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**DECLARATION OF COVENANTS, RESTRICTIONS AND
EASEMENTS FOR LAKE WASHINGTON TOWNHOMES**

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DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR LAKE WASHINGTON TOWNHOMES

THIS DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS ("Declaration") is made this 19th day of October, 2006 by D.R. HORTON, INC.-JACKSONVILLE, a Delaware corporation, its successors and assigns ("Declarant"), and is joined in by LAKE WASHINGTON HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit ("Association").

WHEREAS, Declarant is the owner in fee simple of the real property more particularly described on Exhibit "A" attached hereto and made a part hereof ("Property");

WHEREAS, Declarant desires to develop a planned residential community to be known as "Lake Washington Townhomes" (as hereinafter defined); and

WHEREAS, in order to develop and maintain Lake Washington Townhomes as a planned residential community and to preserve the values and amenities of such community, it is necessary to declare, commit and subject the Property (as hereinafter defined) and the improvements now or hereafter constructed thereon to certain land use covenants, restrictions, reservations, regulations, burdens, liens, and easements; and to delegate and assign to the Association certain powers and duties of ownership, administration, operation, maintenance and enforcement; and

WHEREAS, the Association is joining in this Declaration in order to acknowledge its duties, responsibilities and obligations hereunder.

NOW, THEREFORE, in consideration of the premises and covenants herein contained, Declarant hereby declares that the Property shall be owned, held, used, transferred, sold, conveyed, demised and occupied subject to the covenants, restrictions, easements, reservations, regulations, burdens and liens hereinafter set forth, all of which shall run with the Property and any part thereof and which shall be binding upon all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns.

ARTICLE I DEFINITIONS

The terms used in this Declaration shall be defined as set forth herein unless expressly provided otherwise.

Section 1. "AMENDMENT(S)" shall mean any and all amendments to this Declaration, all of which shall be consecutively numbered beginning with the "First Amendment to the Declaration of Covenants, Restrictions and Easements for Lake Washington Townhomes" and each of which shall be properly adopted pursuant to the terms of the Lake Washington Townhomes Documents and recorded in the Public Records of the County; provided, however, the failure to so consecutively number such amendments shall not impair their validity hereunder and such amendments to the extent not otherwise numbered will be deemed to have been numbered in chronological order of their appearance in the Public Records of the County. "Amendment(s)" shall also mean any and all amendments to any Supplemental Declaration, as recorded in the Public Records of the County.

Section 2. "AREAS OF COMMON RESPONSIBILITY" shall mean and refer to those areas, if any, which by contract or agreement with any other Person is or hereafter becomes the responsibility, in whole or in part, of the Association. In addition, any public rights-of-way abutting the Property may (at the election of the Board) be deemed to be part of the Area(s) of Common Responsibility.

Section 3. "ARCHITECTURAL CONTROL COMMITTEE" or "COMMITTEE" shall mean the committee created pursuant to Article VIII hereof.

Section 4. "ARTICLES" shall mean the Amended and Restated Articles of Incorporation of the Association which have been filed in the Office of the Secretary of State of the State of Florida, a true copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference, as such Articles may be amended from time to time.

Section 5. "ASSESSMENT" shall mean assessments for which all Owners are obligated to the Association and includes "Individual Home Assessments" and "Special Assessments" (as such terms are defined in Article VII hereof) and any and all other assessments which are levied by the Association in accordance with the Lake Washington Townhomes Documents.

Section 6. "ASSOCIATION" shall mean and refer to LAKE WASHINGTON HOMEOWNERS ASSOCIATION, INC., a not-for-profit Florida corporation, its successors and assigns, existing pursuant to the Articles of Incorporation, filed in the Office of the Secretary of State of the State of Florida on April 5, 2006 as amended by any amendments thereto, and which Association is responsible for the ownership, administration, operation, maintenance, preservation, enforcement and architectural control of Lake Washington Townhomes as provided in this Declaration. The "Association" is NOT a condominium association and is not intended to be governed by Chapter 718, the Condominium Act, Florida Statutes.

Section 7. "ASSOCIATION PROPERTY" shall mean such portions of the Property which are not included in any Lot, except those areas dedicated or to be dedicated to the public by the Plat, and which are or shall be owned and maintained by the Association, as set forth in this Declaration and/or the Plat, for the common use and enjoyment of the Owners within Lake Washington Townhomes, including, without limitation, landscaping, open spaces, private drives, roadways, sidewalks, monument signs, fountains, recreation areas, retention areas, irrigation facilities, decorative signs, perimeter fences, gates, gatehouses, entry or other lighting, if any, buffer tracts but excluding any public utility installations thereon, the Surface Water and Stormwater Management System, including lakes, retention areas, preserved wetlands and uplands, and all portions of any "Community Systems" (as hereinafter defined). In addition, such portions of the Property as are declared to be Association Property in any Supplemental Declaration, less whatever portions of the Property are declared to be withdrawn from the provisions of this Declaration in any Supplemental Declaration, shall be Association Property. Association Property shall also be deemed to include easements granted for the benefit of the Association. The mention of such improvements shall not be deemed a representation by Declarant that any such improvements shall exist.

Section 8. "BACKYARD AREA" shall mean the area located at the rear of a Home.

Section 9. "BOARD" shall mean the board of directors or other legally recognized

governing body of the Association.

Section 10. "BYLAWS" shall mean the Amended and Restated Bylaws of the Association, which have been or will be adopted by the Board, a copy of which is attached hereto as Exhibit "C" and incorporated herein by this reference, as such Bylaws may be amended from time to time.

Section 11. "COMMUNITY SYSTEMS" shall mean and refer to any and all television (cable, satellite or otherwise), telecommunication, internet access, alarm/monitoring, utility or other lines, conduits, wires, satellites, amplifiers, towers, antennae, equipment, materials, installations and fixtures (including those based on, containing or serving future technological advances not now known) installed by Declarant, an affiliate of Declarant, any other entity in which Declarant or an affiliate of Declarant may have an interest (financial or otherwise), or any third party expressly granted the rights by Declarant to provide Community Systems within the Property, or pursuant to any grant of easement or authority by Declarant and serving the Association Property and/or more than one Lot.

Section 12. "COUNTY" shall mean Brevard County, Florida.

Section 13. "DECLARANT" shall mean and refer to D.R. Horton, Inc.-Jacksonville, a Delaware corporation, and any successor or assign thereof to which D.R. Horton, Inc.-Jacksonville specifically assigns all or part of the rights of Declarant hereunder by an express written assignment, whether recorded in the Public Records of the County or not. The written assignment may give notice as to which rights of Declarant are to be exercised and as to which portion of the Property. In any event, any subsequent declarant shall not be liable for any default or obligations incurred by any prior declarant, except as may be expressly assumed by the subsequent declarant. An Owner shall not, solely by the purchase of a Home and/or Lot, be deemed a successor or assign of Declarant under the Lake Washington Townhomes Documents unless such Owner is specifically so designated as a successor or assign of such rights in the instrument of conveyance or any other instrument executed by Declarant.

Section 14. "DECLARATION" shall mean this instrument as it may be amended from time to time, together with any Supplemental Declaration(s) or Amendments thereto, which may be recorded amongst the Public Records.

Section 15. "DIRECTOR" shall mean a member of the Board.

Section 16. "HOME" shall mean one (1) of two hundred eighty-eight (288) attached two (2)-story residential dwelling units contained in fifty-three (53) buildings ("Building[s]") constructed or to be constructed within Lake Washington Townhomes, each of which is designed and intended for use and occupancy as a single-family residence. The term Home shall include the Lot as provided in Article 1, Section 26, provided however that no portion of any Community System, even if installed in a Home, shall be deemed to be a part of a Home unless and until same is made such pursuant to Article II, Section 7 hereof, if at all.

Section 17. "HOA ACT" shall mean and refer to the homeowners' association act, Chapter 720, Florida Statutes, as amended through the date of recording this Declaration amongst the Public Records of the County.

Section 18. "IMPROVEMENT" shall mean all structures or artificially created conditions and appurtenances thereto of every type and kind located within Lake Washington Townhomes, including, but not limited to, Buildings, walkways, parking areas, berms, fountains, sprinkler pipes, gates, gatehouses, drives, roadways, driveways, retaining walls, fences, underground footers and other foundation supports, stairs, landscaping, hedges, plantings, pools, patios, screen enclosures, signs, perimeter walls, benches, mailboxes, decorative street lights and signs.

Section 19. INSTITUTIONAL MORTGAGE shall mean a mortgage held by an Institutional Mortgagee on any property within Lake Washington Townhomes.

Section 20. "INSTITUTIONAL MORTGAGEE OR INSTITUTIONAL LENDER" shall mean any lending institution owning a first mortgage encumbering any Home or Lot within Lake Washington Townhomes, which owner and holder of said mortgage shall either be a bank, life insurance company, federal or state savings and loan association, real estate or mortgage investment trust, building and loan association, mortgage banking company licensed to do business in the State of Florida, or any subsidiary thereof, licensed or qualified to make mortgage loans in the State of Florida or a national banking association chartered under the laws of the United States of America or any "secondary mortgage market institution," including the Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), Federal Home Loan Mortgage Corporation ("FHLMC") and such other secondary mortgage market institutions as the Board shall hereafter approve in writing; any and all lenders, and the successors and assigns of such lenders, which have loaned money to Declarant and which hold a mortgage on any portion of the Property securing any such loan; any pension or profit-sharing funds qualified under the Internal Revenue Code; the Veterans Administration ("VA"), the Federal Housing Administration ("FHA") or the Department of Housing and Urban Development ("HUD") or such other lender as is generally recognized in the community as an institutional lender; or Declarant, its successors and assigns.

Section 21. "INTEREST" shall mean the maximum nonusurious interest rate allowed by law on the subject debt or obligation, and if no such rate is designated by law, then eighteen percent (18%) per annum.

Section 22. "LAKE WASHINGTON TOWNHOMES" shall mean that planned residential development located in the County, which encompasses the Property and is intended to comprise two hundred eighty-eight (288) attached two (2)-story Homes located or to be located in fifty-three (53) Buildings together with the Association Property, but is subject to change in accordance with this Declaration.

Section 23. "LAKE WASHINGTON TOWNHOMES DOCUMENTS" shall mean in the aggregate this Declaration, the Articles and the Bylaws and all of the instruments and documents referred to therein, including, but not limited to, any Amendment(s) and Supplemental Declaration(s).

Section 24. "LEGAL FEES" shall mean: (i) all fees for attorney and paralegal services incurred in connection with negotiations, mediation, arbitration, litigation or preparation for same (whether or not such an action is actually begun) through and including all trial and appellate levels and post-judgment or collection proceedings; and (ii) all costs incurred with

respect to the matters set forth in (i), above.

Section 25. "LOT" shall mean and refer to any parcel of land within Lake Washington Townhomes as shown on the Plat upon which a Home is permitted to be constructed, together with the Improvements thereon, and any portion of the Property within Lake Washington Townhomes that is declared to be a Lot by a Supplemental Declaration, provided however, that no portion of any Community System shall be deemed to be part of a Lot unless and until same is made such pursuant to Article II, Section 7 hereof, if at all. Upon completion of construction of a Home on a Lot, such Lot and the Improvements thereon shall collectively be considered to be a Home for purposes of this Declaration and the Lake Washington Townhomes Documents.

Section 26. "MEMBERS" shall mean and refer to all of the Owners who are also members of the Association, as provided herein.

Section 27. "NOTICE AND HEARING" shall mean written notice and a public hearing before a tribunal appointed by the Board at which the Owner concerned shall have an opportunity to be heard in person or by counsel, at Owner's expense, in the manner set forth in Article X herein.

Section 28. "OPERATING EXPENSES" shall mean the expenses for which Owners are liable to the Association as described in this Declaration and any other Lake Washington Townhome Documents and include, but are not limited to, the costs and expenses incurred by the Association in administering, operating, maintaining, financing, insuring or repairing the Common Structural Elements (as defined and discussed in Article II, Section 5 hereof), the costs and expenses incurred by the Association in owning, administering, operating, maintaining, financing, or repairing, but not reconstructing, replacing or improving, the Association Property or any portion thereof and Improvements thereon and all costs and expenses incurred by the Association in carrying out its powers and duties hereunder or under any other Lake Washington Townhome Documents.

Section 29. "OWNER" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot within Lake Washington Townhomes, and includes Declarant for as long as Declarant owns fee simple title to a Lot, but excluding therefrom those having such interest as security for the performance of an obligation.

Section 30. "PLAT" shall mean and refer to the plat of LAKE WASHINGTON TOWNHOMES as recorded in Plat Book 56, Page 40, of the Public Records of the County.

Section 31. "PROPERTY" shall mean and refer to that certain real property heretofore described in Exhibit "A" submitted to this Declaration; provided, however, Declarant reserves the right to withdraw from the provisions hereof such portion or portions of the Property as Declarant from time to time elects, upon the execution by Declarant of a Supplemental Declaration.

Section 32. "SITE PLAN" shall mean and refer to the site plan for the Property attached hereto and made a part hereof as Exhibit "E."

Section 33. "ST. JOHNS RIVER WATER MANAGEMENT DISTRICT" OR "DISTRICT" shall mean and refer to the St. Johns River Water Management District. As used herein and the

other Lake Washington Townhomes Documents, "District" shall also mean and refer to the City of Melbourne and its respective assignees or designees.

Section 34. "ST. JOHNS RIVER WATER MANAGEMENT DISTRICT PERMIT" OR "DISTRICT PERMIT" shall mean that certain permit issued by the St. Johns River Water Management District affecting the Property, a copy of which is attached as Exhibit "D" hereto and made a part hereof, as same may be amended or modified from time to time.

Section 35. "SUPPLEMENTAL DECLARATION" shall mean any instrument executed by Declarant with respect to Declarant's reserved right to withdraw from the provisions hereof such portion or portions of the Property as Declarant from time to time elects (provided Declarant is the owner thereof), which, when recorded in the Public Records of the County, shall withdraw such property from the provisions of this Declaration, and shall be the only method of withdrawing such property from the provisions of this Declaration. A Supplemental Declaration may also add additional restrictions or declare certain properties to be or not to be Association Property. The Association shall join in the execution of any Supplemental Declaration at the request of Declarant but such joinder shall not be required to make any such Supplemental Declaration effective. The Owners shall not be required to join in the execution of any Supplemental Declaration but shall nevertheless be bound thereby.

Section 36. "SURFACE WATER OR STORMWATER MANAGEMENT SYSTEM" shall mean a system of structures and other improvements, including, without limitation, control structures, culverts and swales, 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, over drainage, environmental degradation and water pollution, or to otherwise affect the quality and quantity of discharge from the system, as permitted pursuant to Chapter 40C-4, 40C-40 or 40C-42, Florida Administrative Code. The Surface Water or Stormwater Management System is located upon and designed to serve the Property and possibly other properties around the Property.

Section 37. "TURNOVER DATE" shall mean the date upon which "Class A Members" (as defined in Article V.D.1 of the Articles), including Declarant, shall assume control of the Association and elect the Board, as more particularly described in Article V.D.2 of the Articles.

ARTICLE II DESCRIPTION OF LAKE WASHINGTON TOWNHOMES

Section 1. GENERAL PLAN OF DEVELOPMENT. Lake Washington Townhomes comprises the Property encompassing, or which will encompass, Homes and Association Property, as more particularly defined by this Declaration. The property declared hereunder is described in Exhibit "A" attached hereto. If and when fully developed, Lake Washington Townhomes is planned to be comprised of two hundred eighty-eight (288) attached two (2)-story Homes contained in fifty-three (53) Buildings and the Association Property in accordance with this Declaration. Declarant has reserved the right to modify its plan of development of Lake Washington Townhomes and to withdraw land from Lake Washington Townhomes, and, therefore, the number of Homes within Lake Washington Townhomes may change. Declarant's general plan of development further contemplates that such Homes shall be whatever types of structures Declarant may choose which are in conformance with this Declaration. Declarant's

general plan of development of Lake Washington Townhomes may also include whatever facilities and amenities Declarant considers in its sole judgment to be appropriate to Lake Washington Townhomes.

Declarant expressly reserves the right as to the Property to (i) commence construction and development of the Property if and when Declarant desires; (ii) develop the Property upon such timetable as Declarant, in its sole discretion, chooses; and (iii) modify the plan of development of the Property (including, without limitation, the right to modify the Site Plan and master plan of Lake Washington Townhomes, the right to change the recreational facilities and amenities, and the right to change the Home product types and number of Homes to be constructed within Lake Washington Townhomes) in such manner as Declarant, in its sole discretion, chooses. Nothing contained herein shall be construed as obligating Declarant to construct Lake Washington Townhomes according to the present plan of development.

Section 2. ASSOCIATION PROPERTY. The Association Property is planned to consist of: (a) the property indicated on the Plat as Association Property or as property or easements reserved for, dedicated or granted to the Association; (b) all the property indicated on the Plat as Tracts A, B, C, D, E, F, G, H and X; (c) any easements assigned or granted by Declarant to the Association or property or facilities conveyed by Declarant or others to the Association; and (d) any other property designated as Association Property in this Declaration or any Supplemental Declaration. The Association Property shall be used for those purposes as set forth on the Plat and include, as applicable, roads, sidewalks, landscaping, irrigation, signage, lakes, drainage, fencing/wall, preserves, open space, storm water management, irrigation, open space, and recreational as well as other proper purposes by the Association and the Owners and their family members, guests, invitees and lessees in accordance with the Lake Washington Townhomes Documents. Association Property may not be altered, modified, removed or replaced by Owners or their family members, guests, invitees or lessees.

Lake Washington Townhomes is presently planned to a tot lot and a swimming pool, clubhouse and related facilities and passive park(s) ("Recreation Area(s)"), which is designated on the Plat as Tract D. The Recreation Area(s) shall be part of the Association Property and shall be used for recreational purposes by the Association, and the Owners and their family members, guests, invitees and lessees. Such portion, if any, of the Recreation Area(s) upon which Declarant hereafter constructs Improvements shall be kept and maintained for use in a manner consistent with the nature of such Improvements located or to be located thereon. The Recreation Area(s) shall always be kept and maintained by the Association for recreational uses or beautification and attendant uses and shall be used for such purposes and not for residential, commercial or industrial construction of any kind. The Recreation Area(s) shall be maintained, administered and ultimately owned by the Association.

DECLARANT AND THE ASSOCIATION SHALL NOT BE OBLIGATED TO PROVIDE SUPERVISORY PERSONNEL, INCLUDING, BUT NOT LIMITED TO, LIFEGUARDS, FOR THE RECREATION AREA(S). ANY INDIVIDUAL USING THE RECREATION AREA(S) SHALL DO SO AT HIS OR HER OWN RISK AND HEREBY HOLDS DECLARANT AND THE ASSOCIATION HARMLESS FROM AND AGAINST ANY CLAIM OR LOSS ARISING FROM SUCH USE.

Such portions of the Association Property upon which Declarant has constructed,

or Declarant or the Association hereafter constructs, Improvements shall be kept and maintained for use in a manner consistent with the nature of such Improvements located, or to be located, thereon. Declarant and the Association reserve the right, but shall not be obligated, to construct additional facilities upon the Association Property. Declarant's decision as to whether to construct additional facilities and the construction thereof shall be in the sole discretion of Declarant, and Association's decision as to whether to construct additional facilities and the construction thereof shall be in the sole discretion of the Association. Notwithstanding anything contained herein, neither Declarant nor the Association makes any representations whatsoever to commence, complete or construct any recreational facilities within any specific time period.

In the event of any doubt, conflict or dispute as to whether any portion of the Property is or is not Association Property under this Declaration, Declarant may, without the consent of the Association or then existing Owners, record in the public records of the County, a Supplemental Declaration resolving such issue and such Supplemental Declaration shall be dispositive and binding. After Declarant no longer owns any portion of the Property, the Association may, without the consent of then existing Owners, record the aforesaid Supplemental Declaration, which shall have the same dispositive and binding effect.

Section 3. COSTS. All costs associated with operating, maintaining, repairing and replacing the Association Property shall be the obligation of the Association. The Association Property shall be conveyed to the Association in accordance with the provisions of Article III, Section 2 hereof.

Section 4. PRIVATE USE. For the term of this Declaration, the Association Property (except as otherwise specifically provided in this Declaration) is not for the use and enjoyment of the public, but is expressly reserved for the private use and enjoyment of Declarant, the Association, and the Owners, and their family members, guests, invitees and lessees, but only in accordance with this Declaration.

A. Notwithstanding anything in this Declaration to the contrary, however, Declarant hereby expressly reserves the right to use the Association Property for such period of time as Declarant determines to be necessary in connection with the sale and marketing by Declarant of Homes in Lake Washington Townhomes and in any other communities developed or to be developed by Declarant or its affiliates, including, but not limited to, the holding of sales and marketing meetings and engaging in sales promotions and related sales and marketing activities.

B. Except to the extent herein provided and in the Lake Washington Townhomes Documents, the Association Property shall be for the sole and exclusive use of the Owners and residents of Lake Washington Townhomes and their family members, guests, invitees and lessees.

C. The administration, management, operation and maintenance of the Association Property shall be the responsibility of the Association, as provided herein and in the Lake Washington Townhomes Documents.

D. The right to use the Association Property shall be subject to the rules and regulations established by the Association as same may be amended from time to time.

Section 5. COMMON STRUCTURAL ELEMENTS

1. Each Building containing Homes shall contain Common Structural Elements which include, but are not limited to, the following:

(a) **Utility Lines.** All utility lines, ducts, conduits, pipes, fire sprinklers, wires and other utility fixtures and appurtenances which are located on or within each Building and which directly or indirectly in any way service more than one (1) Home in such Building.

(b) **Party Walls.** All division walls ("Party Walls") between two (2) Homes located upon a Lot line between two (2) Homes, provided that the mere fact that such a division wall between two (2) Homes is found to be not on a Lot line shall not preclude that division wall from being a Party Wall. The Owners of the Homes adjacent to a Party Wall shall own such Party Wall as tenants in common.

(c) **Bearing Walls.** Any and all walls or columns necessary to support the roof structure.

(d) **Exterior Finish.** Any and all siding, finish, trim, exterior sheathings and other exterior materials and appurtenances on the exterior of each Building.

(e) **Flooring.** The entire concrete floor slab or wood floor system if utilized in lieu thereof and all foundational and support structures and appurtenances thereto.

(f) **Roofs.** The entire roof of a Building.

(g) **Privacy Walls.** The walls (other than interior Party Walls within the Home) which may be erected along or located on the Lot lines and all foundational support structures with respect thereto. Privacy walls may also constitute Party Walls.

2. Should the Common Structural Elements or a part thereof extend beyond the Lot, same shall not be deemed to violate the provisions of this Declaration and such easements as may be necessary to accommodate and permit the Common Structural Elements as same shall be constructed are hereby imposed.

3. In the event any Common Structural Element or part thereof located within a Home require maintenance, repair or replacement and the necessity for such maintenance, repair or replacement was not due to any act or failure to act on the part of the Owner of the Home in question and the cost of such maintenance, repair or replacement would result in an inequitable and unfair burden upon any particular Home, the cost of such maintenance, repair or replacement shall be an Operating Expense shared by all of the Homes.

Section 6. RULES AND REGULATIONS. The Association shall, from time to time, impose rules and regulations regulating the use and enjoyment of the Association Property, the Homes and Improvements and other portions of the Property. The rules and regulations so promulgated shall, in all respects, be consistent with the provisions of the Lake Washington Townhomes Documents. The rules and regulations shall not apply to Declarant as an Owner unless Declarant consents thereto.

Section 7. COMMUNITY SYSTEMS. Declarant shall have the right, but not the obligation, to convey, transfer, sell or assign all or any portion of the Community Systems located within the Property, or all or any portion of the rights, duties or obligations with respect thereto to the Association or any other person or entity (including an Owner, as to any portion of a Community System located on/in such Owner's Lot). Without limiting the generality of this Section 7, if and when any of the aforesaid persons and/or entities receive such a conveyance, sale, transfer or assignment, such person and/or entity shall automatically be deemed vested with such rights of Declarant with regard thereto as are assigned by Declarant in connection therewith; provided, however, that if the Association is the applicable entity, then any Community Systems or portions thereof shall be deemed Association Property hereunder and the Association's rights, duties and obligations with respect thereto shall be the same as those applicable to other Association Property unless otherwise provided by Declarant. Any conveyance, transfer, sale or assignment made by Declarant pursuant to this Section 7: (i) may be made with or without consideration, (ii) shall not require the consent or approval of the Association or any Owner, and (iii) if made to the Association, shall be deemed to have been automatically accepted (with all rights, duties, obligations and liabilities with respect thereto being deemed to have been automatically assumed). In recognition of the intended increased effectiveness and potentially reduced installation and maintenance costs and user fees arising from the connection of all Lots and Association Property in the Property to the applicable Community Systems, each Owner and occupant of a Home shall, by virtue of the acceptance of a deed or title to a Lot or other right of occupancy thereof, be deemed to have consented to and ratified any and all agreements to which the Association is a party which is based upon (in terms of pricing structure or otherwise) a requirement that all Lots be so connected. The foregoing shall not, however, prohibit the Association or Community Systems provider from making exceptions to any such 100% use requirement in its reasonable discretion. WITH RESPECT TO COMMUNITY SYSTEMS, ALL PERSONS ARE REFERRED TO ARTICLE VI, SECTION 6 AND ARTICLE XII, SECTION 17 HEREOF, WHICH SHALL AT ALL TIMES APPLY TO THIS SECTION.

ARTICLE III WITHDRAWALS FROM THE PROPERTY CONVEYANCE OF ASSOCIATION PROPERTY

Section 1. WITHDRAWAL. Notwithstanding anything herein to the contrary, Declarant reserves the absolute right at any time to withdraw portions of the Property from the provisions of this Declaration by recording an appropriate Supplemental Declaration in the County. Any such Supplemental Declaration must be executed by Declarant, the Owner of each Lot located on the Property sought to be withdrawn (if any) and each holder of an Institutional Mortgage on a Lot located on the Property sought to be withdrawn (if any), in order to be effective. Nothing contained in this Section shall be construed to require the joinder by or consent of the Owners of Lots on the portion of the Property which is not withdrawn by such Supplemental Declaration, such Owners' Institutional Mortgagees holding mortgages on Lots on the portion of the Property which is not withdrawn by such Supplemental Declaration, or the Association.

Section 2. TITLE TO THE ASSOCIATION PROPERTY. To the extent herein provided, the Association Property is hereby dedicated to the joint and several use in common of the Owners of all Lots that may, from time to time, constitute part of the Property. When title to all

Lots which are subject to the provisions of this Declaration has been conveyed to non-Declarant purchasers, or five (5) years after the conveyance of the first Home and Lot to a non-Declarant purchaser, whichever occurs first (or earlier at Declarant's option, exercisable from time to time, as to any portions of the Association Property), Declarant or its successors and assigns shall convey and transfer to the Association, by quitclaim deed, the fee simple title to the Association Property free and clear of any mortgages and the Association shall accept such conveyance, holding title for the Owners as aforesaid. Such conveyance shall be subject to: (i) taxes and assessments with respect to the Association Property from and after the date of recording this Declaration; (ii) all laws, ordinances, regulations, restrictions, prohibitions and other requirements imposed by governmental authorities, including, without limitation, all building, zoning, land use and environmental laws, ordinances, codes and regulations; (iii) matters which would be disclosed by an accurate survey of the Association Property; (iv) easements, covenants, conditions, restrictions, reservations, limitations, agreements and other matters of record; and (v) the terms and provisions of this Declaration, as the same may have been modified, amended and/or supplemented from time to time.

At the time of conveyance of the Association Property or any portion thereof, the Association shall be required to accept the Association Property, together with the personal property and Improvements appurtenant thereto, if any. The Association hereby agrees to accept the Association Property and the personal property and Improvements appurtenant thereto in "AS IS" "WHERE IS" condition, without any representation or warranty, expressed or implied, in fact or by law, as to the condition or fitness of the Association Property and the personal property and Improvements appurtenant thereto being conveyed. IN THAT REGARD, THE ASSOCIATION AND EACH OWNER KNOWINGLY AND VOLUNTARILY RELINQUISHES AND WAIVES, AND DECLARANT EXPRESSLY DISCLAIMS, ANY AND ALL WARRANTIES (EXPRESS OR IMPLIED) AS TO THE ASSOCIATION PROPERTY AND PERSONAL PROPERTY AND IMPROVEMENTS WHETHER ARISING FROM CUSTOM, USAGE OR TRADE, COURSE OF CONDUCT, COURSE OF DEALING, CASE LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR ANY IMPLIED WARRANTY OF FITNESS FOR ANY INTENDED OR PARTICULAR PURPOSE. TO THE EXTENT THAT BY LAW OR OTHERWISE ANY OF THE WARRANTIES RELINQUISHED, WAIVED OR DISCLAIMED CANNOT BE RELINQUISHED, WAIVED OR DISCLAIMED, IN WHOLE OR IN PART, ALL SECONDARY, INCIDENTAL AND CONSEQUENTIAL DAMAGES ARE SPECIFICALLY EXCLUDED AND DISCLAIMED (INCLUDING, WITHOUT LIMITATION, DAMAGES RESULTING FROM CLAIMS OF PROPERTY DAMAGE, LOSS OF USE, PERSONAL INJURY OR EMOTIONAL DISTRESS).

The Association shall accept this conveyance of the Association Property (together with the personal property and Improvements appurtenant thereto) and shall pay all costs of such conveyance including documentary stamps and other taxes of conveyance, recording charges, title insurance expenses and insurance fees. The conveyance shall not, however, impair in any way Declarant's rights and easements as set forth in this Declaration.

Commencing upon the date this Declaration is recorded, and notwithstanding that title thereto has not yet been conveyed to the Association, the Association shall be responsible for the maintenance of the Association Property in a continuous and satisfactory manner without cost to the general taxpayers of the County. The Association shall be responsible for the

payment of real estate taxes, if any, against the Association Property including taxes on any Improvements and any personal property thereon accruing from and after the date this Declaration is recorded.

The Owners (including Declarant as to Lots owned by it) shall have no personal liability for any damages: (i) for which the Association is legally liable, or (ii) arising out of, relating to, or in connection with the existence or use of any Association Property or any other property required to be maintained by the Association.

Subject to the foregoing, Declarant may mortgage any or all portions of the Association Property to finance construction and development expenses provided that the mortgagee recognizes the rights of Owners under this Declaration and neither the Association nor any Owner is personally liable for paying the mortgage. In such event, neither the Association nor the Owners shall be required to join in or be entitled to consent to such mortgage. The Association Property shall be released from any such mortgage no later than the date same is conveyed to the Association.

Section 3. PARKING RIGHTS. The Association may maintain upon the Association Property parking spaces for Owners, occupants, visitors and guests. The use of such parking spaces by Owners, occupants, visitors and guests shall be subject to duly adopted rules and regulations of the Association, as the same may be amended from time to time.

ARTICLE IV OWNERS' PROPERTY RIGHTS

Section 1. OWNERS' EASEMENTS OF ENJOYMENT. Every Owner and family member, guest, lessee, agent or invitee of an Owner shall have a permanent and perpetual, nonexclusive easement for ingress and egress over, enjoyment in, and use of Association Property within the Property, in common with all other Owners, their family members, guests, lessees, agents and invitees, which easement shall be appurtenant to, and shall pass with title to each Owner's Home. This right shall be subject to the following conditions and limitations:

A. The right and duty of the Association to reasonably limit the number of guests, invitees or lessees of an Owner using the Association Property.

B. The right and duty of the Association to levy Assessments against each Lot for the purpose of operating, maintaining, repairing and replacing the Association Property and facilities thereon in compliance with the provisions of this Declaration and the restrictions on the Property from time to time recorded by Declarant.

C. The right of the Association to establish, amend and/or abolish from time to time, uniform rules and regulations pertaining to the use of the Association Property.

D. The right of the Association to establish, amend and/or abolish from time to time, uniform rules and regulations pertaining to the Homes for the purposes of enhancing the aesthetic uniformity of the Property.

E. The right of the Association in accordance with its Articles, Bylaws, and this Declaration, with the vote or written assent of two-thirds (2/3) of the total voting interests, to

borrow money for the purpose of improving the Association Property and facilities thereon, and, in aid thereof, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of such mortgagee shall be subordinated to the use rights of the Owners.

F. The right of the Association to dedicate, release, alienate, or transfer all or any part of the Association Property to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association. No such dedication, release, alienation, or transfer shall be effective unless Members entitled to cast two-thirds (2/3) of the total voting interests agree to such dedication, release, alienation or transfer.

G. The right of the Association to grant easements, rights-of-way or strips of land, where necessary, for utilities, sewer facilities, cable television, and other services over the Association Property to serve the Association Property and other portions of the Property without vote of the Owners.

H. The right of Declarant and Declarant's officers, managers, members, directors, partners, employees, agents, licensees, and invitees to the nonexclusive use of the Association Property and the facilities thereon, without charge, for sales, display, access, ingress, egress, construction, and exhibit purposes.

I. The right of the Association, by action of the Board, to reconstruct, replace, or refinish any Improvement or portion thereof upon the Association Property, in accordance with the original design, finish, or standard of construction of such Improvement.

J. The right of the Association to replace destroyed trees or other vegetation and plant trees, shrubs, and ground cover upon any portion of the Association Property, except as may be prohibited under the District Permit.

K. The easements provided elsewhere in this Declaration and/or designated on the Plat which are the perpetual maintenance obligation of the Association and those set forth in this Article IV.

L. The right of the Association to provide for the maintenance, preservation and architectural control of Lots, Improvements and other properties as set forth in this Declaration.

N. The right of the Association and Declarant and their respective employees, agents, licensees, and invitees to come upon the Property (including, without limitation, Association Property as well as a Lot even after the same has been conveyed to an Owner) as may be necessary or convenient for the Association and/or Declarant to carry on its respective duties, obligations, responsibilities under, and all other work referred to in, this Declaration (including, without limitation, Declarant's development and construction of Lake Washington Townhomes and Homes therein).

Section 2. DELEGATION OF USE. Any Owner may delegate, in accordance with the Bylaws, such Owner's right of enjoyment to the Association Property to the members of such Owner's family, or to the lessees who reside in such Owner's Home, subject to all of the rules

and regulations presently in effect and any which may become effective in the future, and further subject to reasonable regulation by the Board.

Section 3. RECOGNITION OF EASEMENTS. Each Owner, by acceptance of a deed or other instrument of conveyance, recognizes and consents to the easements reserved and/or granted with respect to the Property under this Declaration and on the Plat.

Section 4. EASEMENTS FOR VEHICULAR TRAFFIC. In addition to the general easements for use of the Association Property reserved herein, there shall be, and Declarant hereby reserves, grants, and covenants for itself and all future Owners, their family members, guests, invitees and lessees, Institutional Mortgagees of the Property (or portions thereof), and to the Association, that all of the foregoing shall have a perpetual nonexclusive easement for vehicular traffic over any private streets, drives, roads and/or roadways within or upon the Property.

Section 5. ACCESS EASEMENT. Declarant hereby reserves perpetual, nonexclusive easements of ingress and egress over, under, through and across: (i) any private streets, drives, roads and/or roadways and driveways within or upon the Property, and (ii) all other portions of the Property, any of the foregoing of which are necessary or convenient for enabling Declarant to carry on and complete the work referred to in this Declaration. All of the foregoing easements shall be for the use of Declarant, Declarant's employees, contractors and agents, Declarant's successors and assigns, Owners, and the respective lessees, employees, agents, invitees, and licensees of Declarant and Owners.

Section 6. GRANT AND RESERVATION OF EASEMENTS. Declarant hereby reserves and grants the following perpetual, nonexclusive easements over and across the Property as covenants running with the Property for the benefit of the Owners, the Association, and Declarant as hereinafter specified for the following purposes:

A. Utility and Services Easements. All of the Property shall be subject to an easement or easements to provide for: (i) installation, service, repair and maintenance of the equipment required to provide utility services other than Community Systems to the Association Property and the Lots, including, but not limited to, power, lights, telephone, gas, water, sewer, irrigation and drainage, and (ii) governmental services, including, but not limited to, police, fire, mail, health, sanitation and other public service personnel, including reasonable rights of access for persons and equipment necessary for such purposes for the benefit of the appropriate utility companies, agencies, franchises or governmental agencies. Certain utility lines which serve more than one (1) Home run through portions of the Homes. The easement described in this Section is intended to provide the right for such utility lines to exist within the Homes.

B. Easement for Encroachment. All of the Property shall be subject to an easement or easements for encroachment in favor of each Owner in the event any portion of such Owner's Home, the Common Structural Elements (including, but not limited to roof caves, overhangs, etc., and, electrical, plumbing and HVAC) or appurtenant Improvements installed by Declarant such as a fence, stucco, a hedge or underground footer now or hereafter encroaches upon any of the Lots as a result of minor inaccuracies in survey or construction, by design, or due to settlement or movement. Such encroaching Improvements installed by Declarant 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 Improvements in favor

of the Owner thereof or such Owner's designees.

C. Easement to Enter Upon Lots. An easement or easements for ingress and egress in favor of the Association, including the Board or the designees of the Board, to enter upon the Lots for the purposes of fulfilling its/their duties and responsibilities of ownership, maintenance and/or repair in accordance with the Lake Washington Townhomes Documents, including, by way of example, the making of such repairs, maintenance or reconstruction as are necessary for the Association Property, to paint the exterior surface of the walls, doors and windows of the Homes in accordance with Article IX, Section 1.F hereof and to maintain any Home in the event the Owner thereof fails to do so.

D. Easement Over Association Property. An easement of enjoyment in favor of all Owners, their family members, guests, invitees and lessees in and to the Association Property which shall be appurtenant to and shall pass with title to every Home, subject to the right of the Association to grant permits, licenses and easements over the Association Property for utilities and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property and all provisions set forth in the Lake Washington Townhomes Documents.

E. Structural Cross Easements. Cross easements of support and use over, upon, across, under, through and into the Common Structural Elements are hereby granted in favor of the Owners or their designees for the continued use, benefit and enjoyment and continued support, service, maintenance, repair and design of all Homes and Common Structural Elements within any portion of the Property.

F. Drainage and Irrigation Easement. An easement for drainage, flowage and irrigation over, under and upon the Property, including each of the Lots, in favor of the Association and each of the Owners, including, but not limited to, reasonable rights of access for persons and equipment to construct, install, maintain, alter, inspect, remove, relocate and repair the water drainage system, flowage pipes and irrigation pipes.

G. Drainage System Encroachment Easement. An easement for encroachment over, under and upon the drainage easements located within the Lots, in favor of (i) the Owner of the Lot upon which the drainage easement is located for the existence of any driveway and/or sidewalk or irrigation system or part thereof, and (ii) the Association for reasonable rights of access for persons and equipment to construct, install, maintain, alter, inspect, remove, relocate and repair any driveway and/or sidewalk, or irrigation system or part thereof installed or located thereon. In the event the Association requires access to any drainage system improvements within a drainage easement located within a Lot upon which any such driveway and/or sidewalk or irrigation system encroaches, the Association has the obligation, at its own cost and expense, to remove and replace any such encroachment, and to return it to its condition immediately preceding such removal and replacement once access to the drainage easement is no longer required. The flowage easements providing for drainage run between each of the Lots parallel to and over the side lot line thereof, draining from the rear to the front of the Lots.

H. Surface Water or Stormwater Management System Easement.

(1) Blanket Surface Water or Stormwater Management System Easement. The plan for the development of the Property includes the construction of a Surface

Water or Stormwater Management System, which may include, without limitation, retention lakes, swales, conduits, weirs, pipes, and/or berms across the rear of certain Lots and access easements to the Surface Water or Stormwater Management System. Declarant hereby reserves for itself, its successors and assigns, and grants to the Association and its designees, a perpetual, nonexclusive easement over and across all areas of the Surface Water or Stormwater Management System for the drainage of stormwater from the Property. Portions of the Surface Water or Stormwater Management System may be located entirely within Lots.

(2) Surface Water or Stormwater Management System Maintenance. Except as specifically set forth herein to the contrary, the Association shall be responsible for the maintenance, operation, and repair of the Surface Water or Stormwater Management System. Such maintenance shall include the exercise of practices which allow the Surface Water or Stormwater Management System to provide drainage, water storage, conveyance, or other capabilities in accordance with all the permits, statutes, rules, and regulations pertaining to surface water management, drainage, and water quality promulgated by the District, Florida Department of Environmental Protection, and all other local, state and federal authorities having jurisdiction. Maintenance of the Surface Water or Stormwater Management System shall mean the exercise of practices which allow the Surface Water or Stormwater Management System to provide drainage, water storage, conveyance and other stormwater management capabilities as permitted by the District.

The Association shall maintain and control the water level and quality of the Surface Water or Stormwater Management System to the extent such maintenance and control is not performed by the District and the bottoms of any retention lakes or drainage easements which retain or hold stormwater on a regular basis. The Association shall have the power, as may be required by any applicable governmental entity, to control and eradicate plants, fowl, reptiles, animals, fish, and fungi in and on any portion of the retention lakes or drainage easement. Any repair or reconstruction of the Surface Water or Stormwater Management System shall be consistent with the District Permit as originally issued or any modification that may be approved by the District. In order to provide adequate assurance that the Surface Water or Stormwater Management System will adequately function, the following maintenance procedures shall be followed:

(a) The Association shall inspect or cause to be inspected all inlets and control structures for vandalism, deterioration or accumulation of sand and debris.

(b) The Association shall assure that all debris or sand shall be removed from the inlets and control structures and any orifice system.

(c) The Association shall inspect and repair or cause to be inspected and repaired all skimmer boards around control structures as necessary.

(3) Surface Water or Stormwater Management System Maintenance Easement. The Association is granted a perpetual, nonexclusive easement for ingress and egress, at all reasonable times and in a reasonable manner, over and across the Surface Water or Stormwater Management System and over any portion of a Lot which is a part of the Surface

Water or Stormwater Management System, or upon which a portion of the Surface Water or Stormwater Management System is located to operate, maintain, and repair the Surface Water or Stormwater Management System as required by the District Permit. Such right expressly includes the right to cut any trees, bushes or shrubbery, to make any gradings of soil, construct or modify and berms placed along the rear of any Lots as part of the Surface Water or Stormwater Management System, or take any other action reasonably necessary, following which Declarant or the Association shall restore the affected property to its original condition as nearly as practicable. Declarant or the Association shall give reasonable notice of its intent to take such action to all affected Owners, unless, in the opinion of Declarant or the Association, an emergency exists which precludes such notice. The right granted herein may be exercised at the sole option of Declarant or the Association and shall not be construed to obligate Declarant or the Association to take any affirmative action in connection therewith.

(4) Improvements. No structures, permanent or temporary, shall be constructed on, over, or under any portion of the Surface Water or Stormwater Management System without the prior written consent of the Association and the approval of the Committee or Declarant, which consent or approval may be withheld for any reason. Any improvements to the Surface Water or Stormwater Management System permitted by the Association and installed by the Owner shall be maintained by such Owner in accordance with the maintenance provisions of this Declaration. All improvements to the Surface Water or Stormwater Management System may also require the prior written approval of the District. After receiving the approval of the Committee, Owner shall be solely liable for obtaining all governmental permits necessary or convenient to construct such Improvement.

(5) Use and Access. Declarant and the Association shall have the right to adopt reasonable rules and regulations from time to time in connection with the use of the surface waters of any portion of the Surface Water or Stormwater Management System, and shall have the right to deny such use to any person who, in the opinion of Declarant or the Association, may create or participate in a disturbance or nuisance on any part of the Surface Water or Stormwater Management System. The use of such surface waters by the Owners shall be subject to and limited by the rules and regulations of Declarant and the Association, all permits issued by governmental authorities, and any rights granted to other persons pursuant to the rules and regulations of Declarant and the Association. No gas or diesel driven watercraft shall be operated on any portion of the Surface Water or Stormwater Management System, including retention lakes. Swimming is strictly prohibited in the retention lakes.

(6) LIABILITY. NEITHER DECLARANT NOR THE ASSOCIATION SHALL HAVE ANY LIABILITY WHATSOEVER TO OWNERS, GUESTS, TENANTS, OR INVITEES IN CONNECTION WITH THE RETENTION LAKES AND DRAINAGE FACILITIES OR ANY PART OF THE SURFACE WATER OR STORMWATER MANAGEMENT SYSTEM. EACH OWNER, FOR ITSELF AND ITS GUESTS, TENANTS, OR INVITEES, RELEASES DECLARANT AND THE ASSOCIATION FROM ANY LIABILITY IN CONNECTION THEREWITH.

DECLARANT AND THE ASSOCIATION SHALL NOT BE OBLIGATED TO PROVIDE SUPERVISORY PERSONNEL, INCLUDING, BUT NOT LIMITED TO,

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LIFEGUARDS, FOR THE RETENTION LAKES AND/OR ANY PORTIONS OF THE ASSOCIATION PROPERTY. ANY INDIVIDUAL USING THE RETENTION LAKES AND/OR ANY PORTIONS OF THE ASSOCIATION PROPERTY SHALL DO SO AT HIS OR HER OWN RISK AND HEREBY HOLDS DECLARANT AND THE ASSOCIATION HARMLESS FROM AND AGAINST ANY CLAIM OR LOSS (INCLUDING, WITHOUT LIMITATION, THOSE FROM PROPERTY DAMAGE, INJURY AND/OR DEATH) ARISING FROM SUCH USE.

NEITHER DECLARANT, THE ASSOCIATION, NOR ANY OF THEIR SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND, RETENTION AREA, CANAL, CREEK, MARSH AREA, STREAM OR OTHER WATER BODY WITHIN OR ADJACENT TO THE PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR ENTITY AS REFERENCED HEREIN. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID AREAS SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF A DEED TO, OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY RELATED TO ANY CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES CONTAINED WITHIN OR ADJACENT TO THE PROPERTY AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

ALL PERSONS ARE HEREBY NOTIFIED THAT LAKE BANKS AND SLOPES WITHIN CERTAIN AREAS OF THE PROPERTY MAY BE STEEP AND THAT DEPTHS NEAR SHORE MAY DROP OFF SHARPLY. BY THEIR ACCEPTANCE OF A DEED TO, OR USE OF, ANY LOT WITHIN THE PROPERTY, ALL OWNERS OR USERS OF SUCH PROPERTY SHALL BE DEEMED TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY OR DAMAGES ARISING FROM THE DESIGN, CONSTRUCTION, OR TOPOGRAPHY OF ANY LAKE BANKS, SLOPES, OR BOTTOMS.

(7) Wetlands, Jurisdictional Land Swales. This Declaration is subject to the rights of the State of Florida over portions of the Property that may be considered wetlands, marshes, sovereignty or jurisdictional lands, and every Owner shall obtain any permit necessary prior to undertaking any dredging, filling, mowing, improving, landscaping, or removal of plant life existing on his Lot.

Further, certain Lots may be improved with swales constructed within Lots that are contiguous to any jurisdictional lands. The Owners thereof shall not remove or modify the swales without the consent of the applicable governmental entities. Any Owner who alters or otherwise modifies any swale, including mowing, shall repair and restore any such swale to be in full compliance with the applicable District Permits, at such Owner's sole cost and expense and shall indemnify and hold Declarant and the Association harmless from such violation.

(8) Rights of the District. Notwithstanding any other provisions contained elsewhere in this Declaration, the District shall have the rights and powers enumerated in this paragraph. The District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration that relate to the maintenance, operation, and repair of the Surface Water or Stormwater Management System. Any repair or reconstruction of the Surface Water or Stormwater Management System shall be as permitted, or if modified, as approved in writing by the District. No person shall alter the drainage flow of the Surface Water or Stormwater Management System, including any buffer areas, swales, treatment berms or swales, without prior written approval of the District. Any amendment to this Declaration that alters the Surface Water or Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the Association Property, must have prior written approval of the District. In the event that the Association is dissolved, prior to such dissolution, all responsibility relating to the Surface Water or Stormwater Management System must be assigned to and accepted by an entity approved in writing by the District.

(9) Indemnity. Declarant may be required to assume certain duties and liabilities for the maintenance of the Surface Water or Stormwater Management System or drainage system within the Property in accordance with permits or certain agreements with governmental agencies. The Association further agrees that subsequent to the recording of this Declaration, it shall hold Declarant harmless from all suits, actions, damages, liabilities and expenses in connection with loss of life, bodily or personal injury or property damage arising out of any occurrence in, upon, at or from the maintenance of the Surface Water or Stormwater Management System occasioned in whole or in part by any action, omission of the Association or its agents, contractor, employees, servants, or licensees but not excluding any liability occasioned wholly or in part by the acts of Declarant, its successors or assigns. Upon completion of construction of the Surface Water or Stormwater Management System or drainage system Declarant shall assign all its rights, obligations and duties thereunder to the Association. The Association shall assume all such rights, duties and liabilities and shall indemnify and hold Declarant harmless therefrom.

Section 7. EASEMENT FOR COMMUNITY SYSTEMS. Notwithstanding anything to the contrary in this Declaration, Declarant and its affiliates, and its and their designees shall have a perpetual exclusive easement over, across, upon and under the Association Property and the Lots and Homes for the installation, operation, maintenance, repair, replacement, alteration and expansion of Community Systems.

Section 8. PLAT EASEMENT(S). The Plat may contain additional easements not discussed herein, granted in favor of the Association or others, for the specific purposes as described therein.

Section 9. ASSIGNMENTS; ADDITIONAL EASEMENTS. The easements reserved hereunder may be assigned by Declarant or the Association in whole or in part to any city, county or state government or agency thereof, or any duly licensed or franchised public utility, or any other designee of Declarant. Declarant shall have and hereby reserves the right to grant and/or reserve additional easements over, under and upon the Property or portions thereof (including the portion of Lots where no physical structure of the Home is located) which may be necessary or desirable by Declarant. The Owners hereby authorize Declarant and/or the Association to execute, on their behalf and without any further authorization, such grants of easement or other instruments as may from time to time be necessary to grant easements over and upon the Property or portions thereof in accordance with the provisions of this Declaration.

Notwithstanding anything in this Declaration to the contrary, the easement rights granted or reserved by Declarant hereunder are not to be construed as creating an affirmative obligation to act on the part of Declarant.

Section 10. STORMWATER MAINTENANCE AGREEMENT FOR LAKE WASHINGTON TOWNHOMES. The Property is further subject to that certain Stormwater Maintenance Agreement for Lake Washington Townhomes entered into by and between Declarant and the City of Melbourne, as recorded in Official Records Book ____, Page ____ of the Public Records of the County ("Stormwater Maintenance Agreement"). Among other things, the Stormwater Maintenance Agreement grants certain easements and enforcement rights to the City of Melbourne and imposes certain duties and responsibilities upon the Property and Owners of Homes and Lots in Lake Washington Townhomes in connection with the Surface Water or Stormwater Management System serving the Property.

ARTICLE V MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION; BOARD; DURATION OF THE ASSOCIATION

Section 1. MEMBERSHIP AND VOTING RIGHTS. Membership in the Association shall be established and terminated as set forth in the Articles. Each Member shall be entitled to the benefit of, and be subject to, the provisions of the Lake Washington Townhomes Documents. The voting rights of the Members shall be as set forth in the Articles.

Section 2. BOARD. The Association shall be governed by the Board which shall be appointed, designated or elected, as the case may be, as set forth in the Articles.

Section 3. DURATION OF ASSOCIATION. The duration of the Association shall be perpetual, as set forth in the Articles. In the event of termination, dissolution or final liquidation of the Association, the responsibilities for the operation and maintenance of the Surface Water or Stormwater Management System must be transferred to and accepted by an entity which would comply with Section 40C-42.027, Florida Administrative Code, and must be approved by the District prior to such termination, dissolution or liquidation.

ARTICLE VI
COVENANT TO PAY ASSESSMENTS; ESTABLISHMENT OF LIENS;
COLLECTION OF ASSESSMENTS; COLLECTION BY DECLARANT;
CERTAIN RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES

Section 1. AFFIRMATIVE COVENANT TO PAY ASSESSMENTS. In order to: (i) fulfill the terms, provisions, covenants and conditions contained in the Lake Washington Townhomes Documents; and (ii) maintain, operate and preserve the Association Property for the use, safety, welfare and benefit of the Members and their family members, guests, invitees and lessees, there is hereby imposed upon each Completed Home (as hereinafter defined) and Lot and each Owner thereof, the affirmative covenant and obligation to pay to the Association commencing from and after the first conveyance of a Completed Home from Declarant as evidenced by the recordation of a Deed in the Public Records of the County (in the manner herein set forth) all Assessments, including, but not limited to, the Individual Home Assessments and Special Assessments. Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Completed Home within the Property, whether or not it shall be so expressed in such deed or instrument, shall be obligated and agrees to pay to the Association all Assessments in accordance with the provisions of the Lake Washington Townhomes Documents.

The following expenses of the Association are hereby declared to be Operating Expenses which the Association is obligated to assess and collect, and which the Owners are obligated to pay as provided herein or as may be otherwise provided in the Lake Washington Townhomes Documents: (1) any and all taxes and tax liens which may be assessed or levied at any and all times against the Association Property, the Community Systems or against any and all personal property or Improvements thereon; (2) all charges levied for Community Systems or other utilities providing services for the Association Property or to Owners on a bulk basis, such as water, gas, electricity, telephone, cable television, telecommunication services, internet, home monitoring, sanitation, sewer and any type of utility or any other type of service charge which is not separately billed or charged to an Owner; (3) the premiums on policies of insurance including, but not limited to, liability, casualty and directors and officers liability insurance for the Association Property; (4) any sums necessary for the maintenance and repair of the Association Property and all Improvements located thereon; (5) administrative and operational expenses; (6) all sums necessary for the maintenance and repair of the Surface Water or Stormwater Management System to be maintained by the Association, including but not limited to work within retention areas, drainage structures and drainage easements; and (7) any and all expenses deemed to be Operating Expenses by the Association and/or under this Declaration. Reserves for replacements are specifically excluded from Operating Expenses. The Board may, if it so determines, include reserves in the Association's annual budget. In addition, any expense which is required by this Declaration to be the matter of Special Assessment shall not be deemed to be an Operating Expense. Expenses which are required to be the matter of Special Assessment include, by way of example but not by way of limitation, the following: the cost of reconstructing, replacing or improving the Association Property or any portion thereof or Improvements thereon; any casualty loss affecting the Association or the Association Property to the extent such loss exceeds the insurance proceeds, if any, receivable by the Association as a result of such loss; any judgment against the Association (or against a Director or Directors if and to the extent such Director is, or such Directors are, entitled to be indemnified by the Association therefor pursuant to the Articles) to the extent such judgment exceeds the insurance proceeds, if any, received by the Association as a result of such judgment, or an agreement by

the Association (or such Director or Directors to whom indemnification is owed) to pay an amount in settlement of a lawsuit against it (or such Director or Directors) to the extent such settlement exceeds the insurance proceeds, if any, received by the Association as a result of such settlement agreement; and Legal Fees incurred by the Association in connection with litigation (whether incurred for the preparation, filing, prosecution or settlement thereof or otherwise), except Legal Fees incurred by the Association in connection with the collection of Assessments or other charges which Owners are obligated to pay pursuant to the Lake Washington Townhomes Documents or the enforcement of the use and occupancy restrictions contained in the Lake Washington Townhomes Documents.

The Operating Expenses with respect to the Association Property are payable by each Owner to the Association notwithstanding the fact that Declarant may not have as yet conveyed title to the Association Property to the Association.

Operating Expenses shall include Operating Expenses with respect to the Association Property and the costs and expenses incurred by the Association in administering, operating, maintaining, financing, insuring or repairing the Common Structural Elements.

Section 2. ESTABLISHMENT OF LIENS. Each Assessment against a Home and Lot which has been conveyed by Declarant, together with Interest thereon and costs of collection, including, but not limited to, Legal Fees, shall be the personal obligation of the Owner of such Home and Lot. Any and all Assessments made by the Association in accordance with the provisions of the Lake Washington Townhomes Documents with Interest thereon and costs of collection, including, but not limited to, Legal Fees, are hereby declared to be a charge and continuing lien upon each Home and Lot against which each such Assessment is made. Said lien shall be effective only from and after the time of the recordation amongst the Public Records of the County of a written, acknowledged statement by the Association setting forth the amount due to the Association as of the date the statement is signed. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a satisfaction of the statement of lien in recordable form. Notwithstanding anything to the contrary herein contained, in the event an Institutional Mortgagee of record obtains title to a Home and Lot as a result of foreclosure of its first mortgage or deed in lieu of foreclosure, such acquirer of title, its successors or assigns, shall not be liable for the share of Assessments pertaining to such Home and Lot or chargeable to the former Owner thereof which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the Assessment against the Home and Lot in question is secured by a claim of lien for Assessments that is recorded prior to the recordation of the mortgage which was foreclosed or with respect to which a deed in lieu of foreclosure was given.

Section 3. COLLECTION OF ASSESSMENTS. In the event any Owner shall fail to pay any Assessment, or installment thereof, charged to such Owner within fifteen (15) days after the same becomes due, then the Association, through its Board, shall have any and all of the following remedies to the extent permitted by law, which remedies are cumulative and which remedies are not in lieu of, but are in addition to, all other remedies available to the Association:

1. To accelerate the entire amount of any Assessment for the remainder of the calendar year notwithstanding any provisions for the payment thereof in installments.
2. To advance on behalf of the Owner(s) in default funds to accomplish the needs of the Association up to and including the full amount for which such Owner(s) is liable to

the Association and the amount or amounts of monies so advanced, together with Interest and all costs of collection thereof, including, but not limited to, Legal Fees, may thereupon be collected by the Association from the Owner(s) and such advance by the Association shall not waive the default.

3. To file an action in equity to foreclose its lien at any time after the effective date thereof as provided in Section 2 hereinabove. The lien may be foreclosed by an action in the name of the Association in like manner as a foreclosure of a mortgage on real property.

4. To file an action at law to collect said Assessment plus Interest and all costs of collection thereof, including, but not limited to, Legal Fees, without waiving any lien rights or rights of foreclosure in the Association.

5. To charge Interest on such Assessment from the date it becomes due, as well as a late charge of Twenty-Five Dollars (\$25) by the Association to defray additional collection costs.

6. To suspend the right of the Owner(s) in default to vote on any matter on which Owners have the right to vote if such Owner is delinquent in payment of assessments for more than ninety (90) days.

Section 4. COLLECTION BY DECLARANT. In the event for any reason the Association shall fail to collect the Assessments, Declarant shall at all times have the right (but not the obligation): (i) to advance such sums as the Association could have advanced as set forth above; and (ii) to collect such Assessments and, if applicable, any such sums advanced by Declarant, together with Interest and costs of collection, including, but not limited to, Legal Fees.

Section 5. RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES TO PAY ASSESSMENTS AND RECEIVE REIMBURSEMENT. Declarant and any Institutional Mortgagee(s) shall have the right, but not the obligation, jointly or individually, and at their sole option, to pay any of the Assessments which are in default and which may or have become a charge against any Home(s). Further, Declarant and any Institutional Mortgagee shall have the right, but not the obligation, jointly or individually, and, at their sole option, to pay insurance premiums or fidelity bond premiums or other required items of Operating Expenses on behalf of the Association in the event the same are overdue and when lapses in policies or services may occur. Declarant and any Institutional Mortgagee paying overdue Operating Expenses on behalf of the Association will be entitled to immediate reimbursement from the Association plus Interest and any costs of collection including, but not limited to, Legal Fees, and the Association shall execute an instrument in recordable form to this effect and deliver the original of such instrument to each Institutional Mortgagee who is so entitled to reimbursement and to Declarant if Declarant is entitled to reimbursement.

Section 6. COMMUNITY SYSTEMS SERVICES. The Association shall have the right to enter into one or more agreement(s) ("Bundled Service Agreements") for receipt of television (via cable, satellite or otherwise), entertainment, telecommunication, internet, monitored alarm and/or other services (collectively, "Bundled Services") for Homes in Lake Washington Townhomes. Any and all costs and expenses incurred by the Association under or pursuant to any Bundled Service Agreements entered into by the Association for Bundled Services will be

assessed against all Completed Lot Owners. It is contemplated that there may be features and services that are or will be available in addition to and not part of the Bundled Services (each, an "Optional Service"). Notwithstanding anything to the contrary contained in this Declaration, the costs and expenses charged to the Association under the Bundled Services Agreements shall be apportioned equally, but only amongst those Homes with respect to which the Association is being charged under or pursuant to the Bundled Services Agreement except to the extent, if any, that any Owner elects to receive an Optional Service (being a service not automatically received by all Owners entitled to receive Bundled Services pursuant to the Bundled Services Agreements). Each Owner who receives an Optional Service, if any, shall be responsible for paying for the costs thereof. The foregoing shall in no way obligate Declarant or the Association to enter into any Bundled Services Agreement.

ARTICLE VII METHOD OF DETERMINING ASSESSMENTS AND ALLOCATION OF ASSESSMENTS

Section 1. DETERMINING AMOUNT OF ASSESSMENTS. The total anticipated Operating Expenses for each calendar year shall be set forth in the budget ("Budget") prepared by the Board as required under the Lake Washington Townhomes Documents. Each Completed Home shall be assessed its pro rata portion of the total anticipated Operating Expenses, which shall be the "Individual Home Assessment" as to each Completed Home. Operating Expenses for the Association Property shall be divided by the number of Completed Homes which is planned to total two hundred eighty-eight (288). Notwithstanding anything in the Lake Washington Townhomes Documents to the contrary, only a "Completed Home" shall be obligated to pay Assessments. "Completed Home" shall be defined as a Home for which either: (i) title has been transferred by Declarant to a purchaser; or (ii) a certificate of occupancy or its equivalent has been issued for thirty (30) days by the appropriate governmental agency. Further, any Assessment for legal expenses incurred by the Association for lawsuits shall be deemed an Operating Expense which is properly the subject of Special Assessment and not the subject of an Individual Home Assessment, except the legal fees incurred by the Association in connection with the collection of assessments or other charges which Owners are obligated to pay pursuant to the Lake Washington Townhomes Documents or the enforcement of the use and occupancy restrictions contained in the Lake Washington Townhomes Documents.

Section 2. ASSESSMENT PAYMENTS. Individual Home Assessments shall be payable quarterly, in advance, on the first (1st) day of each fiscal quarter. Notwithstanding the foregoing, the Board has the right to change the method and frequency of the payments of Individual Home Assessments. Individual Home Assessments, and the quarterly payments thereof, may be adjusted from time to time by the Board due to changes in the Budget or in the event the Board determines that an Assessment or any installment thereof is either less than or more than the amount actually required.

Section 3. SPECIAL ASSESSMENTS. Special Assessments include, in addition to other Assessments designated as Special Assessments in the Lake Washington Townhomes Documents and whether or not for a cost or expense which is included within the definition of "Operating Expenses," those Assessments which are levied for capital improvements which include the costs (whether in whole or in part) of constructing or acquiring Improvements for, or on, the Association Property or the cost (whether in whole or in part) of reconstructing or

replacing such Improvements. In addition, Special Assessments may be levied against particular Lots and/or Owners to the exclusion of others. Notwithstanding anything to the contrary herein contained, it is recognized and declared that Special Assessments shall be in addition to, and are not part of, any Individual Home Assessment. Any Special Assessments assessed against Completed Homes and the Owners thereof shall be paid by such Owners in addition to any other Assessments and shall be assessed in the same manner as the Individual Home Assessment. Special Assessments shall be paid in such installments or in a lump sum as the Board shall, from time to time, determine. Notwithstanding the foregoing, the levying of any Special Assessment after the Turnover Date shall require the affirmative assent of at least two-thirds (2/3) of all Members represented in person or by proxy at a meeting called and held in accordance with the Bylaws; provided, however, the Board acting alone and without the consent of Members may levy Special Assessments for the following: i) in the event of a casualty loss to repair and replace Association Property which is not insurable (e.g., landscaping, fencing, *etc.*), not insured, under insured, or where insurance coverage was denied by the insurance carrier after the casualty loss; ii) to obtain funds to cover insurance deductibles in the event of a casualty loss; and iii) any Special Assessment authorized by Article X, Sections B or C herein. Prior to the Turnover Date, a Declarant-controlled Board may make a Special Assessment without such vote of the Members. Special Assessments are not included in the guarantee set forth in Section 5 below.

Section 4. LIABILITY OF OWNERS FOR INDIVIDUAL HOME ASSESSMENTS. By the acceptance of a deed or other instrument of conveyance of a Home in the Property, each Owner thereof acknowledges that each Completed Home and the Owners thereof are jointly and severally liable for their own Individual Home Assessments and their applicable portion of any Special Assessments, as well as for any and all other Assessments for which they are liable, as provided for herein. Such Owners further recognize and covenant that they are jointly and severally liable with the Owners of all Completed Homes for the Operating Expenses (subject to any specific limitations provided for herein such as, but not limited to, the limitation with respect to matters of Special Assessment and the limitations on the liability of Institutional Mortgagees and their successors and assigns). Accordingly, subject to such specific limitations, it is recognized and agreed by each Owner, for such Owner and such Owner's heirs, executors, successors and assigns, that in the event any Owner fails or refuses to pay such Owner's Individual Home Assessment or any portion thereof, or such Owner's respective portion of any Special Assessment or any other Assessment, then the other Owners may be responsible for increased Individual Home Assessments or Special Assessments or other Assessments due to the nonpayment by such other Owner, and such increased Individual Home Assessment or Special Assessment or other Assessment can and may be enforced by the Association and Declarant in the same manner as all other Assessments hereunder as provided in the Lake Washington Townhomes Documents.

Section 5. GUARANTEED ASSESSMENT DURING GUARANTEE PERIOD. Declarant covenants and agrees with the Association and the Owners that, for the period commencing with the date of recordation of this Declaration and ending upon the sooner to occur of the following: (i) the Turnover Date; or (ii) one (1) year from the date of recordation of this Declaration ("Guarantee Period"), Declarant shall be excused from payment of its share of the Operating Expenses and Assessments related to its Completed Homes and Lots (other than Special Assessments) and, in turn, that the Individual Home Assessment will not exceed the dollar amount set forth in the initial Budget of the Association ("Guaranteed Assessment") and that

Declarant will pay the difference ("Deficit"), if any, between (a) the Operating Expenses (other than those Operating Expenses which are properly the subject of a Special Assessment) incurred by the Association during the Guarantee Period (as same may be extended as hereinafter provided), and (b) the sum of (x) the amounts assessed as Guaranteed Assessments against Owners during the Guarantee Period (as same may be extended as hereinafter provided), (y) the "Working Fund Contributions" set forth in Article VII, Section 7 hereof and (z) any other income of the Association during the Guarantee Period (as same may be extended as hereinafter provided). Thus, during the Guarantee Period (as same may be extended as hereinafter provided), Owners shall not be obligated to pay Assessments other than the Guaranteed Assessment and Special Assessments and the Owners' respective Working Fund Contributions. The Deficit, if any, to be paid by Declarant pursuant to this Section 5 shall be determined by looking at the Guarantee Period (as same may be extended as hereinafter provided) as a whole, without regard to quarterly, annual or any other accounting or fiscal periods and without regard to intraperiod allocations. In that regard, in the event it is determined at the end of the Guarantee Period (as same may be extended as hereinafter provided) that there is a Deficit and Declarant has previously advanced funds to the Association in excess of the Deficit during the Guarantee Period (as same may be extended as hereinafter provided), Declarant shall be entitled to the immediate repayment from the Association of the amount of funds advanced by Declarant in excess of the Deficit. Declarant hereby reserves the right to extend the Guarantee Period from time to time to a date ending no later than the Turnover Date at Declarant's sole election by providing written notice to the Association of such election prior to the expiration of the Guarantee Period (as same may have been previously extended). Declarant also reserves the right to increase the amount of the Guaranteed Assessment during any such extended Guarantee Period. Special Assessments are not included in this guarantee. Special Assessments may include assessments for items such as capital expenditures or amounts needed to supplement repair expenses not covered by insurance. The initial Budget is based on a full build-out of Lake Washington Townhomes.

After the Guarantee Period (as same may have been previously extended) terminates, each Owner shall be obligated to pay Assessments as set forth in Article VII, Section 1 hereof, and, commencing at such time, Declarant shall be required to pay Assessments on any Lots it owns in the same manner as all other Owners.

Section 6. DECLARANT'S GUARANTEED ASSESSMENT NOT THE OBLIGATION OF INSTITUTIONAL MORTGAGEES. Notwithstanding anything to the contrary herein contained, it is specifically understood and declared that each Owner, by the acceptance of a deed or other instrument of conveyance of a Lot within the Property, shall be deemed to have acknowledged and agreed that no Institutional Mortgagee (other than Declarant) or any successor or assign of such Institutional Mortgagee, or any person acquiring title to any part of the Property by reason of the foreclosure or otherwise of an Institutional Mortgagee shall be deemed to have made, assumed or otherwise undertaken any covenants or obligations of Declarant: (i) to guarantee the level and/or duration of any Guaranteed Assessments provided for under any of the Lake Washington Townhomes Documents; or (ii) to pay the difference between the actual Operating Expenses and the Guaranteed Assessments, if any, assessed against Lots and the Owners thereof during the Guarantee Period as may be provided for in any of the Lake Washington Townhomes Documents; provided, however, that an Institutional Mortgagee may, at its option, determine to continue the obligation of Declarant to guarantee the amount of the

Assessments as herein provided. Additionally, a successor declarant shall not be deemed to guarantee the level and/or duration of any Guaranteed Assessments provided for under any of the Lake Washington Townhomes Documents or be obligated to pay the difference between the actual Operating Expenses and the Guaranteed Assessments, if any, assessed against Lots and the Owners thereof during the Guarantee Period unless such obligation is assumed in writing by such successor declarant.

Section 7. WORKING FUND CONTRIBUTION. Each Owner who purchases a Lot with a Home thereon, whether such conveyance is the first conveyance from Declarant or a subsequent conveyance, shall pay to the Association at the time legal title is conveyed to such Owner, a "Working Fund Contribution." The Working Fund Contribution shall be Three Hundred and No/100 Dollars (\$300.00). Working Fund Contributions are not advance payments of Individual Home Assessments and shall have no effect on future Individual Home Assessments, nor will they be held in reserve. Working Fund Contributions may be used to offset Operating Expenses during and after the Guarantee Period.

Section 8. WAIVER OF USE. No Owner, other than Declarant, may exempt himself from personal liability for Assessments duly levied by the Association. No Owner may release the Lot owned by such Owner from the liens and charges hereof either by waiver of the use and enjoyment of the Association Property and the facilities thereon or by abandonment of such Owner's Lot.

ARTICLE VIII ARCHITECTURAL CONTROL COMMITTEE

Section 1. MEMBERS OF THE COMMITTEE. The Architectural Control Committee, sometimes referred to in this Declaration as the "Committee," shall be comprised of three (3) members. The initial members of the Committee shall consist of persons designated by Declarant. Each of said persons shall hold office until all Lots and Homes have been conveyed or such earlier time as Declarant may, at its sole option, elect. Thereafter, each new member of the Committee shall be appointed by the Board and shall hold office until such time as such new member has resigned, or has been removed, or such new member's successor has been appointed, as provided herein. Members of the Committee, other than those designated by Declarant, may be removed at any time without cause. The Board shall have the sole right to appoint and remove all members of the Committee other than those designated by Declarant.

Section 2. REVIEW OF PROPOSED CONSTRUCTION.

A. No Improvements, including, by way of example and not of limitation, accessory structures, exterior lighting fixtures, brick pavers, stamped concrete, concrete flatwork, basketball goals, gym sets and play structures, buildings, fences, walls, pools, roofs, gutters or rain spouts, antennae, aerials, microwaves, reception devices, mailboxes, external enclosures or attachments (including entry screen and patio screen enclosures), or landscaping (including hedges, massed plantings and trees) shall be commenced, erected, installed, altered, modified, painted, planted, or maintained on the Property, including the Lots, nor shall any canopies, shutters, or window coverings be attached to or placed upon outside walls or roofs of any Home or building by any Owner other than Declarant, unless such Improvements have been reviewed by and received the written approval of the Committee in accordance with Paragraph B herein below. Any Owner desiring to make Improvements shall submit two (2) complete sets of plans

and specifications prepared by an architect, landscape architect, engineer or other person determined by the Committee to be qualified, showing the nature, dimensions, materials and location of the same, together with the security deposit, if required by the Committee, to be held and disbursed by the Association in accordance with Section 3 herein below. In addition to the foregoing, the Committee may establish and charge a review fee on a case by case basis, in the sole discretion of and in an amount set by the Committee. If a review fee is charged by the Committee, it shall be non refundable in any event, whether or not the application submitted by an Owner is approved. Notwithstanding anything in this Article VIII to the contrary, if it is determined that any of the terms of Article VIII conflict with any of the terms or provisions of Article X, Section 17, then the terms or provisions of Article X, Section 17 shall supersede and control to the extent of such conflict.

B. The Committee shall approve proposed plans and specifications submitted for its approval only if it deems that the construction, alterations or additions contemplated will not be detrimental to the appearance of the surrounding area of the Property as a whole, and that the appearance of any structure affected thereby will be in harmony with the surrounding structures and is otherwise desirable. The Committee may also issue and amend from time to time rules or guidelines setting forth procedures for the submission of plans and specifications. If the proposed construction, alterations or additions are to a portion of the Improvements which the Association is obligated to maintain, said approval shall also be subject to approval by the Board. The Committee may condition its approval of proposed plans and specifications in such a manner as it deems appropriate and may require the submission of additional information prior to approving or disapproving such plans.

C. The Committee shall have thirty (30) days after delivery of all required materials to give written approval or rejection of any such plans and, if written approval is not given within such thirty (30) day period, such plans shall be deemed rejected, provided, however, that in any event, no such addition, construction or alteration shall be made by any Owner which is detrimental to or inconsistent with the harmony, appearance or general scheme of the Property as a whole.

D. In no event shall any Improvement (including without limitation landscaping) be permitted within the Landscaped Areas and Grassed Areas and any sidewalks and sidewalk easements on Lots.

E. Notwithstanding anything to the contrary in this Declaration, no Improvement (including, without limitation, landscaping) shall be permitted within any Lot that interferes with the flow of rainfall runoff to or through the Surface Water or Stormwater Management System.

F. Notwithstanding any provision in this Article to the contrary, the approval of the Committee shall not be required for any additions, changes or alterations within any Homes if such additions, changes or alterations are not visible from the outside of such Homes. All changes and alterations shall be subject, independently, to all applicable governmental laws, statutes, ordinances, codes, rules and regulations.

G. Notwithstanding anything to the contrary herein contained, no construction, reconstruction, addition or alteration by Declarant shall require the prior approval or any certificate of consent of the Committee or any security deposit.

Section 3. SECURITY DEPOSIT FOR IMPROVEMENTS; INDEMNIFICATION. Any Owner desiring to make Improvements may be required by the Committee, depending upon the Improvements being requested and the manner of installation of such Improvements, to provide to the Committee, at the time of the Owner's submission of plans and specifications for review and approval by the Committee, up to a Five Thousand Dollar (\$5,000.00) security deposit to cover costs of incidental damage caused to Association Property, an adjacent Home or Lot, or any property (real or personal) by virtue of such Owner's construction of Improvements. The Committee shall have the sole and absolute discretion to determine whether a security deposit is required for the Improvements being requested. The Association shall not be obligated to place the security deposit in an interest bearing account. The Owner shall be entitled to the return of the security deposit upon: (i) such Owner's written notice to the Committee that the Improvements covered by the security deposit have been completed in accordance with the plans and specifications approved by the Committee; and (ii) the Committee's (or its duly authorized representative's) inspection of such Improvements confirming completion; provided, however, should any incidental damage be caused to Association Property by virtue of such Owner's construction of Improvements, the security deposit shall not be returned to Owner until such damages have been repaired. In the event that Owner has not repaired such damages to the Association Property to the satisfaction of the Committee, Association shall have the right (but not the obligation), after five (5) days notice to the offending Owner, to repair such incidental damage and to use so much of the security deposit held by the Association to reimburse itself for the costs of such work. Further, the offending Owner hereby agrees to indemnify and reimburse the Association for all reasonable costs expended by the Association that exceed the security deposit, including Legal Fees, if any, incurred in connection therewith. Should any incidental damage be caused to an adjacent Lot or Home by virtue of such Owner's construction of Improvements, the Owner of the adjacent Lot (the "Adjacent Lot Owner") shall, at such Adjacent Lot Owner's sole option: (a) remedy such damage and submit to the Association a receipt, invoice or statement therefor for reimbursement from the offending Owner's security deposit; or (b) allow the offending Owner to repair such incidental damage to the Adjacent Lot Owner's Lot or Home, at the offending Owner's sole cost and expense, and upon receipt by the Association of written notice from the Adjacent Lot Owner that such incidental damage has been repaired, the offending Owner shall be entitled to a return of the security deposit being held by the Association, if any.

Notwithstanding anything contained in this Section to the contrary, the Association's return of the security deposit being held by it for any such Improvements shall be based solely on considerations set forth above. The Association's return of the security deposit does not and shall not be construed to constitute a determination by members and representatives of the Committee, Declarant, and/or the Association of the structural safety, approval or integrity of any Improvement, conformance with building or other codes or standards, or the proper issuance of governmental permits and approvals for any Improvement.

Section 4. MEETINGS OF THE COMMITTEE. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time to time, by resolution unanimously adopted in writing, designate a Committee representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the

Committee, except the granting of variances pursuant to Article VIII, Section 9 below. In the absence of such designation, the vote of any two (2) members of the Committee shall constitute an act of the Committee.

Section 5. NO WAIVER OF FUTURE APPROVALS. The approval of the Committee of any plans and specifications or drawings for any work performed or proposed shall not be deemed to constitute a waiver of any right to withhold approval or consent to any identical or similar proposal subsequently or additionally submitted for approval or consent, whether such submission is by that applicant or another applicant. Similarly, the denial of approval by the Committee of any plans and specifications or drawings for any work performed or proposed shall not be deemed to constitute a waiver of any right to approve or consent to any identical or similar proposal subsequently or additionally submitted for approval or consent, whether such submission is by that applicant or another applicant.

Section 6. COMPENSATION OF MEMBERS. The members of the Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.

Section 7. INSPECTION OF WORK. Inspection of work and correction of defects therein shall proceed as follows:

A. Upon the completion of any work for which approved plans are required under this Article, the submitting party shall give written notice of completion to the Committee.

B. Within thirty (30) days after written notice of completion, the Committee or its duly authorized representatives may inspect such Improvement. If the Committee finds such work was not done in substantial compliance with the approved plans, it shall notify the submitting party in writing of such noncompliance within such thirty (30) day period, specifying the particulars of noncompliance, and shall require the submitting party to remedy such noncompliance.

C. If upon the expiration of fifteen (15) days from the date of such notification the submitting party shall have failed to remedy such noncompliance, notification shall be given to the Board in writing of such failure. Upon such notice, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If noncompliance exists, the submitting party shall remedy or remove the same within a period of not more than thirty (30) days from the date of announcement of the Board's ruling. If the submitting party does not comply with the Board's ruling within such period, the Board, at its option, may remove the Improvement, remedy the noncompliance, or proceed in court to compel compliance and the submitting party shall reimburse the Association, upon demand, for all expenses incurred in connection therewith, including Interest and Legal Fees. If such expenses are not promptly repaid by the submitting party to the Association, the Board shall levy an Assessment against such submitting party for reimbursement, and said Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as liens for Operating Expenses.

D. If, for any reason, notification is not given to the submitting party of acceptance within thirty (30) days after receipt of said written notice of completion from the

submitting party, the Improvement and/or alteration shall be deemed to be in compliance with said approved plans.

Section 8. NON-LIABILITY OF COMMITTEE MEMBERS. Neither the Committee nor any member thereof, nor its duly authorized Committee representative, nor Declarant, shall be liable to the Association or to any Owner or any other person or entity for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties hereunder, unless due to the willful misconduct or bad faith of a member and only that member shall have any liability. The Committee's review and approval or disapproval of plans submitted to it for any proposed Improvement shall be based solely on considerations of the overall benefit or detriment to the community as a whole. The Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes or standards, and no member or representative of the Committee or the Association, nor Declarant, shall be liable for the safety, soundness, workmanship, materials or usefulness for any purpose of any such Improvement or alteration proposed by the plans. By submitting a request for review and approval by the Committee, an Owner shall be deemed to have and does automatically agree to indemnify, defend and hold harmless the Committee, the Association and Declarant (and each of their respective officers, directors, partners, affiliates, members, representatives and employees) from and against any and all claims, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, Legal Fees) arising from, relating to or in any way connected with the Improvement or alterations for which such request was submitted. Furthermore, approval by the Committee of any request does not excuse Owner from also obtaining approvals from all applicable governmental authorities.

Section 9. VARIANCE. The Committee may authorize variances from compliance with any of the architectural provisions of this Declaration or any Supplemental Declaration, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require; provided, however, the Committee shall not give or authorize (and the Committee is hereby prohibited from giving or authorizing) any variance with respect to the displaying of any signs for the sale or renting of the Home as prohibited in Section 10 of Article X below. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the Improvements for which the variance was granted.

Section 10. DECLARANT EXEMPTION. Declarant is hereby exempt from having to comply with the requirements of this Article VIII in their entirety.

ARTICLE IX MAINTENANCE AND REPAIR OBLIGATIONS

Section 1. BY THE ASSOCIATION.

A. The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the Improvements and facilities located upon the Association Property (excluding public utilities and Community Systems, to the extent same have not been made Association Property). Should any incidental damage be caused to any Home by virtue of the Association's failure to maintain the Association Property as herein required or by virtue of any work which may be performed or caused to be performed by the Association in the

maintenance, repair or replacement of any Association Property, the Association shall, at its expense, repair such incidental damage. The Association shall not, however, be responsible for any loss of use, any hardship, an Owner's time or any other consequential or punitive damages.

B. The Association shall operate, maintain and repair a water sprinkler system constructed over, through and upon the Association Property and the Lots as it shall deem appropriate. The Association shall be responsible for the costs of operation and maintenance of such sprinkler system, including any monthly fees and other costs of water usage and the cost of repair or replacement to all or any part thereof. There is hereby reserved in favor of the Association the right to enter upon the Association Property and any and all Lots for the purpose of operating, maintaining, repairing and replacing a water sprinkler system over, through and upon the Association Property and the Lots.

The Association shall operate, maintain and repair the Surface Water or Stormwater Management System constructed over, through and upon the Property. Such 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 District. Any repair or construction of the Surface Water or Stormwater Management System shall be as permitted or, if modified, as approved by the District. There is hereby reserved in favor of the Association the right to enter upon the Association Property and the Lots for the purpose of operating, maintaining, repairing, and replacing the Surface Water or Stormwater Management System, through and upon the Property. The Association shall be responsible for all costs associated with all cleaning, maintenance, repairs and replacement of any portion of the Surface Water or Stormwater Management System and retention areas necessary to maintain the system in its original condition and use. In the event the Association fails to maintain the Surface Water or Stormwater Management System in accordance with this Declaration and/or the District Permit, as the same may be amended from time to time, then the District shall have the right to commence an action against the Association, including, without limitation, monetary penalties and injunctive relief, to compel the Association to maintain the portions of the Surface Water or Stormwater Management System for which the Association is responsible in accordance with this Declaration and/or the District Permit. The registered agent for the Association shall retain a copy of the District Permit for the Association's benefit.

C. The Association shall maintain and care for all landscaping and grassed areas encompassed within each Lot (with the exception of the landscaping and grassed area encompassed within the Backyard Area of a Lot which such maintenance and care shall be performed by the Owner of such Lot) and the Association Property. "Maintenance and care" within the meaning of this Subsection C shall include irrigating, fertilizing, spraying and trimming of landscaping and grassed areas and replacement of same, including the replacement of any dead or dying trees, so that, at a minimum, the initial landscaping for the Lot provided by Declarant shall be maintained. If an Owner plants trees and/or landscaping on his or her Lot, such Owner shall be responsible for the maintenance, repair and replacement of same.

D. The Association shall be responsible for the maintenance, repair and replacement of all private drives and common parking areas located upon the Association Property and there is hereby reserved in favor of the Association the right to enter upon any and all parts of the Association Property and Lots for such purpose. To the extent permitted by the appropriate governmental authority, the Association may, but shall not be obligated to, also

provide maintenance of all city, County, district or municipal properties which are located within or in a reasonable proximity of the Property to the extent that their deterioration or unkempt appearance would adversely affect the appearance of the Property, including the right to enhance the landscaping in any public right of way.

E. The Association shall be responsible for the maintenance, repair and replacement of any common lighting located in Lake Washington Townhomes.

F. The Association shall be responsible for the painting of the exterior surface of the walls, doors, windows of the Homes (using the same colors as originally used by Declarant) and for maintaining all Common Structural Elements of the Homes, except for window washing which shall be the responsibility of each Owner. Any proposed change in the paint scheme of Lake Washington Townhomes shall require the affirmative vote of seventy-five percent (75%) of the Owners. In the event the Association must paint a Home or a portion thereof due to the negligence of the Owner of the Home, the Association shall have the right to levy a special charge against such Owner's Lot and said special charge shall constitute a lien upon said Lot with the same force and effect as a lien for Operating Expenses. There is hereby reserved in favor of the Association the right to enter upon any and all Lots for the purpose of such maintenance of the Homes.

G. The Association shall be responsible for the painting of the exterior surface of garage doors, but shall not be responsible for the mechanisms associated with garages located within the Homes or any other maintenance of the garages, including the replacement of the garage doors. There is hereby reserved in favor of the Association the right to enter upon any and all Lots for such painting of the exterior surface of garage doors.

H. The Association shall be responsible for the maintenance and repair of any Areas of Common Responsibility, if any.

I. The Association shall be responsible for maintenance and repair of the electronic card access gates and common mailboxes.

J. The Association shall have the right but not the obligation to maintain the landscaping, if any, in any public rights-of-way abutting the Property.

K. The Association, by action of its Board, may make minor and insubstantial alterations and Improvements to the Association Property and/or the Building(s) having a cost not in excess of Five Thousand Dollars (\$5,000). All other alterations and Improvements must first be approved by at least two-thirds (2/3) of all Owners represented in person or by proxy at a meeting called and held in accordance with the Bylaws. No alteration or Improvement may be made to the Association Property and/or Building which materially and adversely affects the rights of the Owner of any Home to the enjoyment of his or her Home or the Association Property unless the Owner and all mortgagees holding recorded mortgages on such Home consent thereto in writing.

L. All expenses incurred by the Association in connection with the services and maintenance described in Paragraphs A through K, inclusive, are Operating Expenses, payable by each Owner under the provisions of this Declaration concerning Assessments. Should the maintenance, repair or replacement provided for in Paragraphs A through K of this

Section 1 he caused by the negligence of or misuse by an Owner, such Owner's family, guests, servants, invitees, or lessees, such Owner shall be responsible therefor, and the Association shall have the right to levy an Assessment against such Owner's Home and said Assessment shall constitute a lien upon the appropriate Lot and Home with the same force and effect as liens for Operating Expenses.

M. The Association has a reasonable right of entry upon any Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of Lake Washington Townhomes.

N. Neither the Association nor any Owner shall alter the slopes, contours, or cross sections of the lakes, lake banks and littoral zones or chemically, mechanically, or manually remove, damage or destroy any plants in any of the littoral zones, except upon the written approval from the applicable governmental authority. The Association shall be responsible for maintaining the required survivorship and coverage of the planted littoral areas, to ensure the ongoing removal of prohibited and invasive non-native plant species from these areas, and to comply with all governmental regulations applicable to the lakes, lake banks and littoral zones.

Section 2. BY THE OWNERS.

A. The Owner of each Home must keep and maintain his or her Home and the Improvements thereon, which are not maintained by the Association, including equipment and appurtenances, in good order, condition and repair, and must perform promptly all maintenance and repair work within his or her Home which, if omitted, would adversely affect Lake Washington Townhomes the other Owners or the Association and its Members. The Owner of each Home shall be responsible for any damages caused by a failure to so maintain such Home. The Owners' responsibility for maintenance, repair and replacement shall include, but not be limited, to the caulking and maintenance of the doors and windows (including glass and frame) of the Home, and the exterior surface of such doors and windows shall at all times be maintained in a good and serviceable condition with no damage or other defect therein by the Owner. The Owner of a Home further agrees that in the event he or she damages any portion of the central irrigation system located upon his or her Lot, the Owner shall be responsible for repairing said damage. The Owner of each Lot shall keep all drainage structures (such as catch basins) located on the Owner's Lot clear of grass, leaves and other debris. The Owner of a Home further agrees to pay for all utilities (including, without limitation, those provided by the Community Systems), such as telephone, cable or satellite television, telecommunication systems, internet, home monitoring, water, sewer, sanitation, electric, etc., that may be separately billed or charged to his or her Home. The Owner of each Home shall be responsible for insect and pest control within the Home. Whenever the maintenance, repair and replacement of any items which an Owner is obligated to maintain, repair or replace at such Owner's expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement, except that the Owner shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance or otherwise, reduce the amount of the insurance proceeds applicable to such maintenance, repair or replacement.

In addition to the foregoing, each Owner shall be required to maintain appropriate climate control, keep his or her Home clean, dry, well-ventilated and free of contamination and shall take necessary measures to retard and prevent mold from accumulating in the Home. Each Owner shall be required to clean and dust the Home on a regular basis and to remove visible moisture accumulation on windows, window sills, walls, floors, ceilings and other surfaces as soon as reasonably possible and must not block or cover any heating, ventilation or air-conditioning ducts. Leaks, leaving exterior doors or windows open, wet flooring and moisture will contribute to the growth of mold, mildew, fungus or spores. Further, given the climate and humid conditions in the area where the Property is located, molds, mildew, toxins and fungi may exist and/or develop within the Home and/or the Property. Each Owner is hereby advised that certain molds, mildew, toxins and/or fungi may be, or if allowed to remain for a sufficient period may become toxic and potentially pose a health risk. Each Owner, whether or not occupying the Home, shall continuously run the air conditioning to maintain the Home temperature at a maximum temperature of seventy-eight (78°) degrees, to minimize humidity in the Home. Owners are required to report immediately in writing to the Board (i) any evidence of water leak or water infiltration or excessive moisture in the Home, common hallways, if any, and any other common areas; (ii) any evidence of mold that cannot be removed with a common household cleaner; (iii) any failure or malfunction in heating, ventilation or air conditioning, and (iv) any inoperable doors or windows and each Owner shall be responsible for damage to the Home and personal property as well as any injury to the Owner and/or occupants of the Home resulting from the Owner's failure to comply with these terms. Each Owner is fully responsible and liable for the entire amount of all cleaning expenses and remediation costs incurred by the Association to remove mold from the Home, if the Owner fails to remediate same and each Owner shall be responsible for the repair and remediation of all damages to the Home caused by mold. By acquiring title to a Home, each Owner shall be deemed to have assumed the risks associated with molds, mildew, toxins and/or fungi and to have released Declarant from any and all liability resulting from same, including, without limitation, any liability for incidental or consequential damages, which may result from, without limitation, the inability to possess the Home, inconvenience, moving costs, hotel costs, storage costs, loss of time, lost wages, lost opportunities and/or personal injury and death to or suffered by the Owner, his or her family members and/or his or her guests, tenants, invitees and/or the pets of all of the aforementioned persons, as a result of mold, mildew, fungus or spores. Additionally, each Owner, by acceptance of a deed, or otherwise acquiring title to a Home, shall be deemed to have agreed that Declarant shall not be responsible, and Declarant hereby disclaims any responsibility for any illness, personal injury, death or allergic reactions which may be experienced by the Owner, his or her family members and/or his or her guests, tenants, invitees and/or the pets of all of the aforementioned persons, as result of mold, mildew, fungus or spores. Declarant does not make any representations or warranties regarding the existence or development of molds or mycotoxins and each Owner shall be deemed to waive and expressly release any such warranty and claim for loss or damages resulting from the existence and/or development of same. Further, in the event that the Association reasonably believes that these provisions are not being complied with, then, the Association shall have the right, but not the obligation, to enter the Home (without requiring the consent of the Owner or any other party) to turn on the air conditioning in an effort to cause the temperature of the Home to be maintained as hereby required (with all utility consumption costs to be paid and assumed by the Owner). References in this section regarding climate control and air conditioning shall only be applicable to those portions of the Home that are air conditioned.

B. The Owner of each Home shall keep the sidewalk located on his or her Lot

clean and free from any impediments to pedestrian traffic.

C. The Owner of each Home shall be responsible for the maintenance, repair and replacement of the garage doors and any mechanisms associated with the garages located within his or her Home, but shall not be responsible for painting of the exterior surface of garage doors which shall be the responsibility of the Association.

D. The Owner of each Home shall wash all windows located within his or her Home.

E. An Owner shall not plant any shrubs, trees and/or landscaping on his or her Lot without the prior written approval of the Committee. If an Owner receives such approval and plants any shrubs, trees and/or landscaping on his or her Lot, such Owner shall be responsible for maintaining such shrubs, trees and/or landscaping.

F. The Owner of each Home shall be responsible for maintaining in good condition and repair the balconies or patios of his or her Home, as well as any sliding doors or screens adjacent to or part of the balcony or patio. In the event a repair related to the construction of the balcony or patio is required, the Association shall be responsible for such repair. If the Owner of the Home installs a covering on the surface of the balcony or patio such as but not limited to tile, then the covering shall remain the personal property of such Owner and the Association shall not be responsible for any damage to such personal property in connection with any repair to the balcony or patio. No Owner may install a covering on the surface of the balcony or patio which will effect the slope or drainage of a balcony or patio. Notwithstanding anything herein to the contrary, the Association shall be responsible for any painting of the exterior walls of the balcony or patio.

G. If a Home is damaged by fire or other casualty, except for the repair of the Common Structural Elements which shall be performed by the Association, its Owner shall properly and promptly restore it to at least as good a condition as it was before the casualty occurred. Any such work shall be in accordance with the original plans and specifications of the Home unless otherwise authorized by the Board.

H. Each Owner shall keep the interior portions of his or her Home and his or her personal property (including, but not limited to, all windows, doors, floor, wall, ceiling coverings, electrical fixtures, appliances, air conditioner or heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing and all air conditioning compressors, whether or not located within the Home boundaries, etc.) insured and shall name the Association as additional insured on the insurance policy. Evidence of such coverage shall be furnished to the Association promptly upon the Board's request. No Owner shall cancel such insurance without at least thirty (30) days prior written notice to the Association. The Association shall maintain property and casualty insurance on each Building (as well as the Common Structural Elements and the drywall located within the interior portions of a Home) in which Homes are located in accordance with the provisions of Article XII, Section 1 hereof.

I. If an Owner fails to comply with the foregoing provisions of this Section 2, the Association may proceed in court to compel compliance. Further, if the failure to comply

relates to the Owner's obligations to maintain insurance, the Association shall be entitled, although not obligated, to obtain the required coverage itself and to levy on the offending Owner an Assessment equal to the cost of premiums, and any such Assessment shall constitute a lien upon the applicable Lot and Lot with the same force and effect as a lien for Operating Expenses.

J. If a failure to comply with the provisions of this Section 2 relates to the Owner's obligation to maintain and care for the Home, landscaping or any other area required to be maintained and cared for by the Owner, then, in addition to the exercise of all other remedies, the Association or Declarant shall have the right but not the obligation, upon fifteen (15) days written notice, to enter the Lot of the Owner for the purpose of performing the maintenance and care referred to, set forth and described in the notice and to levy on the offending Owner an Assessment equal to the cost of performing such maintenance and care. Any such Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses. The determination of whether an Owner is failing to properly maintain and care for the property for which such Owner has the maintenance responsibility under this Declaration or any of the other the Lake Washington Townhomes Documents shall be determined in the sole discretion of the Association or Declarant.

Section 3. DAMAGE TO BUILDINGS. The Owner of any Home which has suffered damage may apply to the Committee for approval for reconstruction, rebuilding, or repair of the Improvements therein. The Committee shall grant such approval only if, upon completion of the work, the exterior appearance will be substantially similar to that which existed prior to the date of the casualty. If the obligation for repair falls upon the Association, the Committee approval will not be required prior to the commencement of such work, so long as the exterior appearance will be substantially similar to that which existed prior to the date of the casualty.

The owner or owners of any damaged Building, the Association and the Committee shall be obligated to proceed with all due diligence hereunder and the responsible parties shall commence reconstruction within three (3) months after the damage occurs and complete reconstruction within one (1) year after the damage occurs, unless prevented by causes beyond his or her or their reasonable control.

Declarant shall be exempt from the provisions of this Section 3, provided that any such reconstruction, rebuilding or repairs made by Declarant shall be consistent, as to the exterior appearance, with the Improvements as they existed prior to the damage or other casualty.

ARTICLE X USE RESTRICTIONS

All of the Property shall be held, used, and enjoyed subject to the following limitations and restrictions, and any and all additional rules and regulations which may, from time to time, be adopted by the Association:

Section 1. ENFORCEMENT. Failure of an Owner to comply with any limitations or restrictions in this Declaration or any of the Lake Washington Townhomes Documents, or with any rules and regulations promulgated by the Association, shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof.

Notwithstanding the rights of the Association hereunder to enforce the terms and provisions of the Lake Washington Townhomes Documents, the District shall also have the right to take enforcement action, including a civil action for an injunction and penalties, against the Association to compel the Association to correct any failure by the Association to operate, maintain and repair the Surface Water or Stormwater Management System in accordance with the District Permit.

In addition to all other remedies, the Association may suspend the voting rights of an Owner if such Owner is delinquent in payment of assessments for more than ninety (90) days; and may levy reasonable fines against any Owner or any Owner's tenant, guest or invitee for failure of such Owner, his or her family, guests, invitees, lessees or employees to comply with any of the Lake Washington Townhomes Documents, provided the following procedures are adhered to:

A. Notice. The Association shall notify the Owner in writing of the noncompliance and set forth the corrective action to be taken. A fine or suspension of use rights may not be imposed without notice of at least fourteen (14) days to the Owner sought to be fined or suspended and an opportunity for a hearing before a committee of at least three (3) members appointed by the Board who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother or sister of an officer, director, or employee of the Association. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed. At the Association's option, any fine may be levied on a daily basis in the event of a continuing violation without the necessity of a new hearing and without any limitation on the amount of such fine.

B. Hearing. Should the Owner still be in noncompliance, the noncompliance shall be presented to the Board after which the Board shall hear reasons why a fine should or should not be imposed. A written decision of the Board shall be submitted to the Owner, as applicable, not later than twenty-one (21) days after said meeting.

C. Payment. A fine shall be paid not later than thirty (30) days after notice of the imposition of the fine.

D. Fines. An Owner shall be responsible for all Legal Fees incurred in connection with the collection of a fine whether or not an action at law to collect said fine is commenced. All monies received from fines shall be allocated as directed by the Board, subject always to the provisions of this Declaration.

E. Failure to Pay Assessments. Notice and Hearing as provided in Subparagraphs A and B above shall not be required with respect to the imposition of suspension of use rights or fines upon any Owner because of such Owner's failure to pay Assessments or other charges when due.

F. Access. Suspension of use rights to Association Property shall not impair the right of an Owner or tenant of a Home to have vehicular and pedestrian ingress to and egress from such Home, including, but not limited to, the right to park.

Section 2. NUISANCES. No obnoxious or offensive activity shall be carried on or about the Lots or in or about any Improvements, Homes, or on any portion of Lake Washington

Townhomes nor shall anything be done therein which may be or become an unreasonable annoyance or a nuisance to any Owner. No use or practice shall be allowed in or around the Homes which is a source of annoyance to Owners or occupants of Homes or which interferes with the peaceful possession or proper use of the Homes or the surrounding areas. No loud noises or noxious odors shall be permitted in any Improvements, Homes or Lots. Without limiting the generality of any of the foregoing provisions, no horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, unlicensed off-road motor vehicles or any items which may unreasonably interfere with television or radio reception of any Owner shall be located, used or placed on any Lot, or exposed to the view of other Owners without the prior written approval of the Board. Notwithstanding anything to the contrary herein, so long as any activity which is carried on a Lot is allowable within applicable zoning regulations, no such activity shall be deemed a nuisance hereunder.

Section 3. PARKING AND VEHICULAR RESTRICTIONS. Parking upon the Property shall be restricted to the garage located upon each Lot, the driveways located directly in front of the Homes as designated on the Site Plan and designated parking areas within the Association Property, if any. No parking on the streets or swales is permitted. Guest parking shall be on a first come-first served basis. No Owner shall keep any vehicle on any Lot, except fully enclosed within his or her garage, which is deemed to be a nuisance by the Board. No Owner shall conduct repairs taking more than twenty-four (24) hours (except in an emergency or except within the garage of the Home with the garage door closed) or restorations of any motor vehicle, boat, trailer, or other vehicle upon any Lot. No commercial vehicle, trailer, motor home, boat or boat trailer may be parked or stored on the Property except in the garage of a Home. No bus or tractor-trailer or any other truck larger than a full-size pickup truck may be parked on the Property, except temporarily as in the case of a moving van or other such vehicle necessary to provide service to an Owner and with the exception of any vehicles necessary for any construction activity being performed by or on behalf of Declarant.

Section 4. NO IMPROPER USE. No improper, offensive, hazardous or unlawful use shall be made of any Home nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to any person using any portion of the Property. All valid laws, zoning ordinances, orders, rules, regulations, codes and other requirements of all governmental bodies having jurisdiction thereover shall be observed. Violations of laws, ordinances, orders, rules, regulations, codes or other requirements of any governmental agency having jurisdiction thereover relating to any Home or Lot shall be corrected by, and at the sole expense of, the Owner of said Home and/or Lot.

Section 5. LEASES. No portion of a Home (other than an entire Home) may be rented. No entire Home may be rented for a term of less than six (6) consecutive months, no Home may be rented more than twice a year and no Home may be rented more than once in any six (6) month period. All leases shall provide that the Association shall have the right to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration, the Articles, the Bylaws, applicable rules and regulations, or of any other agreement, document or instrument governing the Homes. The Owner of a leased Home shall be jointly and severally liable with his or her tenant for compliance with the Lake Washington Townhomes Documents and to the Association to pay any claim for injury or damage to property caused by the negligence of the tenant. Every lease shall be subordinated to any lien filed by the Association whether before or after such lease was entered into.

Section 6. ANIMALS AND PETS. Except as provided under the rules and regulations promulgated by the Association from time to time, an Owner and/or resident is permitted to keep up to two (2) dogs or two (2) cats or one (1) dog and one (1) cat on any Lot or in a Home; however, under no circumstances will any dog whose breed is noted for its viciousness or ill-temper, in particular, the "Pit Bull" (as hereinafter defined), Rottweiler, Mastiff, Presa Canario, or any crossbreeds of such breeds, be permitted on any portion of the Association Property. A "Pit Bull" is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying a majority of the physical traits of any one (1) or more of the above breeds, or any dog exhibiting those distinguishing characteristics which substantially conform to the standards established by the American Kennel Club or United Kennel Club for any of the above breeds. No exotic pet or any animal of any kind which has venom or poisonous defense or capture mechanisms, or if let loose would constitute vermin, shall be allowed on any portion of the Association Property. Trained seeing-eye dogs will be permitted for those persons holding certificates of blindness and necessity. Other animals will be permitted if such animals serve as physical aides to handicapped persons and such animals have been trained or provided by an agency or service qualified to provide such animals. The guide or assistance animal will be kept in direct custody of the assisted person or the qualified person training the animal at all times when on the Association Property and the animal shall wear and be controlled by a harness or orange-colored leash and collar. Pets may not be kept, bred or maintained for any commercial purpose. Any pet must be temporarily caged, carried or kept on a leash when outside of a Home. No pet shall be kept tied outside a Home or on any screened porch or patio, unless someone is present in the Home. No dogs will be curbed in any landscaped area or close to any walk, but only in special areas designated by the Board, if any, provided this statement shall not require the Board to designate any such area. An Owner shall immediately pick up and remove any solid animal waste deposited by his pet. The Owner shall compensate any person hurt or bitten by his or her pet and shall indemnify the Association and hold it harmless against any loss or liability of any kind or character whatsoever arising from or growing out of having any animal within the Association Property. If a dog or any other animal becomes obnoxious to other Owners by barking or otherwise, the Owner thereof must cause the problem to be corrected; or, if it is not corrected, the Owner, upon written notice by the Association, will be required to permanently remove the animal from the Association Property. The Association will promulgate rules and regulations from time to time designating other rules as necessary to regulate pets.

Section 7. ADDITIONS AND ALTERATIONS. No Home shall be enlarged by any addition thereto or to any part thereof, and no Owner shall make any improvement, addition, or alteration to the exterior of his or her Home, balcony or patio, including, without limitation, the painting, staining, or varnishing of the exterior of the Home, including windows, doors, garage doors, patios, balconies, driveways and walkways, without the prior written approval of the Committee as set forth in Article VIII of this Declaration, which approval may be withheld for purely aesthetic reasons, and all applicable governmental entities. Additionally, no Owner shall make any improvement, addition or alteration to the interior of his or her Home that would affect the fire protection, electric, plumbing or other like system without the prior written approval of the Association.

Section 8. INCREASE IN INSURANCE RATES. No Owner may engage in any action which may reasonably be expected to result in an increase in the rate of any insurance policy or policies covering or with respect to any portion of the Property not owned by such Owner.

Section 9. SLOPES AND TREES. No Owner may engage in any activity which will change the slope or drainage of a Lot, including without limitation lake bank slopes. No additional trees or other landscaping are permitted to be planted on the Property without the prior written consent of Declarant for as long as Declarant owns a Home, and thereafter without the prior written consent of the Committee. No Owner may alter the slopes, contours or cross sections of the lakes, lake banks, littoral zones, canals or canal banks; or chemically, mechanically or manually remove, damage or destroy any plants in any littoral zones.

Section 10. SIGNS. No sign (specifically including, but not limited to, for sale signs), display, poster, or other advertising device of any kind may be displayed in public view of any portion of any Building or other Improvement in the Property or in or about an automobile without the prior written consent of the Board. Signs, regardless of size, used by Declarant, its successors or assigns, for advertising during the construction and sale period of Lake Washington Townhomes or other communities developed and/or marketed by Declarant or its affiliates and other signs authorized by Declarant shall be exempt from this Section. Such sign or signs as Declarant may be required to erect under the terms of an Institutional Mortgage shall also be exempt from this Section 10. This provision may not be amended without the prior written consent of Declarant.

Section 11. TRASH AND OTHER MATERIALS. No rubbish, trash, garbage, refuse, or other waste material shall be kept or permitted on the Lots and/or Association Property, or other portions of the Property, except in sanitary, self-locking containers located in the garage of each Home or dumpsters designated for such purpose, and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, offensive, detrimental or a nuisance to Owners or to any other property in the vicinity thereof or to its occupants. No clothing or other household items shall be hung, dried, or aired in such a way as to be visible from the Association Property or another Lot. No stripped vehicles, lumber or other building materials, grass, tree clippings, metals, scrap, automobile pieces or parts, refuse, or trash shall be stored or allowed to accumulate on any portion of the Property (except when accumulated during construction by Declarant, during construction approved by the Committee, or when accumulated by the Association for imminent pick-up and discard). Trash shall be placed in front of each Home or in designated areas no earlier than 5:00 p.m. the night before pick-up and trash receptacles shall be removed no later than midnight on the day of pick-up.

Section 12. TEMPORARY STRUCTURES. No tent, shack, shed or other temporary building or Improvement, other than separate construction and sales trailers to be used by Declarant, its agents and contractors, for the construction, service and sale of Lake Washington Townhomes or other communities, shall be placed upon any portion of the Property, either temporarily or permanently. No trailer, motor home or recreational vehicle shall be: (a) used as a residence, either temporarily or permanently, or (b) parked upon the Property.

Section 13. OIL AND MINING OPERATIONS. No oil drilling, oil development operations, oil refining, boring or mining operations of any kind shall be permitted upon or on any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 14. SEWAGE DISPOSAL. No individual sewage disposal system shall be permitted

on any of the Property, provided that a central sewage disposal system is being operated in accordance with the requirements of the governmental regulatory body having jurisdiction over said central system.

Section 15. WATER SUPPLY. No individual water supply system shall be permitted on any of the Property, provided that a central water supply system is being operated in accordance with requirements of the governmental body having jurisdiction over said central system, except that wells are permitted for the irrigation of landscaping only, provided that a stain tank is installed in conjunction with the irrigation well.

Section 16. LANDSCAPING. Any landscaping planted upon any Lot must be approved in writing by the Committee prior to installation. The Owner assumes complete responsibility to maintain the landscaping planted by the Owner.

Notwithstanding that an Owner has obtained the approval of the Committee to install landscape materials, as provided hereinabove, such installation shall be at the Owner's sole risk. In the event any construction activity on an adjacent Lot causes damage to or destruction of such Owner's landscape materials or any part thereof, the Owner on whose Lot the landscaping has been damaged shall be required, at the Owner's expense, to repair or replace such landscape materials in conformance with the requirements of the Committee's approval of the initial installation of the landscape materials and Declarant shall have no liability for any such damage or destruction. Such repair or replacement shall commence as soon as construction on the adjacent Lot has been completed and shall be pursued with due diligence. For purposes of this paragraph, the term "landscape materials" shall include landscape materials located on or adjacent to any property line of a Lot, including, by way of example and not of limitation, hedges, shrubs and trees.

In addition, the installation of any landscaping placed upon any Lot is subject to easements which run with the land. In the event the grantee of any such easement which runs with the land (i.e., FPL), its successors and/or assigns, requires the removal of any landscaping upon the Lot, then the Owner of said Lot shall, at the Owner's sole cost and expense, immediately remove the landscaping. The Owner of a Lot in installing any landscaping upon the Lot shall comply with all valid laws, zoning ordinances and regulations of the city and County governmental bodies, as applicable, in addition to Association approval.

Section 17. ANTENNAE. No outside television, radio, or other electronic towers, aerials, antennae, satellite dishes or devices of any type for the reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed or permitted to remain on any portion of the Property or upon any improvements thereon, unless expressly approved in writing by the Association, except that this prohibition shall not apply to those satellite dishes that are one (1) meter (39.37 inches) in diameter or less, and specifically covered by 47 C.F.R. Part 1, Subpart S, Section 1.4000, as amended, promulgated under the Telecommunications Act of 1996, as amended from time to time. The Association is empowered to adopt rules governing the types of antennae which may be permitted and restrictions relating to safety, location and maintenance of antennae. The Association may also adopt and enforce reasonable rules limiting installation of permissible dishes or antennae to certain specified locations, not visible from the street or neighboring properties, and integrated with the Property and surrounding landscape, to the extent that reception of an acceptable signal would not be unlawfully impaired by such rules and provided the cost of complying with such

rules would not unreasonably increase the cost of installation of permissible dishes or antennae. Any permissible dishes or antennae shall be installed in compliance with all federal, state and local laws and regulations, including zoning, land-use and building regulations. Further, any Owner desiring to install permissible dishes or antennae may, but is not obligated to, submit plans and specifications for same to the Association to ensure compliance with the Association's rules, if any, governing the types of permissible antennae and restrictions relating to safety, location and maintenance of antennae. This Section 17 shall not apply to Declarant.

Section 18. GARAGES. No Owner shall enclose any portion of his or her garage or convert any portion of his or her garage into living space. When not in use, Owners shall keep their garage doors closed. Each Owner shall keep his or her garage free from clutter so that at all times his or her car can easily be parked in his or her garage.

Section 19. CONVEYANCES, TRANSFER AND ENCUMBRANCES OF HOMES.

(i) Any person who becomes an Owner by gift, devise or conveyance shall within ten (10) days after such transfer furnish the Association with his or her name and such other information as the Association may reasonably require.

(ii) If an Owner should die and the title to his or her Lot shall pass to his or her surviving spouse or to any immediate member of his or her family, such successor in title shall fully succeed to the ownership, rights, duties and obligations of the Owner

(iii) Protection of Property. All liens against a Lot other than for mortgages, taxes or special assessments, shall be satisfied or otherwise removed within thirty (30) days from the date the lien attaches. All taxes and special assessments upon a Lot shall be paid before they become delinquent.

(iv) Notice of Lien. An Owner shall give notice to the Association of every lien against his or her Lot other than mortgages, taxes, and special assessments within five (5) days after the lien has attached.

(v) Notice of Suit. Every Owner shall give notice to the Association of every suit or other proceeding which may affect the title to his or her Lot, such notice to be given within five (5) days after the Owner receives actual notice thereof.

(vi) Failure of Compliance. Failure to comply with this section concerning liens will not affect the validity of any judicial sale.

(vii) Rights of Institutional Mortgagees. The provisions of this Section 19 shall in no way be construed as affecting the rights of an Institutional Mortgagee owning a recorded institutional first mortgage on any Lot and the rights hereinabove set forth shall remain subordinate to any such institutional first mortgage. Further, the provisions of this Section 19 shall not be applicable to purchasers at foreclosure or other judicial sales of Institutional Mortgagees, or to transfers to Institutional Mortgagees or to Declarant.

Section 20. CLOTHESLINES. No clothesline or other similar device shall be allowed in any

portion of the Property, unless within a Home and concealed from view from all other portions of the Property and from the surrounding public areas. No towels shall be permitted to be hung from the balconies.

Section 21. GARAGE SALES. No garage sales, estate sales, yard sales, moving sales, or any other sales that invite the public, shall be carried on in or about Lake Washington Townhomes.

Section 22. HURRICANE SEASON. Each Owner who plans to be absent from his or her Home during the hurricane season must prepare his or her Home prior to his or her departure by removing all furniture, potted plants and other movable objects, if any, from his or her Backyard Area, balcony, patio and/or Lot, and designate a responsible firm or individual satisfactory to the Association to care for the Home should the Home suffer hurricane damage.

Section 23. ENCLOSURES. No enclosures of any kind, including but not limited to, glass and screen enclosures, shall be constructed or placed on the balconies, patios or Backyard Areas.

Section 24. DECLARANT EXEMPTION. Declarant plans to undertake the work of constructing Homes and Improvements upon the Property and may undertake the work of constructing other buildings upon adjacent land or other property being developed or marketed by Declarant or its affiliates. The completion of that work and the sale, rental and other transfer of Homes is essential to the establishment and welfare of the Property as a residential community. In order that such work may be completed and a fully occupied community established as rapidly as possible, neither the Owners, the Association nor the Committee shall do anything to interfere with Declarant's activities.

In general, the restrictions and limitations set forth in this Article X shall not apply to Declarant or to Homes owned by Declarant. Declarant shall specifically be exempt from any restrictions which interfere in any manner whatsoever with Declarant's plans for development, construction, sale, lease, or use of the Property and to the Improvements thereon. Declarant shall be entitled to injunctive relief for any actual or threatened interference with its rights under this Article X in addition to whatever remedies at law to which it might be entitled.

ARTICLE XI DAMAGE OR DESTRUCTION TO ASSOCIATION PROPERTY AND/OR COMMON STRUCTURAL ELEMENTS

Damage to or destruction of all or any portion of the Association Property and/or Common Structural Elements shall, notwithstanding any provision in this Declaration to the contrary, be handled as follows:

A. If insurance proceeds are sufficient to effect total restoration of damaged or destroyed Association Property and/or Common Structural Elements then the Association shall cause such Association Property and/or Common Structural Elements to be repaired and reconstructed substantially as it previously existed.

B. If insurance proceeds are insufficient to effect total restoration, and the cost of restoration would require a Special Assessment against each Lot in an amount of Five

Thousand Dollars (\$5,000.00) or less (Such amount is based on the value of the dollar in 2006 and shall be increased each year thereafter based upon increases in the Consumer Price Index), then the Association shall cause the Association Property and/or Common Structural Elements to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a Special Assessment proportionately against each of the Homes in accordance with the provisions of Articles VI and VII herein.

C. If the insurance proceeds are insufficient to effect total restoration and the cost of restoration of the Association Property and/or Common Structural Elements would require a Special Assessment against each Lot in an amount greater than Five Thousand Dollars (\$5,000.00) (Such amount is based on the value of the dollar in 2006 and shall be increased each year thereafter based upon increases in the Consumer Price Index), then by the written consent or vote of a majority of the voting interests, they shall determine whether: (a) to rebuild and restore either: (i) in substantially the same manner as the Improvements existed prior to the damage or destruction; or (ii) in a manner less expensive, and in the event of (i) or (ii) to raise the necessary rebuilding and restoration funds by levying pro rata restoration and construction Special Assessments against all Homes; or (b) to not rebuild and to retain available insurance proceeds. In the event it is decided that the damaged or destroyed Association Property and/or Common Structural Elements shall not be rebuilt, the remains of any structure or structures shall be torn down and hauled away, so as not to be a safety hazard or visual nuisance, and the land shall be fully sodded and landscaped or otherwise treated in an attractive manner. Notwithstanding anything contained herein to the contrary, any decision not to rebuild or to rebuild in a manner which would result in a change in the Improvements shall not be effective without the prior written approval of Declarant as long as Declarant owns any portion of the Property.

D. Each Owner shall be liable to the Association for any damage to the Association Property and/or Common Structural Elements not fully covered or collected by insurance which may be sustained by reason of the negligence or willful misconduct of said Owner or of such Owner's family, lessees, invitees and guests, both minors and adults.

E. In the event that the repairs and replacements were paid for by any Special Assessments as well as insurance proceeds and regular Assessments, then, if after the completion of and payment for the repair, replacement, construction or reconstruction there shall remain any excess in the hands of the Association, it shall be presumed that the monies disbursed in payment of any repair, replacement, construction and reconstruction were first disbursed from insurance proceeds and regular Assessments and any remaining funds shall be deemed to be the remaining Special Assessments which shall be returned to the Owners by means of a *pro rata* distribution in accordance with the collection of such Special Assessments.

ARTICLE XII INSURANCE AND CONDEMNATION

The Association shall purchase and maintain the following insurance coverages subject to the following provisions, and the cost of the premiums therefor shall be a part of the Operating Expenses:

Section 1. CASUALTY INSURANCE. Property and casualty insurance (including, but not limited to, windstorm) in an amount equal to the then full replacement cost, exclusive of land,

foundation, excavation and other items normally excluded from such coverage, of all Improvements and personal property which are owned by the Association and now or hereafter located upon the Association Property and on all Improvements comprising the Homes, excluding the interior portions thereof which are the maintenance responsibility of the Owners. Notwithstanding anything herein to the contrary, the Association shall be responsible for insuring the Common Structural Elements located within each Building as well as the drywall located within the interior portions of the Homes. Such property and casualty insurance shall afford protection against such risks, if any, as shall customarily be covered with respect to areas similar to the Association Property and Homes in developments similar to Lake Washington Townhomes in construction, location and use.

Section 2. PUBLIC LIABILITY INSURANCE. A comprehensive policy of public liability insurance naming the Association and, until Declarant no longer owns any Home within the Property, Declarant as named insureds thereof insuring against any and all claims or demands made by any person or persons whomsoever for personal injuries or property damage received in connection with, or arising from, the operation, maintenance and use of the Association Property and any Improvements located thereon and use of the balance of the Property, and for any other risks insured against by such policies with limits of not less than One Million Dollars (\$1,000,000.00) for damages incurred or claimed by one or more persons for any one occurrence; not less than Two Million Dollars (\$2,000,000.00) in total per year; and for not less than Twenty-Five Thousand Dollars (\$25,000.00) property damage per occurrence with no separate limits stated for the number of claims. The Association may also obtain worker's compensation insurance and other liability insurance including, but not limited to, insurance for lawsuits related to employment contracts in which the Association is a party, as it may deem desirable.

Section 3. FIDELITY COVERAGE. Adequate fidelity coverage to protect against dishonest acts of the officers and employees of the Association and the Board and all others who handle and are responsible for handling funds of the Association shall be maintained in the form of fidelity bonds, which requirements shall be reasonably determined by the Board.

Section 4. DIRECTORS' COVERAGE. Adequate directors' and officers' liability coverage, which coverage shall be effective from and after the date the Association is created.

Section 5. OTHER INSURANCE. The Board may obtain such other forms of insurance as the Board may determine and in such coverage amounts as the Board shall determine to be required or beneficial for the protection or preservation of the Association Property, the balance of the Property and any improvements now or hereafter located thereon or in the best interests of the Association and/or its officers and directors.

Section 6. CANCELLATION OR MODIFICATION. All insurance policies purchased by the Association shall provide that they may not be canceled (including for nonpayment of premiums) or substantially modified without at least ten (10) days prior written notice to the Association and to each first mortgage holder, if any, named in the mortgage clause.

Section 7. FLOOD INSURANCE. If determined appropriate by the Board or if required by an Institutional Mortgagee, a master or blanket policy of flood insurance covering the Association Property and the Buildings on the Property, if available under the National Flood Insurance Program, shall be purchased, which flood insurance shall be in the form of a standard

policy issued by a member of the National Flood Insurers Association, and the amount of the coverage of such insurance shall be the lesser of the maximum amount of flood insurance available under such program, or one hundred percent (100%) of the current replacement cost of all Buildings and other insurable property located in the flood hazard area.

Section 8. CONDEMNATION. In the event the Association receives any award or payment arising from the taking of any Association Property or any part thereof as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of such taken areas and improvements thereon to the extent deemed advisable by the Board and approved by at least two-thirds (2/3) of the total voting interests, and the remaining balance thereof, if any, shall then be distributed pro rata to Owners and mortgagees of Homes as their respective interests may appear.

Section 9. WAIVER OF SUBROGATION. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Owners, Declarant and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement of said persons, but only to the extent that such insurance proceeds are received in compensation for such loss.

ARTICLE XIII GENERAL PROVISIONS

Section 1. CONFLICT WITH OTHER THE LAKE WASHINGTON TOWNHOMES DOCUMENTS. In the event of any conflict between the provisions hereof and the provisions of the Articles and/or Bylaws and/or rules and regulations promulgated by the Association, the provisions of this Declaration shall control.

Section 2. NOTICES. Any notice or other communication required or permitted to be given or delivered hereunder shall be deemed properly given and delivered upon the mailing thereof by United States mail, postage prepaid, to: (i) each Owner, at the address of the person whose name appears as the Owner on the records of the Association at the time of such mailing and, in the absence of any specific address, at the address of the Home owned by such Owner; (ii) the Association, certified mail, return receipt requested, at 9456 Philips Highway, Suite 1, Jacksonville, Florida 32256, or such other address as the Association shall hereinafter notify Declarant and the Owners of in writing; and (iii) Declarant, certified mail, return receipt requested, at 9456 Philips Highway, Suite 1, Jacksonville, Florida 32256, or such other address or addresses as Declarant shall hereafter notify the Association of in writing, any such notice to the Association of a change in Declarant's address being deemed notice to the Owners.

Section 3. ENFORCEMENT. The covenants and restrictions herein contained may be enforced by Declarant (so long as Declarant holds an equitable or legal interest in any Home), the Association, any Owner and any Institutional Mortgagee holding a mortgage on any portion of the Property in any judicial proceeding seeking any remedy recognizable at law or in equity, including damages, injunction or any other form of relief against any person, firm or entity violating or attempting to violate any covenant, restriction or provision hereunder. The failure by any party to enforce any such covenant, restriction or provision herein contained shall in no event be deemed a waiver of such covenant, restriction or provision or of the right of such party to thereafter enforce such covenant, restriction or provision. The prevailing party in any such

litigation shall be entitled to reimbursement of all costs thereof including, but not limited to, Legal Fees, from the non-prevailing party. The District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Surface Water or Stormwater Management System.

Section 4. INTERPRETATION. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community and for the maintenance of the Association Property and the balance of the Property. Article, Section and Paragraph captions, headings and titles inserted throughout this Declaration are intended as a matter of convenience only and in no way shall such captions, headings or titles define, limit or in any way affect the subject matter or any of the terms and provisions thereunder or the terms and provisions of this Declaration.

Whenever the context so requires or permits, any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof, and the singular form of any nouns and pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

Section 5. SEVERABILITY. In the event any of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect, and any provisions of this Declaration deemed invalid by a court of competent jurisdiction by virtue of the term or scope thereof shall be deemed limited to the maximum term and scope permitted by law. In the event that any court should hereafter determine that any provision of this Declaration is in violation of the rule of property known as the "rule against perpetuities" or any other rule of law because of the duration of a time period, such provision shall not thereby become invalid, but instead the duration of such time period shall be reduced to the maximum period allowed under such rule of law, and in the event the determination of the duration of such time period requires measuring lives, such measuring life shall be that of the incorporator of the Association.

Section 6. CERTAIN RIGHTS OF DECLARANT. Notwithstanding anything to the contrary herein contained, no Improvements constructed or installed by Declarant shall be subject to the approval of the Association or the Owners or the provisions and requirements of this Declaration, although it is the intent of Declarant to create a community with a common scheme of development. Notwithstanding the other provisions of this Declaration, Declarant reserves for itself, and Declarant and its nominees shall have, the right to enter into and transact on the Property any business necessary to consummate the sale, lease or encumbrance of Homes or real property within or outside Lake Washington Townhomes, including, but not limited to, the right to maintain a construction and/or sales office and/or a service office, place signs, employ sales, leasing, construction and service personnel, use the Association Property and show Homes, and Declarant further reserves the right to make repairs to the Association Property and to carry on construction activity for the benefit of the Property. Declarant, and its nominees, may exercise the foregoing rights without notifying the Association. Any such sales and/or construction office, service office, signs and any other items pertaining to such sales, leasing, construction or service efforts shall not be considered a part of the Association Property and shall remain the property of Declarant. This Section 6 may not be suspended, superseded or modified in any manner by any amendment to this Declaration unless such amendment is consented to in writing by Declarant. This right of use and transaction of business as set forth herein and the other rights reserved by Declarant in the Lake Washington Townhomes Documents may be

assigned in writing by Declarant in whole or in part. For the purposes of this Section 6, the term "Declarant" shall include any "Lender" which has loaned money to Declarant to acquire or construct Improvements upon the Property, or its successors and assigns if such Lender, its successors or assigns, acquires title to any portion of the Property as a result of the foreclosure of any mortgage encumbering any portion of the Property securing any such loan to Declarant, or acquires title thereto by deed in lieu of foreclosure. The rights and privileges of Declarant as set forth in this Section 6, which are in addition to, and are no way a limit on, any other rights or privileges of Declarant under any of the Lake Washington Townhomes Documents, shall terminate upon Declarant no longer owning any portion of the Property (and having any equitable or legal interest therein) or upon such earlier date as Declarant shall notify the Association in writing of Declarant's voluntary election to relinquish the aforesaid rights and privileges.

Declarant shall also have the right, but not the obligation, to conduct inspections and tests from time to time of all or any portion of the Association Property and the Buildings on the Property in order to ascertain the physical condition of the Improvements and to determine if maintenance, repair or replacement of any such Improvement is indicated. If Declarant conducts any such tests or inspections, it shall pay all costs thereof, restore the affected portion of the Property to its condition immediately prior to the inspections and tests, and shall indemnify the Association and Owner(s) of any affected Home(s) from any damages resulting therefrom. Declarant shall have such rights of entry on, over, under, across and through the Property as may be reasonably necessary to exercise the rights described in this Section 6. Declarant's right of inspection shall exist whether or not the Turnover Date has occurred. In the event Declarant exercises its inspection right, it is acknowledged by the Association and all Owners that Declarant is performing any such inspection for its own benefit and not for the benefit of the Association and/or the Owners and further, Declarant shall have no obligation to inform the Association and/or the Owners of the result of any such inspection.

Section 7. DISPUTES AS TO USE. In the event there is any dispute as to whether the use of the Property or any portion or portions thereof complies with the covenants, restrictions, easements or other provisions contained in this Declaration, such dispute shall be referred to the Board, and a determination rendered by the Board with respect to such dispute shall be final and binding on all parties concerned therewith. Notwithstanding anything to the contrary herein contained, any use by Declarant of the Property shall be deemed a use which complies with this Declaration and shall not be subject to a contrary determination by the Board.

Section 8. AMENDMENT AND MODIFICATION. The process of amending or modifying this Declaration shall be as follows:

1. Until the Turnover Date, all amendments or modifications shall only be made by Declarant without the requirement of the Association's consent or the consent of the Owners so long as such amendments or modifications do not materially impair the common plan of development of Lake Washington Townhomes; provided, however, that the Association shall, forthwith upon request of Declarant, join in any such amendments or modifications and execute such instruments to evidence such joinder and consent as Declarant shall, from time to time, request. Notwithstanding the foregoing, until the Turnover Date, any amendments to this Declaration (including without limitation, any amendment which results in the annexation of additional lands into the Property, the merger or consolidation of the Association with any other property owners association, the dedication of any part of the Association Property for public

use, and the conveyance, mortgaging, or encumbrance of any part of the Association Property) must have prior written approval of the FHA or VA in accordance with HUD regulations, if FHA or VA is the insurer of any mortgage encumbering a Lot.

2. After the Turnover Date, this Declaration may be amended by: (i) the consent of the Owners owning two-thirds (2/3) of all Homes; together with (ii) the approval or ratification of a majority of the Board. The aforementioned consent of the Owners owning two-thirds (2/3) of the Homes may be evidenced by a writing signed by the required number of Owners or by the affirmative vote of the required number of Owners at any regular or special meeting of the Association called and held in accordance with the Bylaws and evidenced by a certificate of the Secretary or an Assistant Secretary of the Association.

3. Amendments for correction of scrivener's errors or other nonmaterial changes may be made by Declarant alone until the Turnover Date and by the Board thereafter and without the need of consent of the Owners.

4. Notwithstanding anything to the contrary herein contained, no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of Declarant, the Association or of any Institutional Mortgagee under the Lake Washington Townhomes Documents without the specific written approval of such party affected thereby. Finally, notwithstanding anything to the contrary contained herein, no amendment to this Declaration shall be effective which shall eliminate or modify the provisions of Section 6 of this Article XIII and any such amendment shall be deemed to impair and prejudice the rights of Declarant.

5. A true copy of any Amendment to this Declaration shall be sent certified mail by the Association to Declarant and to all Listed Mortgagees holding a mortgage on any portion of the Property requesting notice. The amendment shall become effective upon the recording amongst the Public Records of the County of said amendment or any Supplemental Declaration to this Declaration which sets forth any amendment or modification to this Declaration.

6. Notwithstanding anything contained herein to the contrary, Declarant may, without the consent of any Owners (and subject to FHA or VA approvals as set forth above), file any amendments which may be required by an Institutional Mortgagee for the purpose of satisfying its development criteria or such other criteria as may be established by such mortgagee's secondary mortgage market purchasers, including, without limitation, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; provided, however, any such Declarant's filed amendments must be in accordance with any applicable rules, regulations and other requirements promulgated by the United States Department of Housing and Urban Development.

7. Any proposed amendment to the Declaration which would affect the Surface Water or Stormwater Management System (including environmental conservation areas and the water management portions of the Association Property), shall be submitted to the District for a determination of whether the proposed amendment necessitates a modification of the District Permit.

Section 9. DELEGATION. The Association, pursuant to a resolution duly adopted by the

Board, shall have the continuing authority to delegate all or any portion of its responsibilities for maintenance, operation and administration, as provided herein, to any managing agency or entity selected by the Board from time to time and whether or not related to Declarant.

Section 10. TERM. This Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens and liens contained herein shall run with and bind the Property, and inure to the benefit of Declarant, the Association and the Owners and their respective legal representatives, heirs, successors and assigns for a term of fifty (50) years from the date of recording this Declaration amongst the Public Records of the County, after which time this Declaration shall be automatically renewed and extended for successive periods of ten (10) years each unless at least one (1) year prior to the termination of such fifty (50)-year term or any such ten (10)-year extension there is recorded amongst the Public Records of the County an instrument agreeing to terminate this Declaration signed by Owners owning two-thirds (2/3) of the Homes and Institutional Mortgagees holding first mortgages encumbering two-thirds (2/3) of all Homes encumbered by first mortgages held by Institutional Mortgagees, upon which event this Declaration shall be terminated upon the expiration of the fifty (50)-year term or the ten (10)-year extension during which such instrument was recorded.

In the event this Declaration is terminated or the Association ceases to exist for any reason, the Owners shall be jointly and severally responsible for the costs to maintain and shall maintain the Association Property and the Common Structural Elements in the manner described herein. This provision may not be amended or deleted without the prior written consent of the County and this provision shall survive the termination of this Declaration and shall run with the Property in perpetuity.

Section 11. RIGHTS OF MORTGAGEES.

A. Right to Notice. The Association shall make available for inspection upon request, during normal business hours or under reasonable circumstances the Lake Washington Townhomes Documents and the books, records and financial statements of the Association to Owners and the holders, insurers or guarantors of any first mortgages encumbering any portion of the Property. In addition, evidence of insurance shall be issued to each Owner and mortgagee holding a mortgage encumbering a Home upon written request to the Association. A mortgagee shall be entitled to receive timely written notice of any proposed action that requires the consent of a specified percentage of mortgagees. To be entitled to receive notices under this Section 11, the mortgagee (or mortgage insurer or guarantor) must send a written request to the Association stating both its name and address and the address of the Lot on which it has (or insures or guaranties) the mortgage.

B. Rights of Listed Mortgagee. Upon written request to the Association, identifying the name and address of the holder, insurer, or guarantor (such holder, insurer or guarantor is herein referred to as a "Listed Mortgagee") of a mortgage encumbering a Lot and the legal description of such Lot, the Association shall provide such Listed Mortgagee with timely written notice of the following:

- (1) Any condemnation, loss or casualty loss which affects any material portion of the Association Property;
- (2) Any lapse, cancellation or material modification of any insurance

policy or fidelity bond maintained by the Association;

(3) Any proposed action which would require the consent of mortgagees holding a mortgage encumbering a Lot; and

(4) Any failure by an Owner owning a Lot encumbered by a mortgage held, insured or guaranteed by such Listed Mortgagee to perform such Owner's obligations under the Lake Washington Townhomes Documents, including, but not limited to, any delinquency in the payment of Assessments, or any other charge owed to the Association by said Owner where such failure or delinquency has continued for a period of sixty (60) days.

C. Right of Listed Mortgagee to Receive Financial Statement. Any Listed Mortgagee shall, upon written request made to the Association, be entitled to financial statements of the Association for the prior fiscal year free of charge and the same shall be furnished within a reasonable time following such request.

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 seventy-five percent (75%) of the total voting interests (at a duly called meeting of the Owners at which a quorum is present) prior to engaging persons or entities 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 Washington Townhomes Documents;
- (c) the enforcement of the use and occupancy restrictions contained in the Lake Washington Townhomes Documents;
- (d) dealing with an emergency when waiting to obtain the approval of the Owners creates a substantial risk of irreparable injury to the Association Property, any Improvements on the Property or to Owner(s) (the imminent expiration of a statute of limitations shall not be deemed an emergency obviating the need for the requisite vote of seventy-five (75%) of the Owners); or
- (e) filing a compulsory counterclaim.

Section 13. COMPLIANCE WITH PROVISIONS. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Home except as elsewhere herein provided does consent and agree to, and shall be conclusively deemed to have consented and agreed to, every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in such property. Declarant shall not in any way or manner be held liable or responsible for any violation of this Declaration by any person other than Declarant.

Section 14. COVENANT RUNNING WITH THE LAND. All provisions of this Declaration shall, to the extent applicable and unless otherwise expressly provided herein to the contrary, be

construed to be covenants running with the Lots and the Property and with every part thereof and interest therein, and all of the provisions hereof shall be binding upon and inure to the benefit of Declarant and subsequent Owner(s) of the Lots and Property or any part thereof, or interest therein, and their respective heirs, successors, and assigns. However, the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public, unless specifically provided herein to the contrary. All present and future Owners, lessees, and occupants of the Homes, as applicable, shall be subject to and shall comply with the provisions of this Declaration and the Articles, Bylaws and applicable rules and regulations as they exist and may from time to time be amended. The acceptance of a deed of conveyance of a Lot, or the entering into a lease of or occupancy of a Home, shall constitute an adoption and ratification by such Owner, lessee, or occupant of the provisions of this Declaration, and the Articles, Bylaws, and applicable rules and regulations of the Association, as they may be amended from time to time. In the event that any easements granted herein shall fail for want of a grantee in being or for any other purpose, the same shall constitute and be covenants running with the land.

Section 15. NO PUBLIC RIGHT OR DEDICATION. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any portion of the Association Property to the public, or for any public use.

Section 16. NO REPRESENTATIONS OR WARRANTIES. NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, HAVE BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE ASSOCIATION PROPERTY, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, FITNESS FOR INTENDED USE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF, EXCEPT AS SPECIFICALLY AND EXPRESSLY SET FORTH IN THIS DECLARATION.

Section 17. CERTAIN RESERVED RIGHTS OF DECLARANT WITH RESPECT TO COMMUNITY SYSTEMS. Without limiting the generality of any other applicable provisions of this Declaration, and without such provisions limiting the generality hereof, Declarant hereby reserves and retains to itself (and its assignees(s), if any):

(a) the title to any Community Systems and a perpetual exclusive easement over, under and across the Property for the placement and location thereof;

(b) the right to connect, from time to time, the Community Systems to such receiving or intermediary transmission source(s) as Declarant may in its sole discretion deem appropriate, in location(s) on the Property as Declarant may determine in its sole discretion, including, without limitation, companies licensed to provide CATV or satellite service(s) in the County, for which service(s) Declarant shall have the right to charge any users a fee (which shall not exceed any maximum allowable charge provided for in the applicable ordinances of the County);

(c) the continuing right to air conditioned space within and/or on the Association Property as Declarant may determine in its sole discretion to install, operate, maintain, repair and replace the equipment serving, providing or running the Community

Systems, which location may include, without limitation, room(s) within any clubhouse or other Improvements constructed on the Association Property; and

(d) the exclusive right to offer and provide from time to time to the Association, the Lots and the Lot Owners, any and all Bundled Services through the Community Systems.

Neither the Association nor any officer, director, employee, committee member or agent thereof (including any management company) shall be liable for any damage to property, personal injury or death arising from or connected with any act or omission of any of the foregoing during the course of performing any duty or exercising any right privilege (including, without limitation, performing maintenance work which is the duty of the Association or exercising any remedial maintenance or alteration rights under this Declaration) required or authorized to be done by the Association, or any of the other aforesaid parties, under this Declaration or otherwise as required or permitted by law. The provisions of this Section 17 may not be amended without Declarant's prior written consent.

Section 18. ASSOCIATION AND DECLARANT AS ATTORNEY-IN-FACT. Each Owner, by reason of having acquired ownership of a Home, whether by purchase, gift, operation of law or otherwise, and each occupant of a Home, by reason of his or her occupancy, is hereby declared to have acknowledged and agreed to his or her automatic consent to any rezoning, replatting, covenant in lieu of unity of title, change, addition or deletion made in, on or to Lake Washington Townhomes by Declarant (hereinafter, collectively, "Modifications") and, in respect thereto, each Owner of a Home and occupant of a Home hereby designates the Association to act as agent and attorney-in-fact on behalf of such Owner or occupant to consent to any such Modification. If requested by Declarant, each Owner shall evidence his or her consent to a Modification in writing (provided, however, that any refusal to give such written consent shall not obviate the automatic effect of this provision). Further, each Owner, by reason of acceptance to such Owner's Home, hereby agrees to execute, at the request of Declarant, any document and/or consent which may be required by any government agency to allow Declarant and/or its affiliates to complete the plan of development of Lake Washington Townhomes, as such plan may be hereafter amended, and each such Owner hereby further appoints Declarant as such Owner's agent and attorney-in-fact to execute, on behalf and in the name of each such Owner, any and all of such documents and/or consents. This power of attorney is irrevocable and is coupled with an interest. The provisions of this Section 18 may not be amended without Declarant's prior written consent.

Section 19. SECURITY. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than it otherwise might be. NOTWITHSTANDING THE FOREGOING, NEITHER DECLARANT NOR THE ASSOCIATION MAKES ANY REPRESENTATIONS WHATSOEVER AS TO THE SECURITY OF THE PREMISES OR THE EFFECTIVENESS OF ANY MONITORING SYSTEM OR SECURITY SERVICE, IF ANY, WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE. ALL OWNERS AGREE TO HOLD DECLARANT AND THE ASSOCIATION HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY

OR SAFETY WITHIN THE PROPERTY, AND NEITHER THE ASSOCIATION, DECLARANT NOR ANY SUCCESSOR DECLARANT GUARANTEES OR WARRANTS, EXPRESSLY OR IMPLIEDLY, THE MERCHANTABILITY OR FITNESS FOR USE OF ANY SUCH MONITORING SYSTEM OR SECURITY SERVICE, OR THAT ANY SYSTEM, SERVICES OR COMMUNITY SYSTEM WILL PREVENT INTRUSIONS, FIRES, DAMAGE, INJURY, DEATH OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SUCH OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SYSTEM, SERVICES, OR COMMUNITY SYSTEM ARE DESIGNED TO MONITOR SAME. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY. ALL MEMBERS, OWNERS AND OCCUPANTS OF ANY LOT OR HOME, AND TENANTS, GUESTS, AND INVITEES OF ANY OWNER ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD, DECLARANT, AND ANY SUCCESSOR DECLARANT DO NOT REPRESENT OR WARRANT THAT: (a) ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM (WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE), IF ANY, RECOMMENDED BY, OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY, DECLARANT OR THE COMMITTEE MAY NOT BE COMPROMISED OR CIRCUMVENTED, OR (b) THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEM (WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE) WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH MEMBER, OWNER AND OCCUPANT OF ANY LOT OR HOME, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD AND THE COMMITTEE, DECLARANT, AND ANY SUCCESSOR DECLARANT ARE NOT INSURERS OR GUARANTORS AND THAT EACH MEMBER, OWNER AND OCCUPANT OF ANY LOT OR HOME, AND EACH TENANT, GUEST AND INVITEE OF ANY MEMBER OR OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS OR HOMES, AND TO THE CONTENTS OF LOTS OR HOMES AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD AND THE COMMITTEE, DECLARANT, AND ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS, WARRANTIES AND/OR GUARANTIES, NOR HAS ANY OWNER, MEMBER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS (WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE) RECOMMENDED OR INSTALLED, IF ANY, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

IN WITNESS WHEREOF, this Declaration has been signed by Declarant and joined in by the Association on the respective dates set forth below.

DECLARANT:

D.R. Horton, Inc.-Jacksonville, a Delaware corporation

WITNESSES AS TO DECLARANT:

Philip A. Fremento
Print Name Philip A. Fremento

By: *Philip A. Fremento*
Philip A. Fremento, Vice President

Unnette C. Knox
Print Name Unnette C. Knox

[SEAL]

STATE OF FLORIDA)
) SS
COUNTY OF DUVAL)

The foregoing instrument was acknowledged before me this 19th day of October, 2006, by Philip A. Fremento, the Vice President of D.R. HORTON, INC.-JACKSONVILLE, a Delaware corporation, on behalf of the corporation, who is personally known to me, who affixed thereto the seal of the corporation.

AMBER MARIA LEHMAN
Notary Public, State of Florida
My comm. exp. Mar. 6, 2007
Comm. No. DD 189811

Amber Maria Lehman
Notary Public
My Commission Expires: March 6, 2007

ASSOCIATION:

LAKE WASHINGTON HOMEOWNERS
ASSOCIATION, INC, a Florida corporation not for
profit

WITNESSES AS TO ASSOCIATION:

Beth A. P.
Print Name Bethany A. P.

Annelle C. Knowl
Print Name Annelle C. Knowl

By: [Signature]
John Zakoske, President

Attest: [Signature]
Jan J. Doan, Secretary

(SEAL)

STATE OF FLORIDA)
) SS
COUNTY OF DUVAL)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by John Zakoske and Jan J. Doan, the President and Secretary, respectively, of LAKE WASHINGTON HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit, freely and voluntarily under authority duly vested in them by said corporation, and that the seal affixed thereto is the true corporate seal of said corporation. John Zakoske is personally known to me or has produced _____ as identification. Jan J. Doan is personally known to me or has produced _____ as identification.

WITNESS my hand and official seal in the County and State last aforesaid this 19th day of October, 2006.

AMBER MARIA LEHMAN
Notary Public, State of Florida
My comm. exp. Mar. 6, 2007
Comm. No. DD 189811

[Signature]
Notary Public, State of Florida at Large

My Commission Expires: March 6, 2007

Amber Maria Lehman
Typed, Printed or Stamped Name of Notary Public

EXHIBIT A

Legal Description of Property

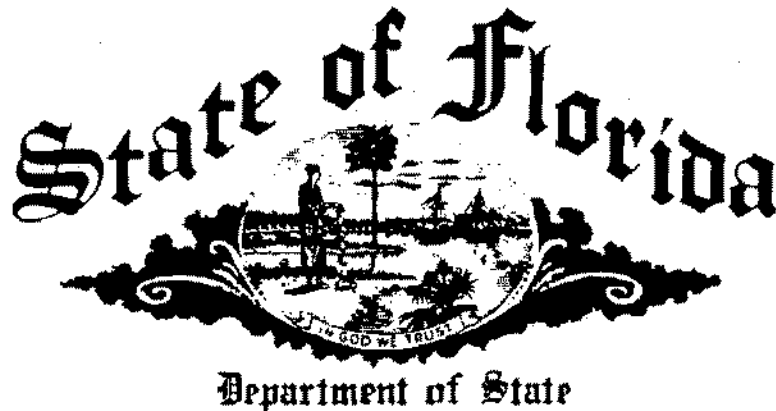
All Lots lying within Blocks 1 through 53, inclusive, of LAKE WASHINGTON TOWNHOMES according to the plat thereof, recorded in Plat Book 56, Page 40 of the Public Records of Brevard County, Florida

and

Tracts A, B, C, D, E, F, G, H and X, inclusive, of LAKE WASHINGTON TOWNHOMES, according to the plat thereof, recorded in Plat Book 56, Page 40 of the Public Records of Brevard County, Florida.

EXHIBIT B

Amended and
Restated Articles of Incorporation of
Lake Washington Homeowners Association, Inc.



I certify the attached is a true and correct copy of the Amended and Restated Articles of Incorporation, filed on August 16, 2006, for LAKE WASHINGTON HOMEOWNERS ASSOCIATION, INC., a Florida corporation, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H06000206611. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below.

The document number of this corporation is N06000003780.

Authentication Code: 106A00050869-081706-N06000003780-1/1

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Seventeenth day of August, 2006



Sue M. Cobb
Sue M. Cobb
Secretary of State

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**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
LAKE WASHINGTON HOMEOWNERS ASSOCIATION, INC.
(A Florida Corporation Not For Profit)**

We, the undersigned, being the President and Secretary of Lake Washington Homeowners Association, Inc., a Florida corporation not for profit ("Association"), in accordance with its Articles of Incorporation and Bylaws do hereby certify:

1. The Association was originally incorporated on April 5, 2006, under Document Number N06000003780, pursuant to Chapter 617 of the laws of the State of Florida.
2. The original Articles of Incorporation of the Association ("Original Articles") are hereby duly amended and restated in their entirety in accordance with the provisions of Section 617.1007(1), Florida Statutes, and Article XIII of the Original Articles by the Board of Directors of the Association.
3. These Amended and Restated Articles of Incorporation were duly adopted by the Board, in accordance with the provisions of the Original Articles, by Unanimous Written Consent of the Board dated August 14, 2006 and no Members are entitled to vote thereon.
5. These Amended and Restated Articles of Incorporation have been duly executed by the President and Secretary of the Association on the dates hereinafter set forth on the execution page.
6. As so adopted, these Amended and Restated Articles of Incorporation replace the Original Articles in their entirety and are substituted therefor.

**ARTICLE I
DEFINITIONS**

The following words and phrases when used in these Articles of Incorporation (unless the context clearly reflects another meaning) shall have the following meanings:

1. "Articles" means these Amended and Restated Articles of Incorporation and any amendments hereto.
2. "Assessments" means the assessments for which all Owners are obligated to the Association and includes "Individual Home Assessments" and "Special Assessments" (as such terms

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3. "Association" means Lake Washington Homeowners Association, Inc., a Florida corporation not for profit. The "Association" is NOT a condominium association and is not intended to be governed by Chapter 718, the Condominium Act, Florida Statutes.

4. "Association Property" means the property more particularly described in Article II of the Declaration.

5. "Board" means the Board of Directors of the Association.

6. "Bylaws" means the Amended and Restated Bylaws of the Association and any amendments thereto.

7. "County" means Brevard County, Florida.

8. "Declarant" means D.R. Horton, Inc.-Jacksonville, a Delaware corporation, and any successor or assign thereof to which D.R. Horton, Inc.-Jacksonville specifically assigns all or part of the rights of Declarant under the Declaration by an express written assignment, whether recorded in the Public Records of the County or not. The written assignment may give notice as to which rights of Declarant are to be exercised and as to which portion of the Property. In any event, any subsequent declarant shall not be liable for any default or obligations incurred by any prior declarant, except as may be expressly assumed by the subsequent declarant.

9. "Declaration" means the Declaration of Covenants, Restrictions and Easements for Lake Washington Townhomes, which is intended to be recorded amongst the Public Records of the County, and any amendments thereto.

10. "Director" means a member of the Board.

11. "Home" means an attached residential dwelling unit constructed within Lake Washington Townhomes, which is designed and intended for use and occupancy as a single-family residence.

12. "HOA Act" means the homeowners' association act, Chapter 720, Florida Statutes as amended through the date of recording the Declaration amongst the Public Records of the County.

13. "Lake Washington Townhomes" means that planned residential development located in the County, which encompasses the Property (as defined in the Declaration) and is intended to comprise two hundred eighty-eight (288) Homes contained in fifty-three (53) buildings and the Association Property. Lake Washington Townhomes will consist of the land set forth in Exhibit "A" of the Declaration.

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14. "Lake Washington Townhomes Documents" means in the aggregate the Declaration, these Articles and the Bylaws and all of the instruments and documents referred to therein, including, but not limited to, any Amendment(s) and Supplemental Declaration(s).

15. "Member" means a member of the Association.

16. "Operating Expenses" means the expenses for which Owners are liable to the Association as described in the Declaration and any other Lake Washington Townhomes Documents and include, but are not limited to, the costs and expenses incurred by the Association in administering, operating, maintaining, financing or repairing the Common Structural Elements (as defined and discussed in Article II, Section 5 of the Declaration), the costs and expenses incurred by the Association in administering, operating, maintaining, financing, or repairing, but not reconstructing, replacing or improving, the Association Property and improvements thereon, all other property owned by the Association (including, without limitation, the Surface Water or Stormwater Management System), and all costs and expenses incurred by the Association in carrying out its powers and duties hereunder or under any other Lake Washington Townhomes Documents.

17. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Home within Lake Washington Townhomes, and includes Declarant for as long as Declarant owns fee simple title to a Home, but excluding therefrom those having such interest as security for the performance of an obligation.

18. "Surface Water or Stormwater Management System" means a system which is designed, 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 to otherwise affect the quality and quantity of discharge from the system, as permitted pursuant to Chapter 40C-4, 40C-40 or 40C-42, Florida Administrative Code.

Unless otherwise defined herein, the terms defined in the Declaration are incorporated herein by reference and shall appear in initial capital letters each time such terms appears in these Articles.

ARTICLE II NAME

The name of this corporation shall be LAKE WASHINGTON HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit, whose principal address and mailing address is 9456 Philips Highway, Suite 1, Jacksonville, Florida 32256.

ARTICLE III PURPOSES

The purpose for which the Association is organized is to take title to, operate, administer, manage, lease and maintain the Association Property in accordance with the terms of, and purposes set forth in the Lake Washington Townhomes Documents and to carry out the covenants and enforce the

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the provisions of the Lake Washington Townhomes Documents.

ARTICLE IV
POWERS

The Association shall have the following powers and shall be governed by the following provisions:

A. The Association shall have all of the common law and statutory powers of a corporation not for profit.

B. The Association shall have all of the powers granted to the Association in the Lake Washington Townhomes Documents. All of the provisions of the Declaration and Bylaws which grant powers to the Association are incorporated into these Articles.

C. The Association shall have all of the powers reasonably necessary to implement the purposes of the Association, including, but not limited to, the following:

1. To perform any act required or contemplated by it under the Lake Washington Townhomes Documents.

2. To make, establish, amend and enforce reasonable rules and regulations governing the use of the Association Property.

3. To make, levy and collect Assessments for the purpose of obtaining funds from its Members to pay Operating Expenses and other costs and expenses defined or identified in the Declaration and costs of collection, and to use and expend the proceeds of Assessments in the exercise of the powers and duties of the Association. The foregoing shall include the power to levy and collect adequate Assessments for the costs of maintenance, repair and operation of the Surface Water or Stormwater Management System, including but not limited to, cost associated with maintenance, repair and operation of retention areas, drainage structures and drainage easements.

4. To own, maintain, repair, replace, operate and convey the Association Property in accordance with the Lake Washington Townhomes Documents.

5. To enforce by legal means the obligations of the Members and the provisions of the Lake Washington Townhomes Documents.

6. To employ personnel, retain independent contractors and professional personnel, and enter into service contracts to provide for the maintenance, operation, administration and management of the Association Property and to enter into any other agreements consistent with the purposes of the Association, including, but not limited to, agreements with respect to professional management of the Association Property and to delegate to such professional manager certain powers

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certain powers and duties of the Association.

7. To enter into the Declaration and any amendments thereto and instruments referred to therein.

8. To provide, to the extent deemed necessary by the Board, any and all services and do any and all things which are incidental to or in furtherance of things listed above or to carry out the Association mandate to keep and maintain Lake Washington Townhomes in a proper and aesthetically pleasing condition and to provide the Owners with services, amenities, controls and enforcement which will enhance the quality of life at Lake Washington Townhomes.

9. To borrow money and to obtain such financing as is necessary to maintain, repair and replace the Association Property in accordance with the Declaration and, as security for any such loan, to collaterally assign the Association's right to collect and enforce Assessments levied for the purpose of repaying any such loan.

10. Notwithstanding anything contained herein to the contrary, the Association shall be required to obtain the approval of seventy-five percent (75%) of all Members (at a duly called meeting of the Members at which a quorum is present) prior to the engagement of legal counsel 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 Washington Townhomes Documents;
- (c) the enforcement of any applicable use and occupancy restrictions contained in the Lake Washington Townhomes Documents;
- (d) dealing with an emergency when waiting to obtain the approval of the Members creates a substantial risk of irreparable injury to the Association Property or to Member(s) (the imminent expiration of a statute of limitations shall not be deemed an emergency obviating the need for the requisite vote of a seventy-five (75%) of the Members); or
- (e) filing a compulsory counterclaim.

10. To operate, maintain and manage the Surface Water or Stormwater Management System in a manner consistent with the St. Johns River Water Management District ("District") Permit No. # 40-009-94977-1 ("Permit"), as such Permit may be amended, modified or reissued from time to time, and applicable District rules, and to assist in the enforcement of the restrictions and covenants contained therein.

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ARTICLE V
MEMBERS AND VOTING

The qualification of Members of the Association, the manner of their admission to membership, the manner of the termination of such membership and the manner of voting by Members shall be as follows:

A. Until such time as the first deed of conveyance of a Home from Declarant to an Owner is recorded amongst the Public Records of the County ("First Conveyance"), the membership of the Association shall be comprised solely of Declarant. Until the First Conveyance, Declarant shall be entitled to cast the one (1) and only vote on all matters requiring a vote of the membership.

B. Upon the First Conveyance, Declarant shall be a Member as to each of the remaining Homes until each such Home is conveyed to another Owner, and thereupon and thereafter each and every Owner, including Declarant as to Homes owned by Declarant, shall be a Member and exercise all of the rights and privileges of a Member.

C. Membership in the Association for Owners other than Declarant shall be established by the acquisition of ownership of fee simple title to a Home as evidenced by the recording of an instrument of conveyance amongst the Public Records of the County. Where title to a Home is acquired by conveyance from a party other than Declarant by means of sale, gift, inheritance, devise, judicial decree or otherwise, the person, persons or entity thereby acquiring such Home shall not be a Member unless or until such Owner shall deliver a true copy of a deed or other instrument of acquisition of title to the Association.

D. The Association shall have two (2) classes of voting membership:

1. "Class A Members" shall be all Members, with the exception of Declarant while Declarant is a Class B Member, each of whom shall be entitled to one (1) vote for each Home owned.

2. "Class B Members" shall be Declarant, who shall be entitled to three (3) times the total number of votes of the Class A Members plus one. Class B membership shall cease and be converted to Class A membership upon the earlier to occur of the following events ("Turnover Date"):

(i) Three (3) months after the conveyance of ninety percent (90%) of the Homes by Declarant, as evidenced by the recording of instruments of conveyance of such Homes amongst the Public Records of the County; or

(ii) At such time as Declarant shall designate in writing to the Association.

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On the Turnover Date, Class A Members, including Declarant, shall assume control of the Association and elect not less than a majority of the Board.

E. The designation of different classes of membership are for purposes of establishing the number of votes applicable to certain Homes, and nothing herein shall be deemed to require voting solely by an individual class on any matter which requires the vote of Members, unless otherwise specifically set forth in the Lake Washington Townhomes Documents.

F. No Member may assign, hypothecate or transfer in any manner his/her membership in the Association except as an appurtenance to his/her Home.

G. Any Member who conveys or loses title to a Home by sale, gift, devise, bequest, judicial decree or otherwise shall, immediately upon such conveyance or loss of title, no longer be a Member with respect to such Home and shall lose all rights and privileges of a Member resulting from ownership of such Home.

H. There shall be only one (1) vote for each Home, except for the Class B Members as set forth herein. If there is more than one Member with respect to a Home as a result of the fee interest in such Home being held by more than one person, such Members collectively shall be entitled to only one (1) vote. The vote of the Owners of a Home owned by more than one natural person or by a corporation or other legal entity shall be cast by the person named in a certificate signed by all of the Owners of the Home, or, if appropriate, by properly designated officers, partners or principals of the respective legal entity ("Voting Member"), and filed with the Secretary of the Association, and such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not filed with the Secretary of the Association, the vote of such Home shall not be considered for a quorum or for any other purpose.

Notwithstanding the foregoing provisions, whenever any Home is owned by a husband and wife they may, but shall not be required to, designate a Voting Member. In the event a certificate designating a Voting Member is not filed by the husband and wife, the following provisions shall govern their right to vote:

1. When both are present at a meeting, each shall be regarded as the agent and proxy of the other for purposes of casting the vote for each Home owned by them. In the event they are unable to concur in their decision upon any topic requiring a vote, they shall lose their right to vote on that topic at that meeting, but shall count for purposes of establishing a quorum.

2. When only one (1) spouse is present at a meeting, the person present may cast the Home vote without establishing the concurrence of the other spouse, absent any prior written notice to the contrary by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse, the vote of said Home shall not be considered, but shall count for purposes of establishing a quorum.

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3. When neither spouse is present, the person designated in a "Proxy" (as defined in the Bylaws) signed by either spouse may cast the Home vote, when voting by Proxy is allowed, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different Proxy by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different Proxy by the other spouse, the vote of said Home shall not be considered, but shall count for purposes of establishing a quorum.

I. A quorum shall consist of persons entitled to cast at least forty percent (40%) of the total number of votes of the Members.

ARTICLE VI TERM

The term for which this Association is to exist shall be perpetual. In the event of dissolution of the Association (unless same is reinstated), other than incident to a merger or consolidation, all of the assets of the Association (other than the Surface Water or Stormwater Management System, which shall be conveyed to an appropriate agency of local government having jurisdiction thereof, unless such agency does not accept same) shall be conveyed to a similar homeowners association or a public agency having a similar purpose, or any Member may petition the appropriate circuit court of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and its properties in the place and stead of the dissolved Association and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and its properties.

In no event shall the Association be dissolved, and any attempt to do so shall be ineffective, unless and until maintenance responsibility for the Surface Water or Stormwater Management System and discharge facilities located within the Property is assumed by an entity acceptable to the District, Florida Department of Environmental Regulation, or other governmental authority having jurisdiction, pursuant to the requirements of Rule 40C-42.027, Florida Administrative Code, or other administrative regulation of similar import. Further, such dissolution shall require the prior approval of the Army Corps of Engineers.

In the event and upon dissolution of the Association, if the Veterans Administration ("VA") is guaranteeing or the U.S. Department of Housing and Urban Development ("HUD") is insuring the mortgage on any Lot, then unless otherwise agreed to in writing by HUD or VA, any remaining real property of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that acceptance of such dedication is refused, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes. Such requirement shall not apply if VA is not guaranteeing and HUD is not insuring any mortgage; provided if either agency has granted project approval for Lake Washington Townhomes, then HUD and/or VA shall be notified of such dissolution.

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ARTICLE VII
INCORPORATOR

The name and address of the Incorporator of these Articles are as follows: Sandra E. Krumbein, Esquire, Ruden McClosky Smith Schuster & Russell, P.A., 200 East Broward Boulevard, Fort Lauderdale, Florida 33301.

ARTICLE VIII
OFFICERS

The affairs of the Association shall be managed by the President of the Association, assisted by the Vice President(s), Secretary and Treasurer, and, if any, by the Assistant Secretary(ies) and Assistant Treasurer(s), subject to the directions of the Board. Except for officers elected prior to the Turnover Date, officers must be Members, or the parents, children or spouses of Members.

The Board shall elect the President, Secretary and Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall, from time to time, determine. The President shall be elected from amongst the membership of the Board, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, the office of President and a Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person.

ARTICLE IX
FIRST OFFICERS

The names of the officers who are to serve until the first election of officers by the Board are as follows:

President	-	John Zakoske
Vice President	-	Mark C. Dearing
Secretary/Treasurer	-	Jan J. Doan

ARTICLE X
BOARD OF DIRECTORS

A. The number of Directors on the first Board of Directors of the Association ("First Board") and the "Initial Elected Board" (as hereinafter defined) shall be three (3). The number of Directors elected by the Members subsequent to the "Declarant's Resignation Event" (as hereinafter defined) shall be not less than three (3) nor more than five (5), as the Board shall from time to time determine prior to each meeting at which Directors are to be elected. Except for Declarant-appointed Directors, Directors must be Members or the parents, children or spouses or officers or directors of Members. There shall be only one (1) vote for each Director.

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B. The names and addresses of the persons who are to serve as Directors on the First Board are as follows:

<u>NAMES</u>	<u>ADDRESSES</u>
John Zakoske	9456 Philips Highway Suite 1 Jacksonville, Florida 32256
Mark C. Dearing	9456 Philips Highway Suite 1 Jacksonville, Florida 32256
Jan Doan	9456 Philips Highway Suite 1 Jacksonville, Florida 32256

Declarant reserves the right to replace and/or designate and elect successor Directors to serve on the First Board for so long as the First Board is to serve, as hereinafter provided.

C. Declarant presently intends that Lake Washington Townhomes, when ultimately developed, will contain two hundred eighty-eight (288) Homes. Notwithstanding the foregoing, Declarant has reserved the right in the Declaration to modify its plan of development for Lake Washington Townhomes and to withdraw land from Lake Washington Townhomes and, therefore, the total number of Homes within Lake Washington Townhomes may refer to a number less than two hundred eighty-eight (288). The revised number of Homes for Lake Washington Townhomes will be set forth in a Supplemental Declaration recorded in the County if all of the land planned to be included is not included in Lake Washington Townhomes.

D. Upon the Turnover Date, the Members (including Declarant shall be entitled to elect all the Directors. The election shall occur at a special meeting of the membership to be called by the Board for such purpose ("Initial Election Meeting"). The First Board shall serve until the Initial Election Meeting.

E. The Board shall continue to be so designated and elected, at each subsequent "Annual Members' Meeting" (as defined in the Bylaws).

F. A Director (other than a Declarant-appointed Director) may be removed from office upon the affirmative vote or the agreement in writing of a majority of the voting interests of Members for any reason deemed to be in the best interests of the Members. A meeting of the Purchaser Members to so remove a Director (other than a Declarant-appointed Director) shall be held upon the written request of ten percent (10%) of the Members. Any such recall shall be effected and a recall election shall be held, if applicable, as provided in the HOA Act.

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G. The Initial Election Meeting shall be called by the Association, through the Board, within sixty (60) days after the Members other than Declarant are entitled to elect a majority of Directors as provided in Paragraph D hereof. A notice of meeting shall be forwarded to all Members in accordance with the Bylaws; provided, however, that the Members shall be given at least fourteen (14) days' notice of such meeting. The notice shall also specify the number of Directors which shall be elected by the Members.

H. At the Initial Election Meeting, a "staggered" term of office of the Board shall be created as follows:

1. a number equal to fifty percent (50%) of the total number of Directors rounded to the nearest whole number is the number of Directors whose term of office shall be established at two (2) years and the Directors serving for a two (2) year term will be the Directors receiving the most votes at the meeting; and
2. the remaining Directors' terms of office shall be established at one (1) year.

At each Annual Members' Meeting thereafter, as many Directors of the Association shall be elected as there are Directors whose regular term of office expires at such time, and the term of office of the Directors so elected shall be for two (2) years, expiring when their successors are duly elected and qualified.

I. The resignation of a Director who has been designated by Declarant or the resignation of an officer of the Association who has been elected by the First Board shall be deemed to remise, release, acquit, satisfy and forever discharge such officer or Director of and from any and all manner of action(s), cause(s) of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or in equity, which the Association or the Members had, now have or will have or which any personal representative, successor, heir or assign of the Association or the Members hereafter can, shall or may have against said officer or Director for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of such resignation, except for such Director's or officer's willful misconduct or gross negligence.

ARTICLE XI INDEMNIFICATION

Each and every Director and officer of the Association shall be indemnified by the Association against all costs, expenses and liabilities, including attorney and paralegal fees at all trial and appellate levels and postjudgment proceedings, reasonably incurred by or imposed upon him or her in connection with any negotiation, proceeding, arbitration, litigation or settlement in which he or she becomes involved by reason of his or her being or having been a Director or officer of the Association, and the

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Association, and the foregoing provision for indemnification shall apply whether or not such person is a Director or officer at the time such cost, expense or liability is incurred. Notwithstanding the above, in the event of any such settlement, the indemnification provisions provided in this Article XI shall not be automatic and shall apply only when the Board approves such settlement and reimbursement for the costs and expenses of such settlement as being in the best interest of the Association, and in the event a Director or officer admits that he or she is or is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties, the indemnification provisions of this Article XI shall not apply. The foregoing right of indemnification provided in this Article XI shall be in addition to and not exclusive of any and all rights of indemnification to which a Director or officer of the Association may be entitled under statute or common law.

ARTICLE XII BYLAWS

The Bylaws shall be adopted by the First Board, and thereafter may be altered, amended or rescinded in the manner provided for in the Bylaws. In the event of any conflict between the provisions of these Articles and the provisions of the Bylaws, the provisions of these Articles shall control.

ARTICLE XIII AMENDMENTS

A. Prior to the First Conveyance, these Articles may be amended only by an instrument in writing signed by the incorporator of these Articles and filed in the Office of the Secretary of State of the State of Florida.

B. After the First Conveyance, and prior to the Turnover Date, these Articles may be amended solely by a majority vote of the Board, without the prior written consent of the Members, at a duly called meeting of the Board.

C. After the Turnover Date, these Articles may be amended in the following manner:

1. (a) The Board shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the Members, which may be at either the Annual Members' Meeting or a special meeting. Any number of proposed amendments may be submitted to the Members and voted upon by them at one meeting.

(b) Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Member within the time and in the manner provided in the Bylaws for the giving of notice of meetings.

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(c) At such meeting, a vote of the Members shall be taken on the proposed amendment(s). The proposed amendment(s) shall be adopted upon receiving the affirmative vote of a majority of the total voting interests present at such meeting.

2. An amendment may be adopted by a written statement (in lieu of a meeting) signed by all Members and all members of the Board setting forth their intention that an amendment to the Articles be adopted.

D. These Articles may not be amended without the written consent of a majority of the members of the Board.

E. Notwithstanding any provisions of this Article XIII to the contrary, these Articles shall not be amended in any manner which shall prejudice the rights of: (i) Declarant, without the prior written consent thereto by Declarant, for so long as Declarant holds either a leasehold interest in or title to at least one (1) Home; and (ii) any "Institutional Mortgagee" (as such term is defined in the Declaration) without the prior written consent of such Institutional Mortgagee.

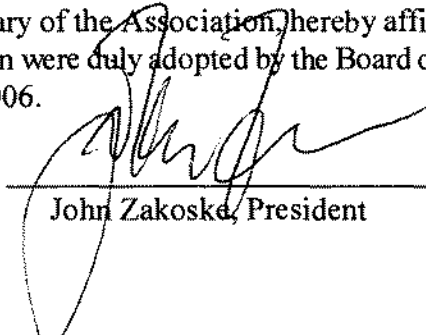
F. Notwithstanding the foregoing provisions of this Article XIII, no amendment to these Articles shall be adopted which shall abridge, amend or alter the rights of Declarant hereunder, including, but not limited to, Declarant's right to designate and select members of the First Board or otherwise designate and select Directors as provided in Article X hereof, nor shall any amendment be adopted or become effective without the prior written consent of Declarant.

G. Any instrument amending these Articles shall identify the particular article or articles being amended and shall provide a reasonable method to identify the amendment being made. A certified copy of each such amendment shall be attached to any certified copy of these Articles, and a copy of each amendment certified by the Secretary of State shall be recorded amongst the Public Records of the County.

ARTICLE XIV REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Association is 9456 Philips Highway, Suite 1, Jacksonville, Florida 32256 and the initial registered agent of the Association at that address shall be Jan J. Doan.

The undersigned, being the President and Secretary of the Association, hereby affirm that the foregoing Amended and Restated Articles of Incorporation were duly adopted by the Board of Directors of the Association on the 14th day of August, 2006.

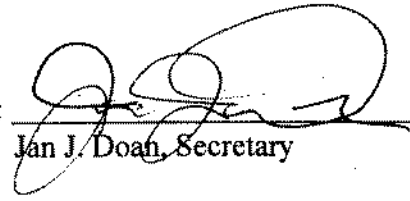
By: 

John Zakoske, President

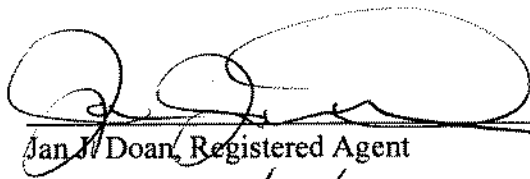
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Attest:


Jan J. Doan, Secretary

The undersigned hereby accepts the designation of Registered Agent as set forth in Article XIV of these Amended and Restated Articles of Incorporation, and acknowledges that he is familiar with and accepts the obligations imposed upon registered agents under the Florida Not For Profit Corporation Act.


Jan J. Doan, Registered Agent

Dated:

8/4/06

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EXHIBIT C

Amended and Restated Bylaws of Lake Washington Homeowners Association, Inc.

**AMENDED AND RESTATED BYLAWS
OF
LAKE WASHINGTON HOMEOWNERS ASSOCIATION, INC.**

Section 1. Identification of Association

These are the Amended and Restated Bylaws of Lake Washington Homeowners Association, Inc. ("Association") as duly adopted by its Board of Directors ("Board") on Aug. 14, 2006, which fully replace all prior Bylaws of the Association. The Association is a corporation not for profit, organized pursuant to Chapters 617 and 720, Florida Statutes.

1.1. The office of the Association shall be for the present at 9456 Philips Highway, Suite 1, Jacksonville, Florida 32256, and thereafter may be located at any place designated by the Board.

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

1.3. The seal of the Association shall bear the name of the Association, the word "Florida" and the words "Corporation Not For Profit."

Section 2. Explanation of Terminology

The terms defined in the Amended and Restated Articles of Incorporation of the Association ("Articles") as well as in the Declaration of Covenants, Restrictions and Easements for Lake Washington Townhomes ("Declaration") are incorporated herein by reference and shall appear in initial capital letters each time such terms appear in these Bylaws.

Section 3. Membership; Members' Meetings; Voting and Proxies

3.1. The qualification of Members, the manner of their admission to membership in the Association, the manner of termination of such membership and the voting by Members shall be as set forth in the Articles.

3.2. The Members shall meet annually ("Annual Members' Meeting"). The Annual Members' Meeting shall be held at the office of the Association or at such other place in the County as the Board may determine and on such day and at such time as designated by the Board in the notice of such meeting commencing with the year following the year in which the Articles are filed with the Secretary of State. The purpose of the Annual Members' Meeting shall be to hear reports of the officers, elect members of the Board (when that shall be appropriate as determined by the provisions of the Articles) and transact any other business authorized to be transacted at such Annual Members' Meeting.

3.3. Special meetings (meetings other than the Annual Members' Meeting) of the Members shall be held at any place within the County whenever called by the President or Vice President or by a majority of the Board. A special meeting must be called by such President or Vice President upon receipt of a written request from Members having the right to vote at least one-third (1/3) of the total number of votes entitled to be cast by Members at any such special meeting.

3.4. Except as otherwise provided in the Articles, a written notice of each Members' meeting, whether an Annual Members' Meeting or a special meeting (collectively "Meeting"), shall be given to each Member entitled to vote thereat at his last known address as it appears on the books of the Association and shall be mailed or hand delivered to the said address or electronically transmitted to the location furnished by the Member for that purpose not less than fourteen (14) days nor more than forty-five (45) days prior to the date of the Meeting. Proof of such mailing, delivery or electronic transmission shall be given by the affidavit of the person giving the notice. Any notice given hereunder shall state the time and place of the Meeting and the purposes for which the Meeting is called. The notices of all Annual Members' Meetings shall, in addition, specify the number of Directors of the Association to be designated by Declarant and the number of Directors to be elected by the Members, if applicable. Notwithstanding any provisions hereof to the contrary, notice of any Meeting may be waived before, during or after such Meeting by a Member or by the person entitled to vote for such Member by signing a document setting forth the waiver of such notice.

3.5. The Members may, at the discretion of the Board, act by written response in lieu of a Meeting provided written notice of the matter or matters to be agreed upon is given to the Members or duly waived in accordance with the provisions of these Bylaws. Unless some greater number is required under the Lake Washington Townhomes Documents and except as to the election of Directors, which shall be accomplished by plurality vote, the decision of a majority of the votes cast by Members as to the matter or matters to be agreed or voted upon shall be binding on the Members provided a quorum is either present at such Meeting or submits a response if action is taken by written response in lieu of a Meeting, as the case may be. The notice with respect to actions to be taken by written response in lieu of a Meeting shall set forth the time period during which the written responses must be received by the Association.

3.6. (a) A quorum of the Members shall consist of Members entitled to cast forty percent (40%) of the total number of votes of the Members. A quorum of any class of Members shall consist of Class Members of such class entitled to cast forty percent (40%) of the total number of votes of the class. Limited "Proxies" and general "Proxies" (as hereinafter defined in Paragraph 3.10) may be used to establish a quorum.

(b) When a quorum is present at any Meeting and a question which raises the jurisdiction of such Meeting is presented, the holders of a majority of the voting rights present in person or represented by written Proxy shall be required to decide the question. However, if the question is one upon which a vote other than the majority vote of a quorum is required by express provision of the Lake Washington Townhomes Documents or by law, then such express provision shall govern and control the required vote on the decision of such question.

3.7. At any Annual Members' Meeting when elections of Directors are to occur, written ballots are to be supplied to Members for such purposes. Members may not vote for Directors by Proxy, but may vote by absentee ballot. Furthermore, at any Annual Members' Meeting at which Directors are to be elected, the "Chairman" (as hereinafter defined in Paragraph 7.2) shall appoint an "Election Committee" consisting of three (3) Members to supervise the election, count and verify ballots, disqualify votes if such disqualification is justified under the circumstances and certify the results of the election to the Board. The Election Committee shall be able to determine questions within its jurisdiction by plurality vote of all three (3) members, but matters resulting in deadlocked votes of the Election Committee shall be referred to the entire Board for resolution.

3.8. If a quorum is not in attendance at a Meeting, the Members who are present, either in person or by Proxy, may adjourn the Meeting from time to time until a quorum is present with no further notice of such adjourned Meeting being required unless otherwise determined by the Board.

3.9. Minutes of all Meetings shall be kept in a businesslike manner and be available for inspection by the Members and Directors at all reasonable times. The Association shall retain minutes for at least seven (7) years subsequent to the date of the meeting the minutes reflect.

3.10. Voting rights of Members shall be as stated in the Articles with respect to the election of all Boards other than the First Board. Such votes may be cast in person or by absentee ballot. Proxies may be used to vote on other agenda items at meetings at which Directors are to be elected, and may also be used to establish a quorum. "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted in the place and stead of the person or authorized representative of an entity entitled to vote. Proxies shall be in writing signed by the person or authorized representative of an entity giving the same and shall be valid only for the particular Meeting designated therein and, if so stated in the Proxy, any adjournments thereof, provided, however, any proxy automatically expires ninety (90) days after the date of the meeting for which it was originally given. A Proxy must be filed with the Secretary of the Association before the appointed time of the Meeting in order to be valid. Any Proxy may be revoked prior to the time a vote is cast in accordance with such Proxy.

3.11. The voting on any matter at a Meeting shall be by secret ballot upon request of the holders of twenty percent (20%) of the votes represented at such Meeting and entitled to be cast on such matter, if such request is made prior to the vote in question.

Section 4. Board; Directors' Meetings

4.1. The business and administration of the Association shall be by its Board.

4.2. The election and, if applicable, designation of Directors shall be conducted in accordance with the Articles. Except for Declarant-appointed Directors, Directors must be Members or the parents, children or spouses of Members.

4.3. (a) Any person elected or designated as a Director shall have all the rights,

privileges, duties and obligations of a Director of the Association.

(b) The term of a Director's service shall be as stated in the Articles and, if not so stated, shall extend until the next Annual Members' Meeting and thereafter until his or her successor is duly elected and qualified or until he or she resigns or is removed in the manner elsewhere provided.

4.4. The organizational meeting of a newly elected Board shall be held within ten (10) days of its election at such place and time as shall be fixed by the Directors at the meeting at which they were elected. Provided the organizational meeting is held directly following the Annual Members' Meeting, no further notice of the organizational meeting shall be necessary; if not, however, notice of the organizational meeting shall be given in accordance with the HOA Act.

4.5. Regular meetings of the Board may be held at such times and places in the County as shall be determined from time to time by a majority of the Directors. Special meetings of the Board may be called at the discretion of the President or the Vice President. Special meetings must be called by the Secretary at the written request of at least one-third (1/3) of the Directors. Any such special meeting may be held in the County at such time and place as determined by the Directors requesting such meeting or in such other place as all of the Directors shall agree upon.

4.6. Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally, by mail, telephone or electronically transmitted if correctly directed to an electronic mail address at which the Director has consented to receive notice at least three (3) days prior to the day named for such meeting unless such notice is waived before, during or after such meeting. Any Director may waive notice of the meeting in writing before, during or after a meeting and such waiver shall be deemed equivalent to the receipt of notice by such Director.

4.7. Notice of all Board meetings shall be given to the members in accordance with the HOA Act.

4.8. A quorum of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as may be otherwise specifically provided by law, by the Articles or elsewhere herein. If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any meeting that takes place on account of a previously adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, no further notice of the adjourned meeting need be given unless otherwise determined by the Board.

4.9. The presiding officer at all Board meetings shall be the President. In the absence of the President, the Directors shall designate any one of their number to preside.

4.10. Directors' fees, if any, shall be determined by the Members.

4.11. Minutes of all meetings of the Board shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable times.

4.12. Meetings of the Board shall be open to all Members. The Board may also hold closed meetings to the extent permitted by applicable law, including, by way of example but not by way of limitation, when the discussion at a meeting is governed by attorney-client privilege. Members shall have the right to participate in meetings with reference to all designated agenda items in accordance with the HOA Act and any rules and regulations promulgated by the Association. In the event a Member conducts himself/herself in a manner detrimental to the carrying on of the meeting, then any Director may expel said Member from the meeting by any reasonable means which may be necessary to accomplish said Member's expulsion. Also, any Director shall have the right to exclude from any meeting of the Board any person who is not able to provide sufficient proof that he or she is a Member or a duly authorized representative, agent or proxy holder of a Member, unless said person has been specifically invited by any of the Directors to participate in such meeting.

4.13. Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, specifically setting forth the action to be taken, shall be signed by all the Directors entitled to vote with respect to the subject matter thereof and such consent shall have the same force and effect as a unanimous vote of the Directors, provided, however, whenever assessments are to be considered, they may be considered only at a meeting of the Directors properly noticed in accordance with the HOA Act.

Section 5. Powers and Duties of the Board

5.1. All of the powers and duties of the Association shall be exercised by the Board. Such powers and duties of the Board shall include, but not be limited to, all powers and duties set forth in the Lake Washington Townhomes Documents, as well as all of the powers and duties of a director of a corporation not for profit not inconsistent therewith.

5.2. The Association may employ a manager to perform any of the duties, powers or functions of the Association. Notwithstanding the foregoing, the Association may not delegate to the manager the power to conclusively determine whether the Association should make expenditures for capital additions or improvements chargeable against the Association funds. The members of the Board shall not be personally liable for any omission or improper exercise by the manager of any duty, power or function delegated to the manager by the Association.

Section 6. Late Fees

An Owner who fails to timely pay any Assessment shall be charged a late charge of Twenty-Five Dollars (\$25) by the Association for such late Assessment. Owners shall be responsible to pay all legal fees (including, but not limited to, attorney and paralegal fees and court costs) incurred in connection with the collection of late Assessments whether or not an action at law to collect said Assessments and foreclose the Association's lien has been commenced. The Board has authorized the following initial schedule of fees for such circumstances:

- (a) One Hundred Fifty Dollars (\$150) for a Claim of Lien plus recording costs and sending of Notice of Intention to Foreclose;
- (b) One Hundred Fifty Dollars (\$150) for a Satisfaction of Lien plus recording costs; and
- (c) Any further action would require an hourly computation of attorney and/or paralegal time spent pursuing collection of such unpaid Assessments.

Section 7. Officers of the Association

7.1. Executive officers of the Association shall be the President, who shall be a Director, one or more Vice Presidents, a Treasurer and a Secretary, all of whom shall be elected annually by the Board. Any officer may be removed without cause from office by vote of the Directors at any meeting of the Board. The Board may, from time to time, elect such other officers and assistant officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association. One person may hold any two offices simultaneously, except when the functions of such offices are incompatible, but no person shall hold the office of President and any of the following offices simultaneously: Vice President, Secretary or Assistant Secretary.

7.2. The President shall be the chief executive officer of the Association. He or She shall have all of the powers and duties which are usually vested in the office of the President of an association or a corporation not for profit, including, but not limited to, the power to appoint such committees from among the Members at such times as he or she may, in his or her discretion, determine appropriate to assist in the conduct of the affairs of the Association. If in attendance, the President ("Chairman") shall preside at all meetings of the Board and the Members; provided, however, that the President may appoint a substitute.

7.3. In the absence or disability of the President, the Vice President shall exercise the powers and perform the duties of the President. The Vice President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.

7.4. The Secretary shall keep the minutes of all meetings of the Board and the Members, which minutes shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable times. The Secretary shall have custody of the seal of the Association and affix the same to instruments requiring such seal when duly authorized and directed to do so. The Secretary shall be custodian for the corporate records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall assist the Secretary under the supervision of the Secretary.

7.5. The Treasurer shall have custody of all of the monies of the Association, including funds, securities and evidences of indebtedness. The Treasurer shall keep the assessment rolls and accounts of the Members and shall keep the books of the Association in accordance with good accounting practices and he or she shall perform all of the duties incident to the office of the Treasurer. The Assistant Treasurer, if any, shall perform the duties of the Treasurer when the Treasurer is absent and shall assist the Treasurer under the supervision of the Treasurer.

7.6. The compensation, if any, of the officers and other employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from hiring a Director as an employee of the Association or preclude contracting with a Director or a party affiliated with a Director for the management or performance of contract services for all or any part of Lake Washington Townhomes.

Section 8. Resignations

Any Director or officer may resign his or her post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Homes owned by any Director or officer (other than appointees of Declarant) shall constitute a written resignation of such Director or officer.

Section 9. Accounting Records; Fiscal Management

9.1. The Association shall prepare financial reports and maintain accounting records in accordance with the HOA Act. The accounting records of the Association shall be open to inspection by Members and Institutional Mortgagees or their respective authorized representatives at reasonable times. Such authorization as a representative of a Member must be in writing and signed by the person giving the authorization and dated within sixty (60) days of the date of the inspection. Such records shall include, but not be limited to: (i) a record of all receipts and expenditures; (ii) an account for each Home within Lake Washington Townhomes which shall designate the name and address of the Owner thereof, the amount of Individual Home Assessments and all other Assessments, if any, charged to the Home, the amounts and due dates for payment of same, the amounts paid upon the account and the dates paid, and the balance due; (iii) any tax returns, financial statements and financial reports of the Association; and (iv) any other records that identify, measure, record or communicate financial

record or communicate financial information.

9.2. The Board shall adopt a Budget (as defined and provided for in the Declaration) of the anticipated Operating Expenses for each forthcoming calendar year (the fiscal year of the Association being the calendar year) at a special meeting of the Board ("Budget Meeting") called for that purpose to be held during the month of November of the year preceding the year to which the Budget applies. Prior to the Budget Meeting, a proposed Budget for the Operating Expenses shall be prepared by or on behalf of the Board. Within thirty (30) days after adoption of the Budget, a copy thereof shall be furnished to each Member, upon request, and each Owner shall be given notice of the Individual Home Assessment applicable to his or her Home(s). The copy of the Budget, if requested, shall be deemed furnished and the notice of the Individual Home Assessment shall be deemed given upon its delivery or upon its being mailed to the Owner shown on the records of the Association at his or her last known address as shown on the records of the Association.

9.3. In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) any monies received by the Association in any calendar year may be used by the Association to pay expenses incurred in the same calendar year; (iii) there shall be apportioned between calendar years on a *pro rata* basis any expenses which are prepaid in any one calendar year for Operating Expenses which cover more than such calendar year; (iv) Assessments shall be made quarterly in amounts no less than are required to provide funds in advance for payment of all of the anticipated current Operating Expenses and for all unpaid Operating Expenses previously incurred; and (v) items of Operating Expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such expenses is received. Notwithstanding the foregoing, the Assessments for Operating Expenses and any periodic installments thereof shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses in any calendar year as such expenses are incurred in accordance with the cash basis method of accounting.

9.4. Individual Home Assessments shall be payable as provided in the Declaration.

9.5. No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Operating Expenses not budgeted or which shall exceed budgeted items, and no Board is required to engage in deficit spending. Should there exist any deficiency which results from there being greater Operating Expenses than monies from Assessments, then such deficits shall be carried into the next succeeding year's Budget as a deficiency or shall be the subject of a Special Assessment or an upward adjustment to the Individual Home Assessment.

9.6. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board.

9.7. A report of the accounts of the Association shall be made annually by an accountant and a copy of the report shall be furnished to each Member who requests same in writing no later than the first day of April of the year following the year for which the report is made. The report shall be deemed to be furnished to the Member upon its delivery or mailing to the Member at his or her last known address shown on the records of the Association.

Section 10. Rules and Regulations

The Board may at any meeting of the Board adopt rules and regulations or amend, modify or rescind then existing rules and regulations for the operation of Lake Washington Townhomes; provided, however, that such rules and regulations are not inconsistent with the terms or provisions of the Lake Washington Townhomes Documents. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed or delivered to all Members at the last known address for such Members as shown on the records of the Association at the time of such delivery or mailing and shall not take effect until forty-eight (48) hours after such delivery or mailing, or, in the event both forms of notification are used, whichever is later. Notwithstanding the foregoing, when rules and regulations are to regulate the use of a specific portion of the Association Property, same shall be conspicuously posted at such facility and such rules and regulations shall be effective immediately upon such posting. Care shall be taken to insure that posted rules and regulations are conspicuously displayed and easily readable and that posted signs or announcements are designed with a view toward protection from weather and the elements. Posted rules and regulations which are torn down or lost shall be promptly replaced.

Section 11. Parliamentary Rules

The then latest edition of Robert's Rules of Order shall govern the conduct of all meetings of the Members and the Board; provided, however, if such rules of order are in conflict with any of the Lake Washington Townhomes Documents, Robert's Rules of Order shall yield to the provisions of such instrument.

Section 12. Roster of Owners

Each Owner shall file with the Association a copy of the deed or other document showing his ownership interest in Lake Washington Townhomes. The Association shall maintain such information. The Association shall also maintain the electronic mailing addresses and numbers designated by Owners for receiving notices sent by electronic transmission of those Owners consenting to receive notice by electronic transmission. The electronic mailing address and numbers provided by Owners to receive notice by electronic transmission shall be removed from Association records when consent to receive notice by electronic transmission is revoked. The Association may rely on the accuracy of such information for all purposes until notified in writing of changes therein.

Section 13. Amendment of the Bylaws

13.1. These Bylaws may be amended as hereinafter set forth in this Section 13.

13.2. After the Turnover Date, any Bylaw of the Association may be amended or repealed, and any new Bylaw of the Association may be adopted by either:

(i) a majority vote of the Members at any Annual Members' Meeting or any special meeting of the Members called for that purpose or by majority action of the Members who have acted by written response in lieu of a Meeting as permitted by these Bylaws; or

(ii) by the affirmative vote of a majority of the Directors then in office at any regular meeting of the Board or at any special meeting of the Board called for that purpose or by written instrument signed by all of the Directors as is permitted by these Bylaws, provided that the Directors shall not have any authority to adopt, amend or repeal any Bylaw if such new Bylaw or such amendment or the repeal of a Bylaw would be inconsistent with any Bylaw previously adopted by the Members.

13.3. Notwithstanding any of the foregoing provisions of this Section 13 to the contrary, until the Turnover Date, all amendments or modifications to these Bylaws and adoption or repeal of Bylaws shall only be made by action of the First Board as described in the Articles, which First Board shall have the power to amend, modify, adopt and repeal any Bylaws without the requirement of any consent, approval or vote of the Members.

13.4. Notwithstanding the foregoing provisions of this Section 13, there shall be no amendment to these Bylaws which shall abridge, amend or alter the rights of: (i) Declarant, without the prior written consent thereto by Declarant for so long as Declarant holds title to at least one (1) Home; or (ii) any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee.

13.5. Any instrument amending, modifying, repealing or adding Bylaws shall identify the particular section or sections affected and give the exact language of such modification, amendment or addition or of the provisions repealed. A copy of each such amendment, modification, repeal or addition attested to by the Secretary or Assistant Secretary of the Association shall be recorded amongst the Public Records of the County.

Section 14. Mediation

Pursuant to the HOA Act, mandatory mediation before the Department of Business and Professional Regulation ("Department") shall be required prior to institution of court litigation for disputes involving certain actions or inactions, as described therein.

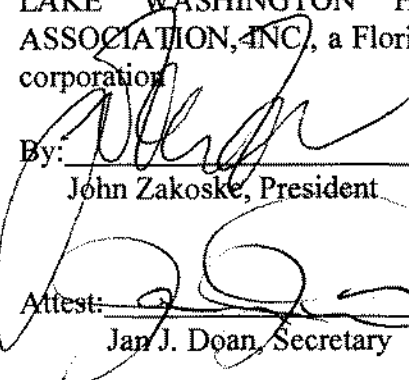
Section 15. Recall of Board Members and Election Disputes

Pursuant to the HOA Act, mandatory binding arbitration before the Department shall be required for election disputes and disputes involving the recall of any member of the Board. Any member of the Board may be recalled and removed from office as provided for and described in the HOA Act.

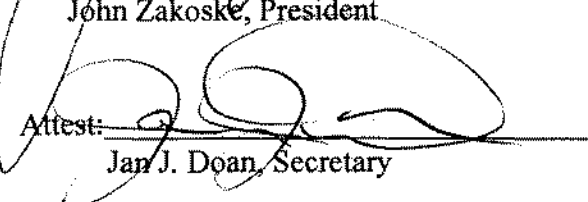
Section 16. Interpretation

In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in the event of any conflict between the Articles and the Declaration, the Declaration shall control.

LAKE WASHINGTON HOMEOWNERS
ASSOCIATION, INC., a Florida not-for-profit
corporation

By: 

John Zakoske, President

Attest: 

Jan J. Doan, Secretary

(SEAL)

EXHIBIT D

Legal Description of Association Property

Tracts A, B, C, D, E and X of LAKE WASHINGTON TOWNHOMES, according to the plat thereof, recorded in Plat Book 56 Page 40 of the Public Records of Brevard County, Florida.

EXHIBIT E

Site Plan

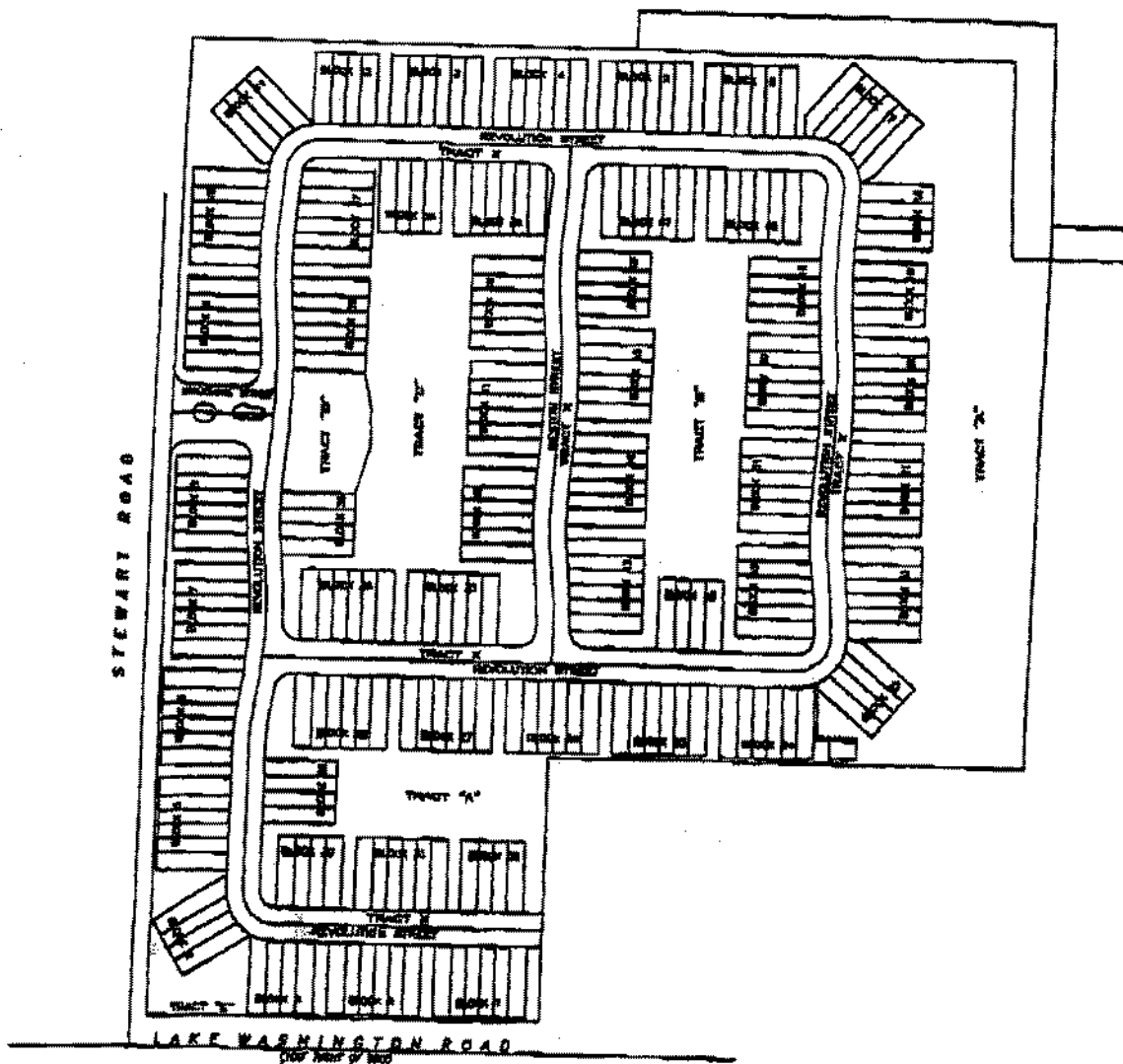


EXHIBIT F

St. Johns River Water Management District Permit



St. Johns River Water Management District

Kirby B. Green III, Executive Director • David W. Fisk, Assistant Executive Director

4049 Reid Street • P.O. Box 1429 • Palatka, FL 32178-1429 • (386) 329-4500
On the Internet at www.sjrwmd.com.

June 22, 2005

Brefrank, Inc.
7900 Glades Rd., Suite 501
Boca Raton, FL 33434

SUBJECT: Permit Number 40-009-94977-1
Stewart Lake Weshington

Dear Sir/Madam:

Enclosed is your standard permit as authorized by the staff of the St. Johns River Water Management District on June 22, 2005.

This permit is a legal document and should be kept with your other important documents. The attached MSSW/Stormwater As-Built Certification Form should be filled in and returned to the Palatka office within thirty days after the work is completed. By so doing, you will enable us to schedule a prompt inspection of the permitted activity.

In addition to the MSSW/Stormwater As-Built Certification Form, your permit also contains conditions, which require submittal of additional information. All information submitted for compliance to permit conditions must be submitted to the Palatka office address.

Permit issuance does not relieve you from the responsibility of obtaining permits from any federal, state and/or local agencies asserting concurrent jurisdiction for this work.

Please be advised that the District has not published a notice in the newspaper advising the public that it is issuing a permit for this proposed project. Publication, using the District form, notifies members of the public (third parties) of their rights to challenge the issuance of the standard permit. If proper notice is given by publication, third parties have a 21-day time limit on the time they have to file a petition opposing the issuance of the permit. If you do not publish, a party's right to challenge the issuance of the standard permit extends for an indefinite period of time. If you wish to have certainty that the period for filing such a challenge is closed, then you may publish, at your own expense, such a notice in a newspaper of general circulation. A copy of the form of the notice and a list of newspapers of general circulation is attached for your use.

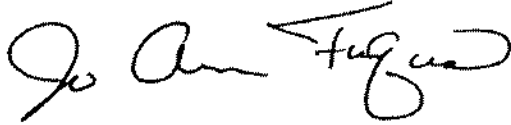
In the event you sell your property, the permit will be transferred to the new owner, if we are notified by you within thirty days of the sale and if you provide the information required by 40C-1.612, F.A.C. Please assist us in this matter so as to maintain a valid permit for the new property owner.

GOVERNING BOARD

Ometrias D. Long, CHAIRMAN APOPKA	David G. Graham, VICE CHAIRMAN JACKSONVILLE	R. Clay Albright, SECRETARY OCALA	Duane Ottenstroer, TREASURER JACKSONVILLE
W. Leonard Wood FERNANDINA BEACH	John G. Sowinski ORLANDO	William Kerr MELBOURNE BEACH	Ann T. Moore BUNNELL
			Susan N. Hughes PONTE VEDRA

Thank you for your cooperation, and if this office can be of any further assistance to you, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Jo Ann Fuqua". The signature is fluid and cursive, with the first name "Jo" being more prominent.

Jo Ann Fuqua
Service Center Data Mgt Supervisor
Division of Permit Data Services

Enclosures: Permit with As-built Certification Form
Notice of Rights
List of Newspapers for Publication

cc: District Permit File

Agent: Construction Engineering Group
760 North Drive # E
Melbourne, FL 32934-9247

Consultant: Construction Engineering Group
760 North Drive # E
Melbourne, FL 32934-9247

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
Post Office Box 1429
Palatka, Florida 32178-1429

PERMIT NO. 40-009-94977-1
PROJECT NAME: Stewart Lake Washington

DATE ISSUED: June 22, 2005

A PERMIT AUTHORIZING:

Construction of a Surface Water Management System with stormwater treatment by wet detention for Stewart Lake Washington, a 38.47-acre project to be constructed as per plans received by the District on January 19, 2005 and per revised Sheets C-5 and C-13 received on March 17, 2005.

LOCATION:

Section(s): 8 Township(s): 27S Range(s): 37E

Brevard County

Brefrank, Inc.
7900 Glades Rd., Suite 501
Boca Raton, FL 33434

Permittee agrees to hold and save the St. Johns River Water Management District and its successors harmless from any and all damages, claims, or liabilities, which may arise from, permit issuance. Said application, including all plans and specifications attached thereto, is by reference made a part hereof.

This permit does not convey to permittee any property rights nor any rights or privileges other than those specified therein, nor relieve the permittee from complying with any law, regulation or requirement affecting the rights of other bodies or agencies. All structures and works installed by permittee hereunder shall remain the property of the permittee.

This permit may be revoked, modified or transferred at any time pursuant to the appropriate provisions of Chapter 373, Florida Statutes:

PERMIT IS CONDITIONED UPON:

See conditions on attached "Exhibit A", dated June 22, 2005

AUTHORIZED BY: St. Johns River Water Management District
Department of Resource Management

By: 
(Service Center Director - Palm Bay)
John Juillianna

"EXHIBIT A"
CONDITIONS FOR ISSUANCE OF PERMIT NUMBER 40-009-94977-1
BREFRANK, INC.
DATED JUNE 22, 2005

1. All activities shall be implemented as set forth in the plans, specifications and performance criteria as approved by this permit. Any deviation from the permitted activity and the conditions for undertaking that activity shall constitute a violation of this permit.
2. This permit or a copy thereof, complete with all conditions, attachments, exhibits, and modifications, shall be kept at the work site of the permitted activity. The complete permit shall be available for review at the work site upon request by District staff. The permittee shall require the contractor to review the complete permit prior to commencement of the activity authorized by this permit.
3. Activities approved by this permit shall be conducted in a manner, which do not cause violations of state water quality standards.
4. Prior to and during construction, the permittee shall implement and maintain all erosion and sediment control measures (best management practices) required to retain sediment on-site and to prevent violations of state water quality standards. All practices must be in accordance with the guidelines and specifications in chapter 6 of the Florida Land Development Manual: A Guide to Sound Land and Water Management (Florida Department of Environmental Regulation 1988), which are incorporated by reference, unless a project specific erosion and sediment control plan is approved as part of the permit, in which case the practices must be in accordance with the plan. If site specific conditions require additional measures during any phase of construction or operation to prevent erosion or control sediment, beyond those specified in the erosion and sediment control plan, the permittee shall implement additional best management practices as necessary, in accordance with the specifications in chapter 6 of the Florida Land Development Manual: A Guide to Sound Land and Water Management (Florida Department of Environmental Regulation 1988). The permittee shall correct any erosion or shoaling that causes adverse impacts to the water resources.
5. Stabilization measures shall be initiated for erosion and sediment control on disturbed areas as soon as practicable in portions of the site where construction activities have temporarily or permanently ceased, but in no case more than 7 days after the construction activity in that portion of the site has temporarily or permanently ceased.
6. At least 48 hours prior to commencement of activity authorized by this permit, the permittee shall submit to the District a Construction Commencement Notice Form No. 40C-4.900(3) indicating the actual start date and the expected completion date.
7. When the duration of construction will exceed one year, the permittee shall submit construction status reports to the District on an annual basis utilizing an Annual Status Report Form No. 40C-4.900(4). These forms shall be submitted during June of each year.
8. For those systems which will be operated or maintained by an entity which will require an easement or deed restriction in order to provide that entity with the authority necessary to operate or maintain the system, such easement or deed restriction, together with any other final operation or maintenance documents as are required by subsections 7.1.1 through 7.1.4 of the Applicant's Handbook: Management and Storage of Surface Waters, must be submitted to the District for approval. Documents meeting the requirements set forth in these subsections of the Applicant's Handbook will be approved. Deed restrictions, easements and other operation and maintenance documents which require recordation either with the Secretary of State or the Clerk of the Circuit Court must be so recorded prior

to lot or unit sales within the project served by the system, or upon completion of construction of the system, whichever occurs first. For those systems which are proposed to be maintained by county or municipal entities, final operation and maintenance documents must be received by the District when maintenance and operation of the system is accepted by the local governmental entity. Failure to submit the appropriate final documents referenced in this paragraph will result in the permittee remaining liable for carrying out maintenance and operation of the permitted system.

9. Each phase or independent portion of the permitted system must be completed in accordance with the permitted plans and permit conditions prior to the initiation of the permitted use of site infrastructure located within the area served by the portion or phase of the system. Each phase or independent portion of the system must be completed in accordance with the permitted plans and permit conditions prior to transfer of responsibility for operation and maintenance of that phase or portion of the system to local government or other responsible entity.
10. Within 30 days after completion of construction of the permitted system, or independent portion of the system, the permittee shall submit a written statement of completion and certification by a registered professional engineer or other appropriate individual as authorized by law, utilizing As Built Certification Form 40C-1.181(13) or 40C-1.181(14) supplied with this permit. When the completed system differs substantially from the permitted plans, any substantial deviations shall be noted and explained and two copies of as-built drawings submitted to the District. Submittal of the completed form shall serve to notify the District that the system is ready for inspection. The statement of completion and certification shall be based on on-site observation of construction (conducted by the registered professional engineer, or other appropriate individual as authorized by law, or under his or her direct supervision) or review of as-built drawings for the purpose of determining if the work was completed in compliance with approved plans and specifications. As-built drawings shall be the permitted drawings revised to reflect any changes made during construction. Both the original and any revised specifications must be clearly shown. The plans must be clearly labeled as "as-built" or "record" drawing. All surveyed dimensions and elevations shall be certified by a registered surveyor. The following information, at a minimum, shall be verified on the as-built drawings:
 1. Dimensions and elevations of all discharge structures including all weirs, slots, gates, pumps, pipes, and oil and grease skimmers;
 2. Locations, dimensions, and elevations of all filter, exfiltration, or underdrain systems including cleanouts, pipes, connections to control structures, and points of discharge to the receiving waters;
 3. Dimensions, elevations, contours, or cross-sections of all treatment storage areas sufficient to determine storage relationships of the storage area and the permanent pool depth and volume below the control elevation for normally wet systems, when appropriate;
 4. Dimensions, elevations, contours, final grades, or cross-sections of the system to determine flow directions and conveyance of runoff to the treatment system;
 5. Dimensions, elevations, contours, final grades, or cross-sections of all conveyance systems utilized to convey off-site runoff around the system;
 6. Existing water elevation(s) and the date determined; and Elevation and location of benchmark(s) for the survey.

11. The operation phase of this permit shall not become effective until the permittee has complied with the requirements of general condition 9 above, the District determines the system to be in compliance with the permitted plans, and the entity approved by the District in accordance with subsections 7.1.1 through 7.1.4 of the Applicant's Handbook: Management and Storage of Surface Waters, accepts responsibility for operation and maintenance of the system. The permit may not be transferred to such an approved operation and maintenance entity until the operation phase of the permit becomes effective. Following inspection and approval of the permitted system by the District, the permittee shall request transfer of the permit to the responsible approved operation and maintenance entity, if different from the permittee. Until the permit is transferred pursuant to section 7.1 of the Applicant's Handbook: Management and Storage of Surface Waters, the permittee shall be liable for compliance with the terms of the permit.
12. Should any other regulatory agency require changes to the permitted system, the permittee shall provide written notification to the District of the changes prior implementation so that a determination can be made whether a permit modification is required.
13. This permit does not eliminate the necessity to obtain any required federal, state, local and special district authorizations prior to the start of any activity approved by this permit. This permit does not convey to the permittee or create in the permittee any property right, or any interest in real property, nor does it authorize any entrance upon or activities on property which is not owned or controlled by the permittee, or convey any rights or privileges other than those specified in the permit and chapter 40C-4 or chapter 40C-40, F.A.C.
14. The permittee shall hold and save the District harmless from any and all damages, claims, or liabilities which may arise by reason of the activities authorized by the permit or any use of the permitted system.
15. Any delineation of the extent of a wetland or other surface water submitted as part of the permit application, including plans or other supporting documentation, shall not be considered specifically approved unless a specific condition of this permit or a formal determination under section 373.421(2), F.S., provides otherwise.
16. The permittee shall notify the District in writing within 30 days of any sale, conveyance, or other transfer of ownership or control of the permitted system or the real property at which the permitted system is located. All transfers of ownership or transfers of a permit are subject to the requirements of section 40C-1.612, F.A.C. The permittee transferring the permit shall remain liable for any corrective actions that may be required as a result of any permit violations prior to such sale, conveyance or other transfer.
17. Upon reasonable notice to the permittee, District authorized staff with proper identification shall have permission to enter, inspect, sample and test the system to insure conformity with the plans and specifications approved by the permit.
18. If historical or archeological artifacts are discovered at any time on the project site, the permittee shall immediately notify the District.
19. The permittee shall immediately notify the District in writing of any previously submitted information that is later discovered to be inaccurate.
20. This permit for construction will expire five years from the date of issuance.
21. At a minimum, all retention and detention storage areas must be excavated to rough grade prior to building construction or placement of impervious surface within the area to be served by those facilities. To prevent reduction in storage volume and percolation rates, all accumulated sediment must be removed from the storage area prior to final grading and

stabilization.

22. All wetland areas or water bodies that are outside the specific limits of construction authorized by this permit must be protected from erosion, siltation, scouring or excess turbidity, and dewatering.
23. Within the wetland mitigation areas, non-native vegetation, cattails (*Typha* spp.) and primrose willow (*Ludwigia peruviana*), must be controlled by hand clearing or other methods approved by the District so that they constitute no more than 10% of the areal cover in each stratum.
24. Prior to construction, the permittee must clearly designate the limits of construction on-site. The permittee must advise the contractor that any work outside the limits of construction, including clearing, may be a violation of this permit.
25. The Permittee must furnish the District with two copies of an annual monitoring report in the month of August on District form EN-55, for the time period stated in this permit's success criteria condition.
26. The stormwater management system must be inspected by the operation and maintenance entity once within two years after the completion of construction and every two years thereafter to insure that the system is functioning as designed and permitted. If a required inspection reveals that the system is not functioning as designed and permitted, then within 14 days of that inspection the entity shall submit an Exceptions Report on form number 40C-42.900(6), Exceptions Report for Stormwater Management System Out of Compliance. The operation and maintenance entity must maintain a record of each required inspection, including the date of inspection, the name, address, and telephone number of the inspector, and whether the system was functioning as designed and permitted, and make such record available for inspection upon request by the District during normal business hours.
27. The surface water management system must be constructed and operated in accordance with the plans received by the District on January 19, 2005 and per revised Sheets C-5 and C-13 received on March 17, 2005.
28. The mitigation must be conducted as proposed in the bound report received by the District on March 11, 2005, which also includes success criteria and monitoring plan with the revised treatment criteria approved by the Brevard County EELs Land Manager and received by the District via e-mail on April 20, 2005.
29. The mitigation activities must begin prior to construction in the project wetlands.

Notice Of Rights

1. A person whose substantial interests are or may be determined has the right to request an administrative hearing by filing a written petition with the St. Johns River Water Management District (District), or may choose to pursue mediation as an alternative remedy under Sections 120.569 and 120.573, Florida Statutes, before the deadline for filing a petition. Choosing mediation will not adversely affect the rights to a hearing if mediation does not result in a settlement. The procedures for pursuing mediation are set forth in Sections 120.569 and 120.57, Florida Statutes, and Rules 28-106.111 and 28-106.401-405, Florida Administrative Code. Pursuant to Chapter 28-106 and Rule 40C-1.1007, Florida Administrative Code, the petition must be filed at the office of the District Clerk at District Headquarters, P. O. Box 1429, Palatka, Florida 32178-1429 (4049 Reid St., Palatka, FL 32177) within twenty-six (26) days of the District depositing notice of District decision in the mail (for those persons to whom the District mails actual notice) or within twenty-one (21) days of newspaper publication of the notice of District decision (for those persons to whom the District does not mail actual notice). A petition must comply with Chapter 28-106, Florida Administrative Code.
2. If the Governing Board takes action which substantially differs from the notice of District decision, a person whose substantial interests are or may be determined has the right to request an administrative hearing or may choose to pursue mediation as an alternative remedy as described above. Pursuant to District Rule 40C-1.1007, Florida Administrative Code, the petition must be filed at the office of the District Clerk at the address described above, within twenty-six (26) days of the District depositing notice of final District decision in the mail (for those persons to whom the District mails actual notice) or within twenty-one (21) days of newspaper publication of the notice of its final agency action (for those persons to whom the District does not mail actual notice). Such a petition must comply with Rule Chapter 28-106, Florida Administrative Code.
3. A substantially interested person has the right to a formal administrative hearing pursuant to Section 120.569 and 120.57(1), Florida Statutes, where there is a dispute between the District and the party regarding an issue of material fact. A petition for formal must comply with the requirements set forth in Rule 28-106.201, Florida Administrative Code.
4. A substantially interested person has the right to an informal hearing pursuant to Sections 120.569 and 120.57(2), Florida Statutes, where no material facts are in dispute. A petition for an informal hearing must comply with the requirements set forth in Rule 28-106.301, Florida Administrative Code.
5. A petition for an administrative hearing is deemed filed upon delivery of the petition to the District Clerk at the District headquarters in Palatka, Florida.
6. Failure to file a petition for an administrative hearing, within the requisite time frame shall constitute a waiver of the right to an administrative hearing (Section 28-106.111, Florida Administrative Code).
7. The right to an administrative hearing and the relevant procedures to be followed are governed by Chapter 120, Florida Statutes, and Chapter 28-106, Florida Administrative Code and Section 40C-1.1007, Florida Administrative Code.

Notice Of Rights

8. An applicant with a legal or equitable interest in real property who believes that a District permitting action is unreasonable or will unfairly burden the use of his property, has the right to, within 30 days of receipt of notice of the District's written decision regarding a permit application, apply for a special master proceeding under Section 70.51, Florida Statutes, by filing a written request for relief at the office of the District Clerk located at District headquarters, P. D. Box 1429, Palatka, FL 32178-1429 (4049 Reid St., Palatka, Florida 32177). A request for relief must contain the information listed in Subsection 70.51(6), Florida Statutes.
9. A timely filed request for relief under Section 70.51, Florida Statutes, tolls the time to request an administrative hearing under paragraph no. 1 or 2 above (Paragraph 70.51(10)(b), Florida Statutes). However, the filing of a request for an administrative hearing under paragraph no. 1 or 2 above waives the right to a special master proceeding (Subsection 70.51(10)(b), Florida Statutes).
10. Failure to file a request for relief within the requisite time frame shall constitute a waiver of the right to a special master proceeding (Subsection 70.51(3), Florida Statutes).
11. Any substantially affected person who claims that final action of the District constitutes an unconstitutional taking of property without just compensation may seek review of the action in circuit court pursuant to Section 373.617, Florida Statutes, and the Florida Rules of Civil Procedures, by filing an action in circuit court within 90 days of the rendering of the final District action, (Section 373.617, Florida Statutes).
12. Pursuant to Section 120.68, Florida Statutes, a person who is adversely affected by final District action may seek review of the action in the District Court of Appeal by filing a notice of appeal pursuant to the Florida Rules of Appellate Procedure within 30 days of the rendering of the final District action.
13. A party to the proceeding before the District who claims that a District order is inconsistent with the provisions and purposes of Chapter 373, Florida Statutes, may seek review of the order pursuant to Section 373.114, Florida Statutes, by the Florida Land and Water Adjudicatory Commission, by filing a request for review with the Commission and serving a copy on the Department of Environmental Protection and any person named in the order within 20 days of adoption of a rule or the rendering of the District order.
14. For appeals to the District Court of Appeal, a District action is considered rendered after it is signed on behalf of the District, and is filed by the District Clerk.
15. Failure to observe the relevant time frames for filing a petition for judicial review described in paragraphs #11 and #12, or for Commission review as described in paragraph #13, will result in waiver of that right to review.

Notice Of Rights

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing Notice of Rights has been sent by U.S.
Mail to:

Brefrank, Inc.
7900 Gledes Rd., Suite 501
Boca Raton, FL 33434

At 4:00 p.m. this 22nd day of June 2005.

Glorie Lewis

Division of Permit Data Services
Glorie Lewis, Director

St. Johns River Water Management District
Post Office Box 1429
Palatke, FL 32178-1429
(388) 329-4152
Permit Number: 40-009-94977-1

CERTIFICATE REGARDING RECEIPT FOR PAID REAL ESTATE TAXES

This is to certify that attached hereto as Exhibit "A" is a receipted bill indicating that all real estate taxes due and owing on the "Property" as described in the foregoing Declaration of Covenants, Restrictions and Easements for Lake Washington Townhomes ("Declaration") have been paid as of the date of recordation of the Declaration.

WITNESSES:

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

Bethany A. Prior
Signature

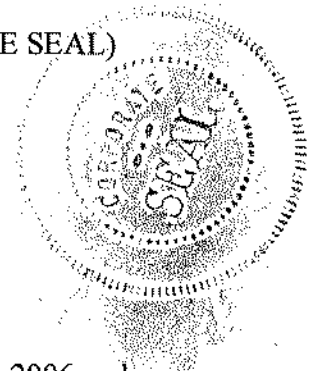
Bethany A. Prior
Printed Name

Linnette C. Knapp
Signature

Linnette C. Knapp
Printed Name

By: [Signature]
Philip A. Fremento, Vice President

(CORPORATE SEAL)



STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 19th day of October, 2006, by PHILIP A. FREMENTO, the Vice President of D.R. HORTON, INC.-JACKSONVILLE, a Delaware corporation, on behalf of the corporation, who is personally known to me, who affixed thereto the seal of the corporation.

AMBER MARIA LEHMAN
Notary Public, State of Florida
My comm. exp. Mar. 6, 2007
Comm. No. DD 189811

[Signature]
Notary Public
My Commission Expires: March 6, 2007

Brevard County Tax Collector

generated on 3/31/2006 2:40:21 PM EST

Tax Record

Last Update: 3/31/2006 2:46:44 PM EST

Ad Valorem Taxes and Non-Ad Valorem Assessments

The information contained herein does not constitute a title search and should not be relied on as such.

Account Number	Tax Type	Tax Year		
2710916	REAL ESTATE	2005		
Mailing Address OAK CREST HOLDINGS LLC 300 E NEW HAVEN AVE MELBOURNE FL 32901		Property Address MEL GEO Number 273708003		
Assessed Value	Exempt Amount	Taxable Value		
\$633,120.00	\$0.00	\$633,120.00		
Exemption Detail	Millage Code	Escrow Code		
NO EXEMPTIONS	43K0			
Legal Description				
27 370800 3 MELBOURNE THE SW 1/4 OF THE NE 1/4 LYING S OF ORB 3717 PG 3757 & THAT PART OF THE NW 1/4 OF SE 1/4 LYING N OF LAKE WASHINGTON RD EXC ORB 3541 PG 42, RD R/W				
Ad Valorem Taxes				
Taxing Authority	Rate	Exemption Amount	Taxable Value	Taxes Levied
COUNTY GENERAL FUND	3.6249	0	\$0	\$2,295.00
BREVARD LIBRARY DISTRICT	0.5750	0	\$0	\$364.04
BREVARD MOSQUITO CONTROL	0.1986	0	\$0	\$125.74
S BREVARD REC DIST 2001-2020	0.3230	0	\$0	\$204.50
SCHOOL - BY STATE LAW	5.2030	0	\$0	\$3,294.12
SCHOOL - BY LOCAL BOARD	0.7600	0	\$0	\$481.17
SCHOOL - CAPITAL OUTLAY	2.0000	0	\$0	\$1,266.24
CITY OF MELBOURNE - OPERATING	4.7415	0	\$0	\$3,001.94
ST JOHNS RIVER WATER MGMT DST	0.4620	0	\$0	\$292.50
FLA INLAND NAVIGATION DIST	0.0385	0	\$0	\$24.38
SEBASTIAN INLET DISTRICT	0.2192	0	\$0	\$138.78
ENV END LD/WTR LTD 05-24	0.0572	0	\$0	\$36.21
ENV END LD/WTR (DBTP) 05-24	0.1188	0	\$0	\$75.21
ENV ENDANG LAND (DBTP) 91-10	0.2018	0	\$0	\$127.76
ENV ENDANG LD ACQ 91-10	0.0482	0	\$0	\$30.52
S BREVARD REC DIST (DBTP) 01-20	0.2306	0	\$0	\$146.00
Total Millage	18.8023	Total Taxes	\$11,904.11	
Non-Ad Valorem Assessments				
Code	Levying Authority	Amount		
Y109	STORMWATER MELBOURNE	\$178.94		

Brevard County Tax Collector

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		Total Assessments	\$178.94
		Taxes & Assessments	\$12,083.05
		If Paid By	Amount Due
			\$0.00

Date Paid	Transaction	Receipt	Item	Amount Paid
12/1/2005	PAYMENT	9077131.0001	2005	\$11,599.73

Prior Years Payment History

Prior Year Taxes Due
NO DELINQUENT TAXES