is required to reimburse the Association for the costs of such repair or demolition, which costs shall include a reasonable administrative fee for the Association. Notwithstanding anything to the contrary in this Article, the Association, its Directors or officers, shall not be liable to any person for failure to make any repair to or for the demolition and removal of a damaged Dwelling Unit.

ARTICLE IX

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, lot or Common Areas 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, placed or permitted to remain on any lot other than the Dwelling Unit of the type originally constructed by Declarant; including but not limited to sheds and other accessory structures. All building exteriors shall be completed within six (6) months from commencement of construction or issuance of a building permit, whichever comes first.

Section 3. Architectural Control. (a) No building, wall, fence, decking, paving, swimming pool, storage shed, green house, door screening or other structure or improvement of any nature other than such structures originally constructed by Declarant shall be erected, placed, modified, altered or permitted to remain on any Dwelling Unit, lot or Common Area unless the construction plans and specifications and a plan showing the kind, shape, materials, colors and location of the structure, exterior elevations, and landscaping, as may be required by the Architectural Review Committee have been approved in writing by the Architectural Review Committee. In the case of structures initially constructed by Declarant on a Common Area or lot prior to the conveyance of the Common Area to the Association or the sale of that Dwelling Unit to the initial Owner other than Declarant, no review and approval by the Architectural Review Committee shall be required. All other buildings, walls, fences, or other structures or improvements of any nature, together with the landscaping, shall be erected, placed or altered upon the premises only in accordance with the plans and specifications and plot plan so approved. Refusal of approval of plans, specifications and plot plan, or any of them, may be based on any ground, including purely aesthetic grounds, which, in the sole discretion of said Architectural Review Committee seems sufficient. Any change in the exterior appearance of any building, wall, fence or other structure or improvements, and any change in the appearance of the landscaping shall be deemed an alteration requiring approval. The Architectural Review Committee may promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this paragraph. These rules and regulations

may include a general set of design guidelines for all or a portion of the Committed Property. The Committee may set and collect fees for review of submissions and no submission may be deemed approved until the applicable fee has been paid.

(b) The Architectural Review Committee shall review the proposed submission as to the submission's conformance to any design guidelines adopted by the Committee for that area of the Committed Property, the type and quality of materials, harmony of the exterior design and location of the building or structure with existing buildings or structures, location of the building or structure with respect to topography, trees, vegetation and the finished grade elevation and floor slab, exterior color(s) of any building or structure and any other relevant considerations. Upon completion of the proposed improvements, an "as-built" survey showing the finished floor and grade elevation and location of all improvements shall be filed with the Association and with the Architectural Review Committee.

(c) The Architectural Review Committee shall be composed of not less than three (3) nor more than seven (7) persons. The members of the Committee shall be appointed by Declarant, its designees, successors or assigns. The membership, rules of procedure and duties of the Committee shall be prescribed by and, from time to time, changed or modified by Declarant. If and when Declarant deems the circumstances appropriate, Declarant, in its sole discretion, may assign to the Association or any other body, all or part of the rights, duties, and functions of the Architectural Review Committee as set forth in this Declaration. From and after the date of any such assignment, Declarant shall be relieved of any further duties or obligations concerning the Committee and the Association or other body shall assume the duties and obligations and perform the functions as set forth herein.

(d) If the Architectural Review Committee shall disapprove, in whole or in part, any submission required herein, the Committee shall notify the person, firm or entity making the submission of the reasons for such disapproval. If the Architectural Review Committee fails or refuses to approve or disapprove a submission containing all the requirements as set forth herein within twenty-one (21) days after submission is received by the Committee, it shall then be presumed that the submission has been approved by the Architectural Review Committee.

(e) Prior to the commencement of any construction of a Dwelling Unit or alteration thereof, the Owner of such Dwelling Unit or lot shall deposit \$500.00 with the Architectural Review Committee to be held in a non interest bearing account (construction deposit).

(f) The construction deposit may be used to offset any costs incurred by the Association or the Architectural Review Committee in order to:

- (i) Repair damage to any property within Lake View caused by the Owner's builder or builder's subcontractors, suppliers and representatives during construction;
 - (ii) Pay for the costs of any cleanup of the site and adjacent property not performed by the builder;
 - (iii) Bring the homesite and any structures thereon into compliance with the requirements of this Declaration; and
 - (iv) Recover legal fees and other costs incurred by the Association or Architectural Review Committee in order to enforce Owner's compliance with this Declaration.
- (g) The Owner must replace any funds withdrawn from the construction deposit within seven (7) day notification of the withdrawal by the Association or Architectural Review Committee.
- (h) The construction deposit shall not be deemed to be the sole fund for recovery if the expenses exceed the construction deposit.

Section 4. Regulations. Regulations promulgated by the Board concerning the use of Lake View shall be observed by the Members and their family, invitees, guests and tenants.

Section 5. Dwelling Unit Location. Dwelling Units shall be located in conformance with this Declaration, the applicable ordinances of Flagler County and any specific approvals thereunder, or as originally constructed on a lot by Declarant or its successors or assignee.

Section 6. Damage to Dwelling Units. If a Dwelling Unit is damaged, through Act of God or other casualty, then Owner shall promptly cause the Dwelling Unit to be repaired and rebuilt substantially in accordance with the original architectural plans and specifications, unless other plans and specifications are approved, in writing, by the Architectural Review Committee.

Section 7. Temporary and Accessory Structures. No accessory building or structure of a temporary character, trailer, or tent shall be permitted on any Dwelling Unit or Common Areas at any time or used on any Dwelling Unit as living quarters or for storage at any time, either temporarily or permanently, except as permitted by the Architectural Review Committee. No gas tank, gas container or gas cylinder serving a Dwelling Unit shall be permitted to be placed on or about the outside of any Dwelling Unit or any ancillary building and all gas tanks, gas containers and gas cylinders shall be installed underground in every instance where gas is used. In the alternative, gas containers may be placed above ground if enclosed on all sides by a decorative screen approved by the Architectural Review Committee.

Section 8. Signs. A single "for sale" sign of no more than five by seven inches may displayed on a Dwelling Unit during any period when the Dwelling Unit is being offered for sale. The Committee shall have the right to adopt and enforce uniform standards as to the appearance and method of display of such "for sale" signs. No other sign, advertisement or poster of any kind shall be erected or displayed to the public view on the Committed Property without the prior written approval of the Architectural Review Committee as to size, color, content, material, height and location. This paragraph shall not apply to Declarant.

Section 9. Pets, Livestock and Poultry. No animals, livestock or poultry of any kind or size shall be raised, bred or kept on any Dwelling Unit, except that dogs, cats or other household pets may be kept as authorized by the Board of Directors of the Association. However, the number of said pets shall not exceed two (2) for any Dwelling Unit, provided that they are not kept, bred or maintained for any commercial purpose and provided that they do not become a nuisance or annoyance to any neighbor. No dogs or other pets shall be permitted to have excretions on any Dwelling Unit, Common Areas or anywhere else within the Committed Property, except in locations designated by the Association.

Section 10. Nuisances. No noxious or offensive activity shall be carried on upon any Dwelling Unit or lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the neighborhood.

Section 11. Antenna. No television, radio, electronic or other type antenna or satellite dish may be erected on the Committed Property or attached to the exterior of any Dwelling Unit thereon. Notwithstanding the above, a satellite dish not exceeding eighteen inches (18") in width shall be permitted on the property with the prior written approval of the Architectural Review Commission as to location and color.

Section 12. Exterior Appearances and Maintenance of Landscaping. The paint, coating, stain, roof color and material and other exterior finishing colors on all Dwelling Units may be maintained as that originally installed, 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 an 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 is obtained from 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. All items such as lawn furniture, grills, outdoor play structures or any similar item used on any lot or Dwelling Unit must be stored within the Dwelling Unit (including any porch attached to the Dwelling Unit) when not in use or, if left outside of a Dwelling Unit in a location where the item is visible from any other Dwelling Unit, roadway or portion of Common Area for a period of more than twenty four (24) hours must be approved by the Committee.

All Dwelling Units 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 13. Existing Trees. Neither the Association nor an Owner or other person, without the prior written consent of the Architectural Review Committee, shall remove any live tree with a trunk of two (2) inches or more in diameter (as measured one (1) foot from ground level) from any portion of the Committed Property. If said trees are removed without the prior consent, the Owner or the Association, as appropriate, may be required by the Committee to replace same with trees of comparable size.

Section 14. Landscaping Plan.

- (a) Concurrent with the submission of plans and specifications to the Architectural Review Committee in accordance with Section 3 of Article X above, the Owner shall submit to the Architectural Review Committee for its review and approval a landscaping plan designed by a registered Landscape Architect.
- (b) Minimum landscaping requirements shall be provided by the Architectural Review Committee upon request.
- (c) Existing trees intended to be removed in accordance with Section 13 above must be shown on the landscape plan.
- (d) All lots shall be fully sodded upon completion of the Dwelling Unit.

Section 15. Grades and Elevations. To preserve and maintain proper drainage in Lake View, no changes in grades or elevations of any portion of a Dwelling Unit or lot (including the swale areas) or Common Area 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 the Committee prior to construction.

Section 16. Drainage System. Swales. The Association shall maintain any drainage system within the Common Areas of the Committed Property. Owners must maintain the swales located on an Owner's Lot, unless the maintenance of these swales is assigned to the Association by a Supplemental Declaration. Standards for the location, width, depth and invert grades of culverts shall be initially established by the Declarant and the Declarant shall provide the Association with a set of "as-built" drawings for the drainage system within the Committed Property which set forth the location of invert grade, width and depth of the drainage system, including swales. Nothing shall be constructed, maintained, altered or permitted to exist on any portion of the Committed Property if it obstructs or could obstruct the flow of surface drainage or any other function of the drainage system.

Section 17. Fertilizers, Pesticides. Only biodegradable fertilizers and EPA/DER approved pesticides and fungicides may be used anywhere in Lake View. No person shall use any EDB or dioxin within Lake View.

Section 18. Commercial Vehicles, Trucks, Trailers, Campers and Boats. No trucks or commercial vehicles, campers, recreational vehicles, mobile homes, motor-homes, boats, house trailers, boat trailers or trailers of every other description shall be permitted to be parked or to be stored overnight at any place on any Common Area or any lot in the Committed Property; except only during the periods of approved construction of a Dwelling Unit, or if parked in an area designated by Declarant for such purpose or parked in a fully enclosed garage with the garage door fully closed. This prohibition of parking shall not apply to temporary parking of trucks and commercial vehicles, such as for pick-up, delivery and other commercial services. Private passenger vehicles may be parked on the paved portion of a Dwelling Unit. For the purposes of this section, a private passenger vehicle shall be deemed to mean an automobile, pick up truck or van of one ton or less capacity which does not display any lettering or sign relating to a commercial activity or business and which is operable and currently licensed for operation on the public roads. No person shall park any vehicle so as to obstruct any resident's use of ingress or egress to any Dwelling Unit or Common Area or park any vehicle on any unpaved portion of any Dwelling Unit or Common Area, except as expressly permitted by Declarant.

Section 19. Sales and Rentals. No Dwelling Unit or lot may be sold, rented, leased 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 term of less than thirty (30) days nor more than once in any two (2) year period.

Section 20. Walls/Fences.

- (a) No fence, wall, gate, hedge, or other structure shall be erected or maintained on any lot except as originally installed by Declarant or except any approved in writing by the Architectural Review Committee as provided herein.
- (b) Notwithstanding the preceding paragraph, no fence, wall, gate, hedge or other structure shall be erected on lots 18-30 inclusive of the Committed Property.

Section 21. Garbage and Trash Disposal. No garbage, refuse, trash, rubbish, grass or shrubbery clippings shall be deposited on any place on any Common Area or any lot in the Committed property except in areas designated by the Association for such purpose. All equipment for storage or disposal of such material

shall be kept in a clean and sanitary condition and shall be kept hidden from view by plantings or decorative fencing.

Section 22. Outdoor Drying and Laundry. No clothing, laundry or wash shall be aired or dried on any portion of any Common Area or the front yard or side yards of any Dwelling Unit. Clotheslines are permitted in the rear yards of Dwelling Units so long as the clothesline is screened from view from other Dwelling Units, roadways and Common Areas. The Association may adopt rules or regulations pertaining to the screening necessary under this section. No clothing, laundry, garments, rugs, etc., shall be hung from windows or doorways of Dwelling Units.

Section 23. Swimming Pools and Screen Enclosures. All screen enclosures, pools, deck areas, patios, hot tubs, jacuzzis, and sun decks, except for such structures originally installed by Declarant as part of the first construction of a Dwelling Unit, must be approved in writing by the Architectural Review Committee. Above ground pools are not permitted.

Section 24. Lawful Conduct. No immoral, improper, offensive or unlawful use shall be made of any Dwelling Unit or other improvements. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction shall be strictly observed.

Section 25. Risks. No Owner shall permit or suffer anything to be done or kept in his Dwelling Unit which will increase the rate of insurance as to other Owners or as to their Dwelling Units or to the Association as to the Common Areas.

Section 26. Parking Spaces. Each Owner shall have the exclusive right to use the paved portions of the Owner's Dwelling Unit for parking and shall not park on any unpaved areas.

Section 27. Basketball Boards. Basketball nets and backboards must be approved by the Committee prior to installation.

Section 28. Skateboard Ramps. Skateboard ramps are prohibited on any Dwelling Unit or Common Area.

Section 29. Flagpoles. All flagpole structures and their locations must be approved by the Committee prior to construction and/or installation of same.

Section 30. Decorative Items. The use of decorative items, including, but not limited to, statues, gates, rocks, planters, bird baths and other ornamental accessories must be submitted to the Architectural Review Committee for review and approval prior to use, installation or construction.

Section 31. Mailboxes. All mailboxes shall be of the standardized type originally installed by Declarant or as thereafter designated by the Architectural Review Committee as to style, location, material, color, height and type of post mounting.

Section 32. Lighting. All exterior lighting, including, but not limited to, walkway, driveway or accent, except as originally installed by the Declarant must be approved by the Architectural Review Committee prior to construction or installation.

Section 33. Businesses. No trade, business, professional office, or any other type of commercial activity shall be conducted on any portion of the Committed Property or in any Dwelling Unit; however, notwithstanding this restriction, Declarant and its assigns shall not be prohibited from operating sales models and/or a sales and leasing office on any portion of the Committed Property.

Section 34. Wells, Mining, Drilling and Excavation. No wells, mining, drilling or excavation of any type, except for such excavation as may be necessary for construction of Dwelling Units and Common Areas shall be permitted on any portion of the Committed Property. No Owner of any Dwelling Unit shall draw water from any water body on or adjacent to the Committed Property for irrigation or any other purpose.

Section 35. Fascia Boards and Exterior Appearances. Fascia boards on any roof line of any structure shall be a minimum of six (6") inches in width. All exterior Dwelling Units must be built with a minimum of with five (5) corners protruding no less than two (2) feet from the front of the structure.

Section 36. Air Conditioners. All air conditioning units or compressors shall be shielded from public view by plantings or decorative fencing.

Section 37. Water Conserving Fixtures. Only water conserving fixtures designed to meet county or state standards shall be installed in any Dwelling Unit.

Section 38. Set Backs. For all lots, no part of any Dwelling Unit, except as otherwise allowed by the Architectural Review Committee shall be located nearer than twenty five (25) feet to the front lot line (a front line shall mean that front set back line facing the front of any Dwelling Unit) ten (10) feet to the side lot and twenty (20) feet from the rear lot line except that the roof line overhang of the primary residential Dwelling Unit may be constructed or extended to within five (5) feet of the side lot line. The set back for the lot line bordering the Lake shall be a minimum of thirty (30) feet.

Section 39. Minimum Living Area. The minimum living area of a Dwelling Unit, exclusive of open porches, screened-in-patios and garages shall not be less than two thousand (2,000) square feet. The method of determining the square foot area of proposed buildings and structures or additions and enlargements thereto shall be to multiply the outside horizontal dimensions of the building or structure of each floor level. Garages, roofed-screen porches and the like shall not be taken into account in calculating the minimum square foot areas as required by this Declaration.

Section 40. Minimum Roof Requirements. The roofs on all Dwelling Units shall be a minimum pitch of 7/12 and shall be covered by a twenty five (25) year architectural style asphalt shingles.

Section 41. Garages. All Dwelling Units shall have attached thereto an enclosed garage with the capability of storing two (2) full size passenger vehicles.

Section 42. Sidewalks.

(a) During construction and prior to the issuance of the certificate of occupancy, Owner will have the responsibility to construct a sidewalk from side lot line to side lot line and in accordance with the specifications of Declarant.

(b) In the event an Owner shall, on or before December 31, 1999, for whatever reason, fail or refuse to construct a sidewalk in accordance with the preceding paragraph, Owner, on demand, shall pay to Declarant 125% of the cost to construct a sidewalk from side lot line to side lot line.

Section 43. Violations. In the event of a violation of this Declaration or any rule 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 date of the written notice, the Owner may be assessed an amount up to \$5.00 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 44. Declarant Rights. Notwithstanding any other provision in this Declaration, Declarant is irrevocably empowered to sell, lease or rent Dwelling Units on any terms to any purchasers or lessees for as long as it owns any Dwelling Unit. 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 Dwelling Units, temporary uses for model homes, parking and/or sales offices, maintain signs, have employees in the office, use the Common Areas and show Dwelling Units and Common Areas. 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 Dwelling Units lots or any portion 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 agency, utility company, political subdivision, public authority or other similar agency or body, respecting zoning, streets, roads, drives, easements or facilities;
- (g) Denies the right of Declarant to convey the Common Areas to the Association;
- (h) Denies the right of Declarant to record a Supplemental Declaration with respect to portions of Lake View or adding properties subject to this Declaration or otherwise making provisions in accordance with the powers granted to Declarant in this Declaration;
- (i) Modifies the basis or manner of Association assessments as applicable to Declarant or any Dwelling Unit or lot owned by Declarant as provided for by Articles VI and VII;
- (j) Modifies the provisions of Article X (architectural control) as applicable to Declarant or any Dwelling Unit or lot owned by Declarant;

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

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

(m) 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 failure to 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 own a Dwelling Unit or lot in Lake View, no action may be taken by the Board or the Association applicable to the 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, its assigns, the Owners 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, in the case of the Common Areas, to the Rules and Regulations of the Association; 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 Dwelling Units and all Institutional Mortgagees of Dwelling Units 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 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. Those covenants pertaining to matters requiring approval of the Architectural Review Committee may also be enforced by the Committee. Any provision of this Declaration relating to the maintenance, operation or repair of the surface water or stormwater management system may be enforced by the St. Johns River Water Management District. 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, including the Common Areas, 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 any surface water or stormwater management system which is maintained by the Association, the responsibility for the operation and maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity which would comply with § 40C-42.027, Florida Administrative Code and be approved by the St. Johns 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 Lake View, unless made in accordance with the provisions of this Declaration or said covenants restrictions 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 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 land affected by this Declaration and said amendment by Declarant shall not require the consent of any mortgagees, Owners or partial owners of Dwelling Units 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 land affected by this Declaration, Declarant's consent must be obtained; and (2b) by all Institutional Mortgagees of Dwelling Units affected by this Declaration, provided that so long as Declarant is the owner of any land affected by this Declaration, Declarant's written 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 any surface water or stormwater management system, beyond the maintenance in its original condition, including the water management portions of the Common Areas, must have the prior written approval of the St. Johns 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 "C" and "D" 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, Bylaws and this Declaration, this Declaration shall control.

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

Section 11. Community Benefit Program. In addition to any other assessment provided for herein, the Owner of a Lot or Dwelling Unit in Lake View is hereby made liable to the Palm Coast Community Service Corporation (PCCSC) for a pro rata share of the actual costs of the operation expenses of a Community Benefit Program for facilities and services in Palm Coast or to further the environmental and aesthetic principals. The implementation of the program and the extent thereof shall be within the sole discretion of the PCCSC. The funds

collected may be used to cover the costs (1) for the maintenance, expansion or creation of facilities, amenities, programs or services of community nature or (2) to further the environmental and aesthetic principals. Each Owner's share shall be computed by multiplying the current Assessment Rate by the total number of Assessment Units owned by that Owner in Lake View. An Assessment Unit for Lake View shall be equal to one Lot or Dwelling Unit. The Assessment Rate shall be computed by dividing the total number of Assessment Units in the Palm Coast community assessable by the PCCSC into the total estimated operating budget for the current year and shall be subject to adjustment by the Board of Directors of the PCCSC on an annual basis. The assessment shall be billed by the PCCSC annually, in advance, to the Owner of record of the Lot or Dwelling Unit and shall be payable on January 1. Every Owner in Lake View subject to the Community Benefit Program Assessment shall be a member of the PCCSC and entitled to one vote for each Assessment Unit owned by such Owner on any matters upon which members of the PCCSC are entitled to vote. Each Owner hereby agrees that the PCCSC shall have a lien upon such Owner's Lot or Dwelling Unit for the monies due until such amount is paid to the same extent as the lien for Lake View assessments provided for in Article VII, Section 1 of this Declaration. In the event that monies due remain unpaid for a period of thirty (30) days, the PCCSC shall have all the rights and privileges accorded to the Board with respect to the collection thereof as provided in Article VII, Section 6, above.

Section 12. 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 Lake View Documents;
- (c) the enforcement of the use and occupancy restrictions contained in the Lake View 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 Lake View or any portion thereof.

IN WITNESS WHEREOF, this document has been signed by its proper officers this 26th day of May, 1998.

KING'S KID, INC.

Signed in the presence of:

By:

Scott C. DeLanoy
Scott C. DeLanoy, President

Attest:

Kathy A. DeLanoy
Kathy A. DeLanoy, Secretary

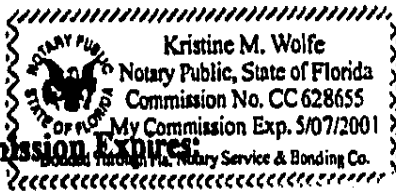
(Corporate Seal)

STATE OF FLORIDA
COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me on the 26th day of May, 1998, by Scott C. DeLanoy and Kathy A. DeLanoy, as President and Secretary, respectively of King's Kid, Inc. on behalf of and as the act and deed of the corporation. Scott C. DeLanoy and Kathy A. DeLanoy are personally known to me and did not take an oath.

Kristine M. Wolfe
Notary Public

(Seal)

My Commission Expires: 

FOR GOOD AND VALUABLE CONSIDERATION, the receipt whereof is hereby acknowledged, Lake View Homeowners Association at Palm Coast, 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 26th day of MAY 1998.

Signed, Sealed and Delivered

LAKE VIEW HOMEOWNERS
ASSOCIATION AT PALM COAST, INC.

Signed in the presence of:

Richard DeLanoy
Kathryn Sheeky

By:

Scott C. DeLanoy, President

Attest

Kathy A. DeLanoy, Secretary

(Corporate Seal)

SEAL

STATE OF FLORIDA
COUNTY OF FLAGLER

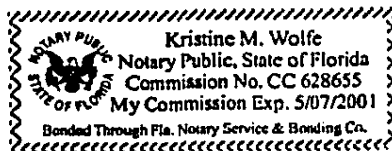
The foregoing instrument was acknowledged before me on the 26th day of May, 1998, by Scott C. DeLanoy and Kathy A. DeLanoy, as President and Secretary, respectively, of LAKE VIEW HOMEOWNERS ASSOCIATION AT PALM COAST, INC., a Florida corporation not for profit, on behalf of and as the act and deed of the corporation. They are personally known to me and did not take an oath.

Kristine M. Wolfe
Notary Public

My Commission Expires:

F:RichardDeLanoyKidsKing.Clean

(Seal)



LEGAL DESCRIPTION
COMMITTED PROPERTY

Lots 1-48 of the Subdivision Plat of Lake View, a Subdivision of Reserved Parcel 'C-1', Belle Terre Section 35, Map Book 11, Pages 2-26, Palm Coast, Flagler County, Florida, as recorded in Map Book 31, Page 29 of the public records of Flagler County, Florida

Exhibit "A"

ARTICLES OF INCORPORATION
OF
LAKE VIEW HOMEOWNERS ASSOCIATION AT PALM COAST, INC.
(A Florida corporation not for profit)

FILED
97 OCT 20 AM 10:30
TALLAHASSEE, FLORIDA

The undersigned, by these Articles, associate themselves for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes, and certify as follows:

EXPLANATION OF TERMINOLOGY

A. The terms contained in these Articles of Incorporation shall have the meaning of such terms set forth in the Declaration and General Protective Covenants for Lake View Homeowners Association At Palm Coast, Inc. (the "Declaration").

B. "Association" as used herein shall mean and refer to the Lake View Homeowners Association At Palm Coast, Inc., a Florida corporation not for profit, the corporation formed by these Articles, its successors or assigns.

ARTICLE I
NAME/DURATION/PRINCIPAL OFFICE

The name of the corporation is LAKE VIEW HOMEOWNERS ASSOCIATION AT PALM COAST, INC. Its duration shall be perpetual. The address of the principal office and mailing address shall be 4 Old Kings Road North, Palm Coast, Florida 32137.

ARTICLE II
PURPOSE AND POWERS

The purpose of this corporation is to provide for a unified effort in protecting the value of the property of the Members of the Association, in accordance with the Declaration recorded (or to be recorded) in the Public Records of Flagler County, Florida, and any Supplemental Declaration filed in accordance therewith. The Association shall exercise all the powers and privileges and perform all of the duties and obligations of the corporation as defined and set forth in these Articles, the Bylaws, and the Declaration. The Association shall also have all powers granted by statutory and common law not in conflict with the terms of the Declaration and these Articles, and terms, conditions, covenants and restrictions wherever recorded that pertain to the Committed Property (as that term is defined in the Declaration), as are recorded in the Office of the Clerk of the Circuit Court in and for Flagler County, Florida. The powers of the Declaration include the establishment and

enforcement of the payment of charges or assessments contained therein (including the assessment and collection of assessments adequate to defray the costs of maintenance and operation of the surface water and stormwater management system), the operation, maintenance and management of the surface water and stormwater management systems in the Committed Property and Common Areas in a manner consistent with St. Johns River Water Management District permits, requirements and applicable rules, and to assist in the enforcement of the restrictions and covenants contained therein, and the power to contract for the management of the Association and engagement in such other lawful activities as may be to the mutual benefit of the Members and their property.

The Association is not organized for profit and no part of the net earnings, if any, shall inure to the personal benefit of any Member or individual person, firm or corporation.

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 Lot which is or is at any time made subject to the Declaration shall be a Member of the Association. Membership shall be appurtenant to and inseparable from ownership of a Lot. 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. Membership in the corporation and transfer thereof shall be upon such terms and conditions as provided in the Declaration and Bylaws.

Section 2. 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 (1) membership interest and one (1) vote for each Lot in which they hold the interests required for membership by Section 1.

Class B. Class B Members shall be Declarant, 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 pursuant to Section 1. The Class B Member shall be entitled to elect a majority of the Board of Directors until such time that the last Lot within the Association owned by Declarant has been sold and conveyed by Declarant. Upon the transfer of title of any Lot from Declarant to an Owner other than to one of Declarant's subsidiaries or assigns, the Class B membership interest for that Lot shall automatically be converted to a Class A membership interest.

Notwithstanding any provision to the contrary, Declarant shall have the right to elect a majority of the Board of Directors of such Association until such time as Declarant no longer holds

the title to any Lot in the Committed Property.

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ARTICLE IV BOARD OF DIRECTORS

The affairs of the corporation shall be managed by the Board of Directors consisting of not less than three (3) nor more than seven (7) persons. Directors need not be Members of the corporation. The number of persons who are to serve initially on the Board of Directors until the first annual meeting thereof shall be three (3) and their names and addresses are as follows:

- 1) SCOTT DELANOY
P.O. Box 352118
Palm Coast, FL 32135
- 2) KATHY DELANOY
P.O. Box 352118
Palm Coast, FL 32135
- 3) JOHN COPSY
1500 Decatur Street
Holly Hill, FL 32117

The method of election of the Board of Directors is as stated in Article 11 of the By-Laws.

ARTICLE V OFFICERS

Section 1. Indemnity. The Association shall indemnify any person who was or is a party to any pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a Director, employee, officer or agent of the Association, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. However no indemnification shall be made in respect to any claim, issue or matter in which such person shall have been adjudged to be liable for gross negligence or misfeasance or malfeasance in the performance of his or her duty to the Association. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his

conduct was unlawful.

Section 2. Approval. Any indemnification under Section 1 above (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee or agent is proper under the circumstances because he or she has met the applicable standard of conduct set forth in Section 1 above. Such determination shall be made (a) by the Board of Directors by a majority vote of the Directors who were not parties to such action, suit or proceeding, or (b) if a majority of disinterested Directors so directs, by independent legal counsel in a written opinion or by a majority vote of the members.

Section 3. Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of said action if it is authorized by the Board of Directors in the specific case. Provided, the Board must first request an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association as authorized in this Article.

Section 4. Miscellaneous. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of Members or otherwise.

Section 5. Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Association, insuring against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE VII SUBSCRIBERS

The following person hereby subscribes to these Articles of Incorporation:

Scott DeLanoy

The office address of the subscriber is:

4 Old Kings Road North
Palm Coast, FL 32137

ARTICLE VIII BYLAWS

The Bylaws shall be adopted by the Board of Directors. Prior to the first annual meeting, the Bylaws may be amended, altered or rescinded by the unanimous vote of all Directors. As set forth in the Bylaws, the Bylaws may thereafter be adopted, amended, altered or rescinded only with the approval of not less than eighty (80%) percent of all the Directors or not less than fifty-five (55%) percent of the Members of the Association. Provided, that no amendment shall be effective which would affect the rights of the Class B Member without the approval of said Member.

The Bylaws shall include the time and place for annual meetings and for regular and special meetings, quorum requirements, the manner for electing directors and officers and voting requirements.

ARTICLE IX AMENDMENT OF ARTICLES

Section 1. Before Recording Declaration. Prior to the recording of the Declaration in the Public Records of Flagler County, Florida, these Articles may be amended only by an instrument in writing signed by all of the Directors and filed in the Office of the Secretary of State of the State of Florida. The instrument amending these Articles shall identify the particular Article or Articles being amended and a certified copy of each amendment shall be attached to any certified copy of these Articles and shall be an Exhibit to a Declaration upon recording of the Declaration.

Section 2. After Recording Declaration. When the Declaration has been recorded in the Public Records of Flagler County, Florida, these Articles may be amended by the following methods:

A. At a duly called meeting of the Board of Directors, which may be either the Annual Meeting, or a special meeting, by the affirmative vote of not less than eighty (80%) percent of all Directors;

B. At a duly called meeting of Members, which may be either the Annual Members Meeting, or a special meeting, by the affirmative vote of not less than seventy-five (75%) percent of the Members of the Association.

C. An Amendment may be adopted by a written statement signed by not less than eighty (80%) percent of all Directors or seventy-five (75%) percent of all Members setting forth their intention that an amendment to these Articles be adopted.

Section 3. Class B Approval. No amendment to these Articles shall be effective which would affect the rights of the Class B Member without the approval of such Member.

Section 4. Conflict. In case of any conflict between these Articles of Incorporation and the Bylaws, these Articles shall control; and in case of any conflict between these Articles of Incorporation and Declaration, the Declaration shall control.

ARTICLE X
INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of this Corporation is 4 Old Kings Road North, Palm Coast, Florida 32137, and the name of the initial registered agent of this Corporation is Richard Braunstein.

ARTICLE XI
DISSOLUTION

The Association may be dissolved, consistent with the applicable provisions of Florida Statutes, upon petition having the assent given in writing and signed by not less than three-fourths (3/4) of each class of Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be disposed of in accordance with the Declaration.

ARTICLE XII
NO STOCK OR DIVIDENDS

There shall be no dividends to any of the Members. This corporation shall not issue shares of stock of any kind or nature whatsoever.

The undersigned, being the subscriber hereto, does hereby subscribe to these Articles of Incorporation and in witness whereof has caused its duly qualified officers to execute this document and affix its corporate seal this 28 day of Oct, 1997.

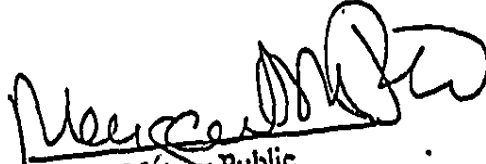
WITNESSES:

Morgan M. St.
Kathryn Sheehy

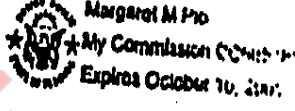
Scott DeLanoy

STATE OF FLORIDA
COUNTY OF FLAGLER

The foregoing instrument was acknowledged before me this 28 day of Oct 1997 by Scott DeLanoy, on behalf of the corporation. He is personally known to me and did not take an oath.


Notary Public

My Commission Expires:



Unofficial Copy

ACCEPTANCE BY REGISTERED AGENT

Having been named to accept service of process for the above stated corporation, at place designated in this certificate, I hereby accept the appointment in this capacity, and agree to comply with the provision of said Act relative to keeping open said office. I am familiar with, and accept, the obligations of a registered agent provided for in Chapter 617, Florida Statutes.

By: Richard Braunstein
(Registered Agent)

STATE OF FLORIDA)
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this day before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared Richard Braunstein to me known to be the person described therein, and he acknowledged before me that he executed the above Acceptance for the purposes therein expressed. He is personally known to me and did not take an oath.

WITNESS my hand and official seal in the County and State named above this 28 day of Oct, 1997.

Margaret M Pio
NOTARY PUBLIC

My Commission Expires:



**CERTIFICATE DESIGNATING PLACE OR BUSINESS OR DOMICILE
FOR THE SERVICE OF PROCESS WITHIN FLORIDA, NAMING
AGENT UPON WHOM PROCESS MAY BE SERVED**

IN COMPLIANCE WITH SECTION 48.091, FLORIDA STATUTES, THE FOLLOWING
IS SUBMITTED:

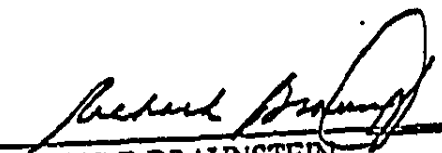
FIRST: THAT LAKE VIEW HOMEOWNERS ASSOCIATION AT PALM COAST,
INC., DESIRING TO ORGANIZE OR QUALIFY UNDER THE LAWS OF THE STATE OF
FLORIDA, WITH ITS PRINCIPAL PLACE OF BUSINESS AT 4 OLD KINGS ROAD NORTH,
PALM COAST, FLORIDA 32137, HAS NAMED RICHARD BRAUNSTEIN, LOCATED AT 4
OLD KINGS ROAD NORTH, PALM COAST, FLORIDA 32137, AS ITS REGISTERED AGENT
AND OFFICER TO ACCEPT SERVICE OF PROCESS WITHIN FLORIDA.


Scott DeLanoy, Subscriber

DATE: 10/28/97

FILED
97 OCT 20 AM 10:30
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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.


RICHARD BRAUNSTEIN
REGISTERED AGENT

Date: 10/28/97

BYLAWS OF
LAKE VIEW HOMEOWNERS ASSOCIATION AT PALM COAST, INC.

ARTICLE I
GENERAL

Section 1. Identity: The name of the corporation shall be LAKE VIEW HOMEOWNERS ASSOCIATION AT PALM COAST, INC., which is a corporation not for profit organized for the purpose of managing, operating and administering the Lake View Homeowners Association At Palm Coast, Inc. to be established on the real property more fully described in the Declaration and General Protective Covenants for Lake View Homeowners Association At Palm Coast, Inc. (hereinafter called "Declaration"), as recorded in the Public Records of Flagler County, Florida.

Section 2. The Principal Office: The initial principal office of the corporation shall be 4 Old Kings Road North, Palm Coast, Florida 32137, or at such other place as may be subsequently designated by the Board of Directors.

Section 3. Definitions: The terms contained in these Bylaws shall have the meaning of such terms set forth in the Declaration. "Association" as used herein shall mean and refer to the Lake View Homeowners Association At Palm Coast, Inc., a Florida corporation not for profit, its successors and assigns.

ARTICLE II
DIRECTORS

Section 1. Number and Term: The number of Directors which shall constitute the whole Board shall not be less than three (3) persons and may be increased from time to time by the members of the Board, provided the total number of members does not exceed seven (7). Directors need not be Members of the Association.

The initial Board of Directors shall be appointed by Declarant and shall hold office and exercise all powers of the Board of Directors until such time that they resign or are replaced by other Directors appointed by Declarant or are joined or replaced by Directors elected by the Members as follows:

At such time as Members other than Declarant own thirty (30%) percent or more of the Dwelling Units, the Members other than Declarant shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors of the Association.

Nevertheless, Declarant shall be entitled to elect a majority of the Board of Directors as long as it holds title to any portion of the Committed Property (as defined in the Declaration).

After the initial election of a Director to the Board by the Members, in accordance with the terms above, non-appointed Directors shall be elected at the annual meeting of the Members and each Director shall be elected to serve for the term of one (1) year or until his or her successor shall be elected and shall qualify.

Section 2. Removal: Except for any Directors appointed by Declarant, a Director may be removed from office with or without cause by the vote or agreement in writing of a majority of the Members. Provided, before any Director is removed from office, he or she shall be notified in writing that a motion to remove him or her will be made prior to the meeting at which said motion is made. Such Director shall be given an opportunity to be heard at such meeting, should he or she be present, prior to the vote of his or her removal.

A Director elected or appointed by Declarant may be removed at any time by Declarant, who shall thereupon designate the successor Director.

Section 3. Vacancy and Replacement: If the office of any Director or Directors other than Directors appointed by Declarant becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors, at a special meeting of Directors duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term. Any Director unable to attend said special meeting may vote by proxy or absentee ballot. The proxy or ballot shall be in writing and signed by the Director and, in addition, shall designate the person to vote the proxy. All proxies shall be filed with the President or Secretary of the Board of Directors prior to the special meeting.

If the office of any Director appointed by Declarant becomes vacant, Declarant shall thereupon designate the successor Director.

Section 4. Powers: The property and business of the corporation shall be managed by the Board of Directors which may exercise all corporate powers not specifically prohibited by law, the Declaration, the Articles of Incorporation or these Bylaws. These powers shall specifically include, but not be limited to, the following:

- a. To levy upon the Members assessments as are necessary for anticipated current Operating Expenses of the Association. The Board of Directors may increase the assessments or vote a special assessment in excess of that amount, if required, to meet any necessary additional expenses, but said increase can only be made in accordance with the Articles of Incorporation, the Declaration or these Bylaws.
- b. To use and expend the assessments collected to maintain, care for and preserve the Common Area as provided in the Declaration or to otherwise carry out the intent of the Declaration;
- c. To pay taxes and assessments levied and assessed against any real property the Association might own and to pay for such equipment and tools, supplies and other personal property purchased for use in such maintenance, care and preservation;

- d. To repair, alter or replace any Association facilities, machinery or equipment;
- e. To insure and to keep insured the Association owned property against loss from public liability and to carry such other insurance as the Board of Directors may deem advisable; and, in the event of damage or destruction of real property, real or personal, covered by such insurance, to use the proceeds for repairs and replacement, all in accordance with the provisions of the Declaration;
- f. To collect delinquent assessments by suit or otherwise; to abate nuisances; and to enjoin or seek damage from Owners for violations of the Declaration, the Articles of Incorporation, these Bylaws or any Rules and Regulations adopted by the Board of Directors;
- g. To employ such personnel, make such purchases and enter into such contracts as may be necessary or desirable in carrying out the operation and management of the Association.
- h. To make, amend and repeal Rules and Regulations governing the operation, maintenance and management of the Association.
- i. To open bank accounts and to borrow money on behalf of the Association and to designate the signatories to such bank accounts.
- j. To enter into contracts for the management, maintenance and operation of the Association property.
- k. To bring and defend actions by or against one or more Members as to matters relating to the Association and to assess the Members for the cost of such litigation.
- l. The Board of Directors may, by Resolution passed by a majority of the whole Board, designate one or more committees or Members, each of such committees to consist of at least one (1) Director, which, to the extent provided in said Resolution, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Association and may have power to sign all papers which may be required, provided the Resolution shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by Resolution adopted by the Board of Directors, shall keep regular minutes of their proceedings and shall report to the Board as required by the Board
- m. Notwithstanding anything to the contrary contained in these Bylaws, so long as Declarant or its designee shall own any membership interest in the Association, the Board may not, without Declarant's prior written consent, (i) make any addition, alteration or improvement to the Committed Property, or (ii) assess any charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, or (iii) hire any employee when it results in a greater number of employees employed by the Association than in its prior fiscal year, or (iv) enter into any service or maintenance contract for work not being performed by the Association in its prior fiscal year, or (v) borrow money on behalf of the Association, or (vi) reduce the services performed by the

Association in its prior fiscal year, or (vii) amend these Bylaws, the Articles of Incorporation or the Declaration of Covenants and Restrictions.

Section 5. Compensation: Directors and officers shall serve without compensation.

Section 6. Meetings.

a. The first meeting of each Board after election by the Members of new Directors shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present or as soon thereafter as may be practicable. The annual meeting of the Board of Directors shall be held at the same place as the annual Members' meeting and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board shall be set.

b. Regular meetings of the Board shall be held quarterly at such time and place as the Board shall fix from time to time.

c. Special meetings of the Board may be called by the President on two (2) days notice to each Director either personally, by mail or facsimile. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least two (2) Directors.

d. Meetings of the Board shall be open to all Members.

e. At all meetings of the Board, a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law, by the Declaration, by the Articles of Incorporation or these Bylaws. If a quorum shall not be present in any meeting of Directors, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

f. Any member of the Board, or the President, may call a meeting, without notice, for the purpose of considering any matter deemed to be an emergency.

g. Any meeting of the Board may be held by a telephone conference call during which each member may hear and be heard by all other members.

h. The joinder of a member of the Board in the action of a meeting may be by signing and concurring in the minutes of the proceedings of the Board. Such consent shall have the same effect as a unanimous vote.

i. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and of notice by him of the time and place thereof. If all Directors

are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 7. Annual Statement: The Board shall present at the annual Members' meeting, and when called for by a vote of the Members at any special meeting of the Members, a full and clear statement of the business and condition of the Association, including an account of the financial transactions during the preceding fiscal year.

The Association shall maintain accounting records according to good accounting practices, which shall be open to inspection by Dwelling Unit Owners or their authorized representatives at reasonable times. Written summaries of said records shall be supplied at least annually to Dwelling Unit Owners or their authorized representatives.

ARTICLE III OFFICERS

Section 1. Elective Offices: The officers of the Association need not be Members of the Association. They shall be chosen by the Directors and shall be a President, a Vice President and a Secretary/Treasurer. The Board of Directors may also choose one or more additional vice presidents, assistant secretaries, assistant treasurers, or other officers. No more than one Owner in each Dwelling Unit may be an officer at any one time.

Section 2. Time of Election: The Board of Directors at its first meeting after each annual meeting of general Members shall elect officers, none of whom, excepting the President, need be a Director.

Section 3. Appointive Offices: The Board may appoint such officers and agents as it shall deem necessary. Such officer and agents shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term: The officers of the Association shall hold office for a period of one (1) year or until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors shall serve at the pleasure of the Board and may be removed, at any time by the affirmative vote of a majority of the whole Board. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board.

Section 5. The President and Vice President:

a. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Members, shall be ex-officio member of all standing committees, shall have general and active management of the business of the Association and shall see that all orders and resolutions of the Board are carried into effect. The President shall be a member of the Board of

Directors.

b. He shall have the authority to execute bonds, mortgages, and other contracts except when otherwise prohibited by law or expressly delegated by the Board of Directors to another officer or agent of the Association.

c. In the absence of the President, the Vice President shall perform the duties of the President.

Section 6. The Secretary:

a. The Secretary shall attend all sessions of the Board and all meetings of the Members and record all votes and the minutes of all proceedings in a book to be kept for that purpose. The Secretary shall perform like duties for the standing committees when required. The minutes book shall be kept in a businesslike manner and shall be available for inspection by Dwelling Unit Owners and the Board of Directors. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or the President under whose supervision he or she shall serve. He or she shall keep in safe custody the seal of the Association, and, when authorized by the Board, shall affix the same to any instrument requiring it; and, when so affixed, the seal shall be attested by his or her signature or by the signature of the Secretary/Treasurer.

b. Assistant Secretaries, in order of their seniority, shall, in the absence or disability of the Secretary, perform the duties and exercise the power of the Secretary and shall perform such other duties as the Board of Directors shall prescribe.

Section 7. Treasurer and Assistant Treasurer:

a. The Treasurer shall have the custody of the Association funds and securities and shall keep full and accurate accounts of the receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board.

b. The Treasurer shall disburse the funds of the Association as may be ordered by the Board, making proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meeting of the Board, or whenever they may require it, an account of all transactions by the Treasurer and of the financial condition of the Association.

c. Assistant Treasurers, in the order of their seniority, shall, in the absence or disability of the Treasurer, perform the duties, exercise the powers and assume the obligations of the Treasurer and shall perform such other duties as the Board shall prescribe.

Section 8. Bonding of Corporate Officers: The President and Secretary/Treasurer shall be bonded in an amount to be determined by the Board with a fiduciary bonding company licensed and authorized to transact business in the State of Florida. The cost of the premium for this bond shall

be paid by the Association.

Section 9. Indemnification of Corporate Officers: Every Director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement to which he may be a party or in which he may become involved by reason of his being or having been an officer or Director of the Association whether or not he is a Director or officer at the time such expenses are incurred. However in such cases where the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all rights to which such officer or Director may be entitled.

ARTICLE IV MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership: Membership in the Association shall be limited to record Owners of the Dwelling Units or lots as further defined herein and in Article III of the Articles of Incorporation of this Association and Article III of the Declaration. Transfer of ownership, either voluntary or by operation of law, shall terminate membership in the Association and said membership shall become titled in the transferee. If ownership is titled in more than one person, the composite title holder shall be and constitute one Member for voting purposes; however, all of the persons so owning said Dwelling Unit shall be Members eligible to hold office and attend meetings in accordance with these Bylaws.

Section 2. Rights and Obligations: The rights of membership are subject to the payment of assessments levied by the Association as provided in the Declaration. No Member shall have any vested right, interest or privilege in or to the assets, functions, affairs or facilities of the Association.

Section 3. Rules and Regulations: All present and future Members shall be subject to these Bylaws and to the rules and regulations issued by the Association to govern the conduct of its Members.

Section 4. Voting:

a. As set forth in the Declaration and in Article III of the Articles of Incorporation, the Owner(s) of each Dwelling Unit or lot other than Declarant shall be entitled to one (1) vote per Dwelling Unit or lot. If an Owner other than Declarant owns more than one (1) Dwelling Unit or lot, he or she shall be entitled to one (1) vote for each Dwelling Unit or lot owned. Declarant shall be entitled to ten (10) votes for each Dwelling Unit owned, as set forth in the Articles of Incorporation.

b. A majority of the Owners' total votes present in person or by written proxy or absentee

ballot, at any meeting at which a quorum is present shall decide any questions, unless the Declaration, the Bylaws, or Articles of Incorporation of the Association provides otherwise.

Section 5. Proxies and Absentee Ballots: Votes may be cast in person, by absentee ballot or by proxy. All proxies and absentee ballots shall be in writing on forms approved by the Board of Directors and signed by the person entitled to vote (as set forth below in Section 6), shall be filed with the Secretary prior to the meeting in which they are to be used and shall be valid only for the particular meeting designated therein. Proxies shall also designate the person to vote the proxy and such person must be a "Voting Member" as such term is hereinafter defined. When a Dwelling Unit or lot is owned jointly by a husband and wife, and if they have not designated one of them as a Voting Member, a proxy must be signed by both husband and wife when a third person is designated. No one person, other than Declarant, shall be designated to hold more than five (5) proxies for any purpose.

Section 6. Designation of Voting Member: If a Dwelling Unit or lot is owned by one person, his right to vote shall be established by the recorded title to the Dwelling Unit or lot. If a Dwelling Unit or lot is owned by more than one person, the person entitled to cast the vote for the Dwelling Unit or lot shall be designated in a certificate signed by all of the record Owners of the Dwelling Unit or lot and filed with the Secretary of the Association. If a Dwelling Unit or lot is owned by an association or corporation, the officer or employee thereof entitled to cast the vote for the association or employee shall be designated in a certificate for this purpose, signed by the President or Vice President, attested to by the Secretary or Assistant Secretary of the association or corporation and filed with the Secretary of the Association. If a Dwelling Unit or lot is owned by any other legal entity, the certificate shall be signed by any party permitted by law to execute documents on behalf of such entity. The person designated in such certificate who is entitled to cast the vote for a Dwelling Unit or lot shall be known as the "Voting Member." If such a certificate is not on file with the Secretary of the Association for a Dwelling Unit or lot owned by more than one person or by any legal entity, the vote of the Dwelling Unit or lot concerned shall not be considered in determining the requirement for a quorum or for any purpose requiring the approval of a person entitled to cast the vote for the Dwelling Unit or lot, except if said Dwelling Unit or lot is owned by a husband and wife. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until there is a change in the ownership of the Dwelling Unit or lot concerned. If a Dwelling Unit or lot is owned jointly by a husband and wife, the following three provisions are applicable thereto:

- a. They may, but they shall not be required to, designate a Voting Member.
- b. If they do not designate a Voting Member, and if both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting. As previously provided, the vote of a unit is not divisible.
- c. When they do not designate a Voting Member, and only one is present at a meeting, the person present may cast the vote individually, without establishing the concurrence of the absent person.

ARTICLE V
MEETINGS OF MEMBERSHIP

Section 1. Place: All meetings of the Association membership shall be held at the office of the Association or may be held at such place and time as stated in the notice.

Section 2. Annual Meeting:

a. Regular annual meetings of the Members shall be held each fiscal year at such time, date and place as shall be determined by the Board of Directors.

b. All annual meetings shall be held at such hour as the Board of Directors may determine.

c. At the annual meeting, the Members shall elect a Board of Directors as provided by these Bylaws and transact such other business as may properly be brought before the meeting.

d. Written notice of the annual meeting shall be served upon or mailed via regular mail to each Member entitled to vote at such address as appears on the books of the Association at least fourteen (14) days prior to the meeting. Notice of the annual meeting shall be posted at a conspicuous place on the Association property at least fourteen (14) days prior to the meeting.

Section 3. Special Meetings of Members:

a. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by law or by the Articles of Incorporation, may be called by the President and shall be called by the President or Secretary at the request in writing of not less than one-fourth (1/4) of the membership entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

b. Written notice of a special meeting of Members stating the time, place and subject matter shall be served upon or mailed, via regular mail, to each Member entitled to vote at such address as appears on the books of the Association at least five (5) days before such meeting.

c. Business transacted at all special meetings shall be confined to the subject matter stated in the notice thereof.

Section 4. Quorum: Fifty-one percent (51%) of the total number of Members entitled to vote in the Association present in person or represented by written proxy or absentee ballot shall be requisite to an shall constitute a quorum at all meetings of the Members for the transaction of business, except as otherwise provided by law, by the Articles of Incorporation, the Declaration or by these Bylaws. If, however, such quorum shall not be present or represented at any meeting of the Members, the Members entitled to vote who are present in person or represented by written proxy or absentee ballot shall have the power to adjourn the meeting for not less than one (1) hour until a

quorum shall be present or represented.

Section 5. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Members entitled to vote, present in person or represented by written proxy or absentee ballot, shall decide any question brought before such meeting unless the question is one upon which, by express provision of law, the Articles of Incorporation, the Declaration or these Bylaws, a different vote is required, in which case, the express provision shall govern and control the decision of such question.

Section 6. Right to Vote: At any meeting of the Members, every Member having the right to vote shall be entitled to vote in person or by proxy or absentee ballot. Such proxy or absentee ballot shall only be valid for such meeting or adjournments thereof, must be in writing, signed by the Member and filed with the Secretary prior to the meeting.

Section 7. Waiver and Consent: Whenever the vote of Members at a meeting is required or permitted by any provision of law, the Declaration, the Articles or these Bylaws to be taken in connection with any action of the Association, the meeting and vote of Members may be dispensed with if all the Members who would have been entitled to vote upon the action if such meeting were held shall consent in writing to such action being taken.

Section 8. Rules of Procedure: Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with law, the Articles, the Declaration, or these Bylaws.

ARTICLE VI NOTICES

Section 1. Definition: Whenever under law the Articles, these Bylaws or the Declaration notice is required to be given to any Director or Member, it shall not be construed to mean personal notice; but, such notice may be given in writing, by mail, or by depositing the same in a post office or letter box. Mailed notices shall be in a postpaid, sealed wrapper, addressed to such Director or Member at such address as appears on the books of the Association.

Section 2. Service of Notice Waiver: Whenever any such notice is required to be given, a waiver in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VII FINANCES

Section 1. Fiscal Year: The fiscal year shall be fixed by Resolution of the Board of Directors and may be a calendar year, beginning on the first day of January in each year.

Section 2. Checks: All checks or drafts for money and notes of the Association shall be signed by any two of the following officers: President, Vice President, Secretary/Treasurer or by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 3. Assessments:

a. The Board of Directors of the Association shall, from time to time, at regular meetings or special meetings called for this purpose, fix and determine the sum or sums necessary and adequate for the continued operation of the Association. The Board shall determine the total amount required, including the Operating Expenses such as taxes on Association property, insurance, repairs, maintenance, operating capital, reserves for deferred maintenance, other reserves, expenses and expenses designated as Operating Expenses from time to time by the Board of Directors of the Association or under the provisions of the Declaration. The total annual Operating Expenses shall be assessed as a single sum against all Dwelling Units and lots in the Association and prorated equally to each of the Dwelling Units and lots as described herein, as further specified in the Declaration. The assessments shall be payable quarterly in advance or as otherwise ordered by the Board. Special assessments, should such be required, shall be levied and paid in the same manner as hereinbefore provided for regular assessments. The Owner agrees to pay promptly when due all assessments assessed against his or her Dwelling Unit or lot. Delinquent assessments will bear interest and late charges as set forth in the Declaration. No Member shall be personally liable for any debts of the Association whatsoever; however, Dwelling Unit and lot Owners are personally liable for unpaid assessments as further set forth in the Declaration.

b. So long as Declarant is in control of the Board of Directors, the Board shall not impose an assessment which exceeds the previous year's assessment by more than 25% without approval of a majority of the Dwelling Unit Owners. In determining whether assessments exceed assessments in prior years by 25%, there shall be excluded in the computation any provision for reasonable reserves made by the Board of Directors with respect to repair or replacement of Association property, expenses by the Association which are not anticipated to be incurred on a regular or annual basis, assessments for betterments to the Association property or reserves or assessments for betterments to be imposed by the Board of Directors.

Section 4. Accounts: There shall be established and maintained such bank account or accounts as the Board of Directors shall deem advisable into which shall be deposited all assessments as fixed and determined for all Dwelling Units. Disbursements from said accounts shall be for the general needs of the Association, including, but not limited to, wages, repairs, betterments, maintenance and other expenses of the property of the Association.

Section 5. Association Expenses: The expenses for which the Members shall be liable as set forth in the Declaration shall be those costs and expenses deemed necessary or desirable by the Association for the operation and maintenance of the Association, including the Operating Expenses.

**ARTICLE VIII
ENFORCEMENT**

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The Association, by direction of the Board of Directors, shall have the right to enforce by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations and liens now or hereafter imposed by the Declaration, the Articles, these Bylaws or any Rules and Regulations of the Association.

**ARTICLE IX
PARAMOUNT RIGHTS OF DECLARANT**

All of the applicable terms and provisions of these Bylaws shall be subject to any sections of the Declaration, Articles or Bylaws regarding rights and powers of Declarant, which rights and powers shall be deemed paramount to the applicable provisions of these Bylaws.

**ARTICLE X
ACQUISITION OF DWELLING UNITS OR LOTS**

At any foreclosure sale of a Dwelling Unit or lot, the Board of Directors may, with the authorization and approval by the affirmative vote of Members casting not less than sixty-six and two-thirds (66-2/3%) percent of the authorized votes of the Members, present in person or by proxy or absentee ballot, at any regular or special meeting of the Members, acquire, in the name of the Association, or its designees, a Dwelling Unit or lot being foreclosed. The term "foreclosure," as used in this Article, shall mean and include any foreclosure of any lien, excluding the Association's lien for assessments. The power of the Board of Directors to acquire a Dwelling Unit or lot at any foreclosure sale shall never be interpreted as a requirement or obligation on the part of said Board of Directors or of the Association to do so at any foreclosure sale, the provisions hereof being permissive in nature and for the purpose of setting forth a power of the Board of Directors to do so should the requisite approval of the Members be obtained. The Board of Directors shall not be required to obtain the approval of Owners at the foreclosure sale of a Dwelling Unit or lot due to the foreclosure of the Association's lien for assessment under the provisions of the Declaration, notwithstanding the sum that the Board of Directors determines to bid at such foreclosure sale.

**ARTICLE XI
SEAL**

The seal of the Association shall have inscribed thereon the name of the Association, the year of its organization, and the words "not for profit." Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or in any other form evidencing the intent of the signing officer or officers to have the effect of the corporate seal.

ARTICLE XII

AMENDMENT

Until the first annual meeting of the membership of the Association, the Board of Directors shall have full power without membership approval or vote to amend, alter or rescind these Bylaws by unanimous vote of all the Directors. Thereafter, these Bylaws may be amended in the following manner as well as in the manner elsewhere provided:

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

Section 2. Resolution: A Resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the Members entitled to vote. Directors and Members not present at the meeting considering the amendment may express their approval in writing. Except as elsewhere provided, such approval must not be less than eighty percent (80%) of all Directors or by not less than fifty-five percent (55%) of all of the Members entitled to vote who are either present or voting by proxy or absentee ballot.

Section 3. Agreement: In the alternative, an amendment may be made by an agreement executed by all Members of the Association.

Section 4. Proviso: No amendment to these Bylaws shall be passed which would operate to impair or prejudice the rights of the

Declarant nor any Institutional Mortgagee. No amendment shall discriminate against any Dwelling Unit Owner or lot nor against any class or group unless the Dwelling Unit or lot Owners so affected shall consent; and no amendment shall increase the Owner's proportionate share of the Operating Expenses unless the record Owner of the Dwelling Unit or lot concerned and all record Owners of Mortgages thereon shall join in the execution of the amendment.

ARTICLE XIII
MISCELLANEOUS

Section 1. Construction: The definitions of particular words and phrases contained in the Declaration shall apply to such words and phrases when used in these Bylaws. In case of any conflict between the Articles and these Bylaws, the Articles shall control, and in case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 2. Severability: Should any provisions of these Bylaws be void or unenforceable in law or in equity, the remaining provisions shall, nevertheless, be and remain in full force and effect.

Section 3. Subordination: Any lien or other encumbrance upon or against a Dwelling Unit or lot or portion of the Committed Property in favor of the Association is hereby declared to be, and shall be, subject, subordinate and inferior to the lien of any mortgage encumbering such Dwelling Unit

or lot or portion of the Committed Property when such mortgage is made by an Institutional Mortgagee, regardless of whether such mortgage was made or recorded before or after the aforesaid lien or encumbrance of the Association.

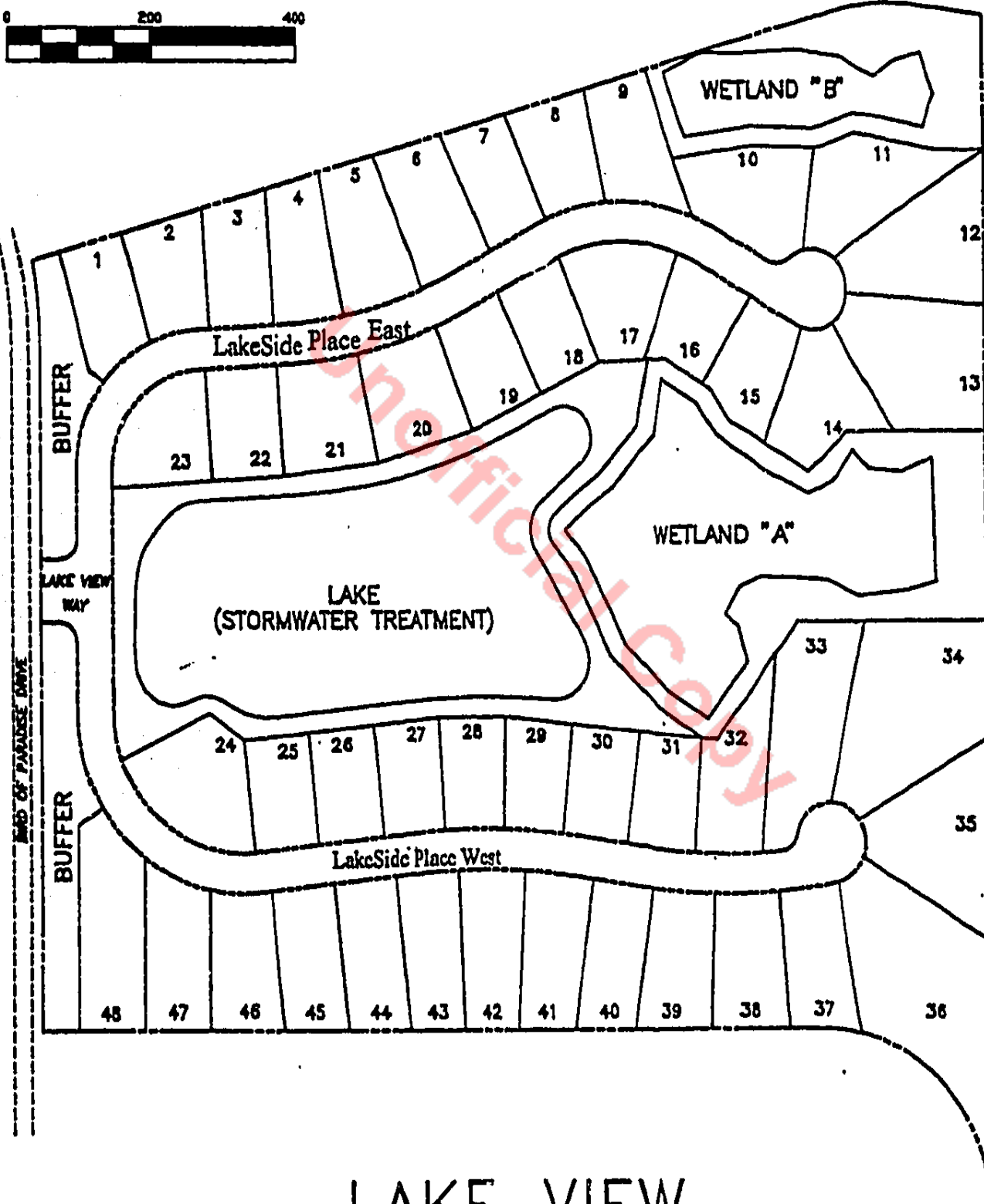
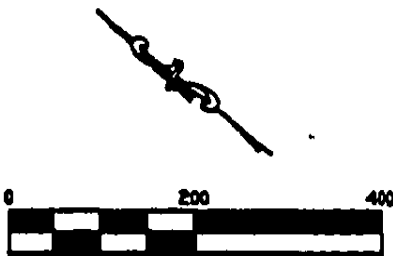
Section 4. Rules and Regulations: The Board of Directors shall have the power to promulgate rules and regulations which shall govern the use of the Association property. Such rules and regulations may be amended, altered, or changed by the Board from time to time.

The foregoing were adopted by the Board of Directors as the Bylaws of LAKE VIEW HOMEOWNERS ASSOCIATION AT PALM COAST, INC., this _____ day of _____, 1997.

LAKE VIEW HOMEOWNERS ASSOCIATION AT PALM COAST, INC.

By: _____, President

Attest: _____, Secretary



LAKE VIEW
GENERAL DEVELOPMENT PLAN
8-26-97