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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR KNIGHT LAKE ESTATES**

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR KNIGHT LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR KNIGHT LAKE ESTATES HOMEOWNERS ASSOCIATION, INC. ("Declaration") is made this 7 day of may 2007 by BANYAN CONSTRUCTION AND DEVELOPMENT, INC., a Florida corporation, whose address is 301 North U.S. Highway 27, Suite G, Clermont, Florida 34711 ("Declarant").

RECITALS

WHEREAS, Declarant owns the Property identified and defined hereinbelow; AND

WHEREAS, Declarant intends to develop the Property as a residential community known as "Knight Lake Estates"; and

WHEREAS, Declarant desires to preserve and enhance the values and quality of life in the Property and to provide for the maintenance of certain areas and improvements for the benefit of the Property and its residents; and

WHEREAS, Declarant intends to form a non-profit entity to own, maintain, and operate the lands and improvements, to administer and enforce this Declaration, and to collect and disburse the assessments and charges hereinafter created.

**ARTICLE 1
DECLARATIONS**

NOW, THEREFORE, Declarant declares that the Property is and shall be owned, improved, transferred and occupied subject to this Declaration.

**ARTICLE 2
DEFINITIONS**

When used in this Declaration, the following words shall have the following meanings:

Section 2.1 Articles. "Articles" shall mean and refer to the Articles of Incorporation of the Association, as amended from time to time. A copy of the initial Articles are attached as Exhibit "B" to this Declaration. The Articles may be amended as provided therein. A copy of each amendment to the Articles, certified by the Secretary of the Association as having been duly adopted, shall be recorded in the Public Records of the County. It shall not be necessary to amend this Declaration in order to amend the Articles.

Section 2.2 Assessment. "Assessment" means and refers to the charges levied by the Association from time to time against the Owners and the Lots in the Property for the purposes set forth in this Declaration, including but not limited to each: (1) Initiation Assessment, (2) Annual Assessment, (2) Special Assessment, and (3) Individual Assessment.

Section 2.3 Association. "Association" means and refers to Knight Lake Estates Homeowners Association, Inc., a Florida corporation not-for-profit and a homeowners association, and its successors and assigns.

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Section 2.4 Association Records. "Association Records" means and refers to the following official Association records identified in section 720.303(4), Florida Statutes:

(a) Copies of any plans, specifications, permits, and warranties related to improvements constructed on the common areas or other property that the association is obligated to maintain, repair, or replace.

(b) A copy of the Bylaws of the Association and of each amendment to the Bylaws.

(c) A copy of the Articles of Incorporation of the Association and of each amendment thereto.

(d) A copy of the Declaration and a copy of each amendment thereto.

(e) A copy of the current rules of the Association.

(f) The minutes of all meetings of the board of directors and of the members, which minutes must be retained for at least seven (7) years.

(g) A current roster of all Members and their mailing addresses and parcel identifications. The Association shall also maintain the electronic mailing addresses and the numbers designated by Members for receiving notice sent by electronic transmission of those members consenting to receive notice by electronic transmission. The electronic mailing addresses 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. However, the Association is not liable for an erroneous disclosure of the electronic mail address or the number for receiving electronic transmission of notices.

(h) All of the Association's insurance policies or a copy thereof, which policies must be retained for at least seven (7) years.

(i) A current copy of all contracts to which the Association is a party, including, without limitation, any management agreement, lease, or other contract under which the Association has any obligation or responsibility. Bids received by the association for work to be performed must also be considered official records and must be kept for a period of one (1) year.

(j) The financial and accounting records of the Association, kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include:

(1) Accurate, itemized, and detailed records of all receipts and expenditures.

(2) A current account and a periodic statement of the account for each Member, designating the name and current address of each Member who is obligated to pay Assessments, the due date and amount of each Assessment or other charge against the Member, the date and amount of each payment on the account, and the balance due.

(3) All tax returns, financial statements, and financial reports of the Association.

(4) Any other records that identify, measure, record, or communicate financial information.

Section 2.5 Board. "Board" means and refers to the Board of Directors of the Association.

Section 2.6 Bylaws. "Bylaws" means and refers to the Bylaws of the Association, as amended from time to time. A copy of the initial Bylaws are attached as Exhibit "C" to this Declaration. The Bylaws may be amended as provided therein and a copy of each amendment to the Bylaws, certified by the Secretary of the Association as having been duly adopted, shall be recorded in the Public Records of the County. It shall not be necessary to amend this Declaration in order to amend the Bylaws.

Section 2.7 City. "City" means and refers to the City of Mascotte, Florida.

Section 2.8 City Council. "City Council" means and refers to the governing body of the City.

Section 2.9 Class "A" Member. "Class `A' Member" means and refers to all Owners, except for the Declarant and Developers until Class Conversion (defined below). Class "A" membership is automatic with Lot ownership (except for Declarant and Developers) and may be transferred or terminated only by sale of the Lot. A person or entity with only a mortgage, easement, or leasehold interest in the Lot shall not be deemed an Owner or Class "A" Member.

Section 2.10 Class "B" Member. "Class `B' Member" means and refers to Declarant and Developers, until the occurrence of Class Conversion. Class "B" membership is automatic in the Declarant and Developers and may be transferred only by sale of a Lot(s) owned by Declarant or a Developer to a Class "A" Member

Section 2.11 Class "A" Voting. "Class `A' Voting" means and refers to the Annual Meeting of the Members following the point in time when the total Voting Interests of the Class "A" Members exceeds the total Voting Interests of the "Class `B' Members," at which time Class "A" Members are eligible to vote.

Section 2.12 Class Conversion. "Class Conversion" means and refers to the Annual Meeting of the Members following the point in time when the Class "B" Members have sold ninety-five percent (95%) of the Lots to Class "A" Member Owners, at which time the Class "B" membership shall terminate and convert to Class "A" membership, with Voting Interests at that time and thereafter corresponding to Class "A" membership for as long as Declarant and Developers own Lots within the Property.

Section 2.13 Common Expense. "Common Expense" means and refers to the expenses of operating the Association and the costs incurred by the Association in performing its duties and in exercising its prerogatives, including without limitation costs incurred for operation, improvement, maintenance, repair, replacement and insurance of the Common Area, the Areas of Common Responsibility and the Master Surface Water Management System.

Section 2.14 Common Area. "Common Area" means and refers to the real and personal property from time to time to be owned and maintained by the Association and devoted to the use and enjoyment of the Members of the Association, as designated or dedicated on the plat of KNIGHT LAKE ESTATES, or subsequent plat of future phases of the Property, or otherwise designated or dedicated by the Declarant or Association, for the common use and enjoyment of all Owners, including without limitation the Master Surface Water Management System defined hereinbelow. Unless otherwise specified on the plat or a supplemental declaration of covenants, conditions and restrictions, their tenants, guests, invitees, and licensees, which right to use and enjoyment shall be a non-exclusive easement appurtenant to the title to each Lot. The following portions of the development are hereby designated as Common Area:

(a) Tracts identified as A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, and P on the plat of KNIGHT LAKE ESTATES, recorded or to be recorded in the Public Records of the County, for the purposes stated thereon.

The Association shall accept, own, operate, maintain, repair, replace and insure all Common Area for the common use, benefit and enjoyment of the Owners in accordance with and subject to the terms of this Declaration.

Section 2.15 County. "County" means and refers to Lake County, Florida.

Section 2.16 Declarant. "Declarant" means and refers to Banyan Construction and Development, Inc., a Florida corporation, its successors or assigns. No successor or assignee of Declarant shall have any rights or obligations of Declarant under this Declaration except to the extent any such rights and obligations are specifically set forth in an instrument of succession or assignment, or unless such rights pass by operation of law.

Section 2.17 Declaration. "Declaration" means and refers to this Declaration of Covenants, Conditions and Restrictions for Knight Lake Estates, as amended and supplemented from time to time.

Section 2.18 Developer. "Developer" means and refers to an Owner who is a builder or contractor who purchases a Lot or group of Lots directly from Declarant, in anticipation and for the purpose of constructing residences on Lots for subsequent sale to residential owners, in the ordinary course of its business. Any builder or contractor who constructs improvements on or within the Common Areas (which are to be owned by Declarant, followed by the Association, as further detailed herein), but who does not actually own a Lot is not deemed to be a Developer for purposes of this Declaration, and is not deemed to be a Class A Member or Class B Member, and does not have voting rights or Voting Interests as defined herein.

Section 2.19 District. "District" means and refers to the St. Johns River Water Management District, an agency created pursuant to Chapter 373, Florida Statutes.

Section 2.20 District Permit. "District Permit" means and refers to Environmental Resource Permit Number issued by the District, as modified from time to time with the approval of the District. A copy of the District Permit (as same exists on the date of this Declaration) is attached as Exhibit "D" to this Declaration. It shall not be necessary to amend this Declaration in order to amend the District Permit. The Association is obligated to accept

assignment of, and to assume in writing, all of Declarant's rights and obligations under and associated with the District Permit.

Section 2.21 Enforcement Cost. "Enforcement Cost" means and refers to all reasonable costs of enforcement, whether or not any suit or other judicial or administrative proceeding is filed, and, if a proceeding is filed, before and during any such proceeding, at all levels of proceedings, and in any post judgment proceedings, including but not limited to court costs and attorney, paralegal and expert fees and disbursements.

Section 2.22 First Development Phase. "First Development Phase" means and refers to the Property described on Exhibit "A" to this Declaration. When applicable, and to the extent that context requires or permits, "First Development Phase" shall include Areas of Common Responsibility, Common Areas, Lots, the Master Surface Water Management System, and/or improvements on or associated with the lands comprising the First Development Phase.

Section 2.23 Governing Documents. "Governing Documents" means and refers to this Declaration, the Articles, the Bylaws, each subdivision plat of the Property, any rules and regulations promulgated by the Association and the Planning Criteria promulgated by the ARB, as each of the foregoing may be amended from time to time.

Section 2.24 Knight Lake Estates. "Knight Lake Estates" means and refers to the residential real estate development in Lake County, Florida proposed by Declarant to be developed on the Property and depicted conceptually on the Non-Binding Preliminary Development Plan.

Section 2.25 Lot. "Lot" means and refers to each subdivided lot created by any recorded plat of the Property or Additional Property and anticipated to be improved with a single family, detached Residence, together with any Residence and other improvements from time to time located on such lot. All references to an Owner's Lot or Member's Lot, whether singular or plural, shall include any and all Lots owned by such Owner or Member.

Section 2.26 Master Surface Water Management System. "Master Surface Water Management System" means and refers to the overall system that has been designed and will be constructed and implemented upon the Property to control discharges caused by rainfall events, which system is intended to collect, convey, drain, store, absorb, inhibit, treat, use or reuse water in order to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution, and to control the quality and quantity of discharges from the system, all as permitted by the District pursuant to Chapter 40C-4, 40C-40, 40C-42, Florida Administrative Code, and the District Permit. The Master Surface Water Management System includes all land, easements and other facilities and appurtenances that together constitute and comprise the Master Surface Water Management System of Knight Lake Estates as reflected on the plans therefor on file with and approved by the District, as same may be amended or supplemented from time to time with the written approval of the District. A perpetual, non-exclusive easement is hereby created over all areas of the Master Surface Water Management System in favor of the Association including its agents or other designees, for surface water drainage and the installation, maintenance, operation and repair of the Master Surface Water Management System for the Property.

Section 2.27 Member. "Member" means and refers to each Member of the Association as provided in Article III.

Section 2.28 Non-Binding Preliminary Development Plan. "Non-Binding Preliminary Development Plan" means and refers to the KNIGHT LAKE ESTATES Preliminary Subdivision Plat dated ____, prepared ____, and approved by the City Council on _____, as hereafter may be amended from time to time. A copy of the Non-Binding Preliminary Development Plan, as same exists on the date of this Declaration, is attached as **Exhibit "E"** to this Declaration.

Section 2.29 Owner. "Owner" means and refers to the record holder as shown in the Public Records of the County, whether one or more Persons, of fee simple title to each Lot in the Property, but, notwithstanding any applicable theory of the law of mortgages, the term "Owner" shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title to a Lot pursuant to foreclosure proceeding or a conveyance or other proceeding in lieu of foreclosure. All owners of a single Lot shall be treated, for all purposes as a single Owner, irrespective of the form or nature of such ownership.

Section 2.30 Person. "Person" means and refers to any individual, corporation, limited liability company, governmental agency, business trust, estate, trust, trustee, partnership, association, sole proprietorship, joint venture, two or more persons having a joint or common interest, or any other legal entity or form of ownership.

Section 2.31 Plans. "Plans" means and refers to plans, specifications and plot plans showing all details of each proposed improvement, alteration or addition, including but not limited to the dimensions, design, shape, finished grade elevation, materials and color thereof, together with a landscape plan and a plot plan showing the location relative to boundaries and adjacent improvements of all proposed improvements, alterations and additions.

Section 2.32 Property. "Property" means and refers to the property described on the attached Exhibit "A."

Section 2.33 Residence. "Residence" means and refers to each residential home located within the Property and intended for occupancy by one family.

Section 2.34 Supplemental Declaration. "Supplemental Declaration" means and refers to any instrument which extends the scope and effect of this Declaration and the jurisdiction of the Association to Additional Property pursuant to Article II.

Section 2.35 Voting Interest. "Voting Interest" means and refers to the voting rights as distributed to the Members pursuant to the Governing Documents. Whenever the Governing Documents require the assent of a stated percentage or amount of Voting Interests in order to carry a motion, proposal, or assessment, the percentage shall be of those Voting Interests present at the respective meeting where the motion, proposal, or assessment to be voted on. Presence may be established either in person, by representative or proxy, or as otherwise provided in the Governing Documents.

ARTICLE 3
PROPERTY SUBJECT TO THIS DECLARATION

Section 3.1 The Property. The Property is and shall be owned, improved, maintained, transferred, and occupied subject to this Declaration.

Section 3.2 Withdrawal. Subject to (i) all terms, conditions, and requirements of all District Permits and Conservation Easements, (ii) the prior approval of the City with respect to any Common Areas or other portions of the Property the maintenance or operation of which may become the responsibility of the City upon their removal, and (iii) any applicable regulations, Declarant reserves the right to remove any portion of the Property, (including, without limitation Lots and Common Areas) from the scope and effect of this Declaration and from the jurisdiction of the Association without notice and without the consent of any Person other than the City as noted above, the District, and the owner of the portion of the Property to be withdrawn; provided, however, no such withdrawal may impair access to any Lot.

Section 3.3 Non-Binding Plans. From time to time Declarant and others may present to the public drawings, renderings, plans or models, including but not limited to the Non-Binding Preliminary Development Plan, showing possible future development of Knight Lake Estates. Declarant does not represent or warrant that the development programs or features in any such drawings, renderings, plans or models will be carried out or how the future improvements in Knight Lake Estates will actually be developed or built. Any such drawings, renderings, plans or models are conceptual in nature and do not represent a guaranteed final development or improvement plan. The Owners acknowledge, covenant and agree that Declarant will have no liability to the Owners for any changes to, or failure to complete any development or improvements in accordance with, the drawings, renderings, plans or models.

ARTICLE 4 THE ASSOCIATION

Section 4.1 The Association. The Association shall be a nonprofit corporation and a homeowners association organized under the laws of the State of Florida, particularly but not limited to Chapters 617 and 720, Florida Statutes. The Association shall have the power to do all lawful things which may be authorized, assigned, required or permitted to be done by the Governing Documents and Florida law, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the duties or powers of the Association for the benefit of the Owners and for the administration of the Property, Areas of Common Responsibility, Common Areas, and Master Surface Water Management System. The officers and directors of the Association must be either (a) a Member of the Association, or (b) a designate of Declarant. The Board, and such officers as the Board may appoint, shall conduct the affairs of the Association.

Section 4.2 Membership. Each Owner (including Declarant) shall be a Member of the Association. The Association membership of each Member shall be appurtenant to and inseparable from the Lot giving rise to such membership, and any transfer of title to a Lot shall operate automatically to transfer to the new Member the membership in the Association appurtenant to that Lot. The interest, if any, of a Member in the funds and assets of the Association may not be assigned, hypothecated or transferred in any manner except as an appurtenance to the Member's Lot. Membership in the Association will be compulsory for all Members and membership shall continue, as to each Member, until such time as such Member transfers or conveys his fee simple interest in the Lot upon which his membership is based or

until such fee simple interest is transferred or conveyed by operation of law, at which time the membership will be automatically pass to the grantee or transferee.

Section 4.3 Voting Rights. The Association shall have two (2) classes of voting rights:

(a) **Class A.** Each Class A Member shall have one (1) vote for each Lot owned by that Member.

(b) **Class B.** Class B Members shall have three (3) votes for each Lot owned by them in the Property. Upon the recording of a plat for the First Development Phase in the Public Records of the County, Declarant shall have three hundred forty-eight (348) Class B votes representing three (3) votes for each of the anticipated one hundred sixteen (116) Lots in the subdivision. Declarant expects to develop one hundred sixteen (116) Lots to be included and subject to this Declaration and to the jurisdiction of the Association, but Declarant shall not be required to do so. In the event Declarant elects at any time or from time to time, for any reason whatsoever, to exclude any of the lands described on Exhibit "A", then Declarant will record notice of that election in the Public Records of the County. As each Lot in the Property is conveyed by a Class B Member to a Class A Member, the Class B votes for that Lot shall lapse. The Class B membership will cease and be converted to a Class A membership as set forth in Section.

Section 4.4 Conversion of Class "B" Membership. Declarant's Class B membership status will continue in effect during the period from the date of this Declaration until at the Annual Meeting following when ninety-five percent (95%) of the Lots have been sold to Class "A" Members, or such earlier time as Declarant may in its sole discretion record a Notice of Termination of Class "B" Membership in the Public Records of the County. Upon termination of Class "B" Membership, Declarant's and Developers' memberships in their remaining Lots shall convert to Class "A" memberships entitled to one (1) vote per Lot owned by them ("Class Conversion").

Section 4.5 Multiple Owners. The vote for each Lot in the Association must be cast as a single vote, and fractional votes shall not be allowed. If joint or multiple Owners are unable to agree among themselves as to how their vote is to be cast, or if more than one Class A vote is cast for any Lot, the vote for that Lot shall not be counted. If any Owner casts a vote on behalf of a Lot, it shall be conclusively presumed that Owner was acting with the authority and consent of all other Owners of that Lot.

Section 4.6 Transition of Control. Any other provision of the Governing Documents to the contrary notwithstanding, Members other than Declarant shall be entitled to elect at least a majority of the members of the Board not later than ninety (90) days after Class A Voting occurs. Until then, Declarant shall be entitled to appoint all members of the Board. Thereafter, Declarant shall be entitled to elect at least one (1) member of the Board as long as Declarant holds for sale in the ordinary course of business at least five percent (5%) of the total number of Lots in all phases of Knight Lake Estates that will ultimately be operated by the Association. After Class A Voting occurs, Declarant may continue to exercise the right to vote any Declarant-owned Voting Interests in the same manner as any other Member, except for purposes of reacquiring control of the Association or selecting the majority of the members of the Board. Within ninety (90) days after Class A Voting occurs, Declarant shall hold a Special Meeting of

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the Members for purposes of transitioning control of the Association, including turnover of documentation, in accordance with section 720.307, Florida Statutes.

Section 4.7 Responsibility for Budget Deficit. Declarant shall not be responsible to the Association for any deficit in the Association budget or obligation of the Association that accrues or arises after Declarant transitions control of the Association to the Members in accordance with Section 4.6 above and that cannot be directly attributed to any act or omission of Declarant.

ARTICLE 5 COMMON AREA

Section 5.1 Designation. Declarant shall have the right and the power, in its sole discretion, to determine which real and personal property will be Common Area and to convey or transfer ownership of the Common Area to the Association for the uses and purposes set forth in this Declaration or in any subdivision plat of the Property. The Association is obligated to accept ownership of all Common Area designated by Declarant in its "as is" condition when conveyed or transferred to the Association, without warranty by or recourse against Declarant. Prior to the later of conveyance of title to the Common Area to the Association or Class Conversion, Declarant may change or cause the Association to change the configuration or legal description of any of the Common Area due to change in Declarant's development plans.

Section 5.2 Transfer of Title. Declarant shall convey to the Association by quit-claim deed and by the plat of KNIGHT LAKE ESTATES, fee simple title in and to all real property designated by Declarant as Common Area; subject to, however, all taxes not then delinquent, applicable subdivision plats, this Declaration and any other restrictions, limitations, conditions, reservations, easements and other matters then of public record. Except for Declarant's quitclaim conveyance of the Common Areas to the Association, any conveyance of any portion of the Common Areas that includes portions of the Master Surface Water Management System that is authorized by a permit of the District shall be considered an amendment to the Declaration that amends a provision relating to the Master Surface Water Management System beyond maintenance in its original condition and shall require the written approval of the District.

Declarant shall also transfer and assign to the Association by bill of sale or assignment ownership of all personal property designated by Declarant as Common Area. Except as otherwise provided in Section 13.1, after conveyance to the Association, any real property owned by the Association may not be mortgaged or further conveyed by the Association without the consent of at least two-thirds (2/3) of the Owners (excluding Declarant) and, for so long as Declarant owns any portion of the Property, also the consent of Declarant.

Section 5.3 Association Responsibilities. The Association shall accept all conveyances, transfers and assignments of all real and personal property from time to time designated by Declarant as Common Area. Subject to any conflicting rights of Declarant and the Owners set forth in the Governing Documents or by law, the Association shall be solely responsible for the ownership, operation, maintenance, repair, replacement, control and insurance of all of the Common Area, and for the payment of all taxes on the Common Area due and payable from and after the date of such recordation.

Notwithstanding anything contained in this Declaration to the contrary, the Association shall be responsible for the maintenance, operation and repair for the Master Surface Water Management System. Maintenance of the Master Surface Water Management System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater capabilities as permitted by the District. Any repair or reconstruction of the Master Surface Water Management System shall be as permitted or, if modified, as approved in writing by the District.

Section 5.4 Easements to Owners and Association. Declarant hereby creates, reserves and declares to exist in favor of the Association and each Owner (including but not limited to Declarant) a perpetual, non-exclusive right and easement over, under and through the Common Area for the use and enjoyment of the Common Area for all lawful purposes not inconsistent with the Governing Documents or the rights and privileges granted or reserved to Declarant pursuant thereto. The easement in favor of each Owner shall be appurtenant to and pass with the title to each Lot. The easement shall include but shall not be limited to the following:

(a) Right-of-way for pedestrian ingress, egress and passage through and across any walks or walkways in the Common Area;

(b) Right to drain into and through the surface water drainage detention, retention and conveyance structures and areas of the Master Surface Water Management System within the Common Area in accordance with District Permit and requirements of the District;

(c) Right to connect with and make use of utilities lines and facilities from time to time located within the Common Areas or public right-of-way.

Section 5.5 Public Streets, Sidewalks and Drainage.

(a) The streets located within and upon the following described Tracts are hereby dedicated by Declarant to the public for use as streets and rights-of-way and for maintenance of sidewalks:

Streets according to the plat of KNIGHT LAKE ESTATES, recorded or to be recorded in the Public Records of the County.

Declarant reserves the right, but shall not have the obligation, to designate additional public streets within the Property by plat or any other instrument recorded in the Public Records of the County.

(b) Commencing three (3) years after the issuance of a certificate of completion for the First Development Phase of the Property and continuing every three (3) years thereafter, the Association shall obtain an inspection of the Master Surface Water Management System by a registered civil engineer. This inspection shall, using good engineering practice, determine the level of maintenance of the Master Surface Water Management System, and identify any needed repairs. The inspection shall be written into a report format. A copy of the annual report shall be delivered by the Association to the County Engineer within fifteen (15) days after completion of the final written report. The Association

shall also send reports relating to the Master Surface Water Management System to the District if and as required by the District or District Permit.

(c) The Association shall cause all remedial work recommended by the engineer in the report to be completed within sixty (60) days following receipt of said report by the Association.

(d) OWNERS RECEIVE NO DISCOUNT IN PROPERTY OR OTHER TAXES BECAUSE OF THE MASTER SURFACE WATER MANAGEMENT SYSTEM.

(e) Traffic control on the publicly dedicated streets shall be enforced by the City.

Section 5.6 Easement for Further Improvements.

(a) Declarant hereby creates, reserves and declares to exist in favor of Declarant and its designated successors and assigns the nonexclusive right and easement over, under and through the Common Area to make and install, at Declarant's or the Association's expense, as the case may be, and at any time and from time to time on or before the fifteenth (15th) anniversary of the date on which this Declaration is recorded in the Public Records of the County, additional improvements to the Common Area and any recreational or other improvements located thereon. Upon the completion of any such additional improvements, all right, title and interest therein shall be transferred (subject to the rights and easements herein created and reserved) to the Association for the uses and purposes set forth in the Governing Documents, and the Association shall accept and thereafter operate, maintain, repair, replace and insure those additional improvements.

(b) Pursuant to the requirements of the City, in order to protect the public health and general welfare of citizens, when a sanitary sewer system is constructed by the City, each Owner *shall* connect to such sanitary sewer system. The type, capacity, location, and layout of such sanitary sewer system shall comply with provisions of the respective local county health department and other applicable local and state law, ordinances, and administrative regulations, including related certification of an approved sanitary sewer system.

In order to install these facilities at each Owners' residence, each Owner, by acceptance of title to any Lot, whether or not it shall be so expressed in any deed or other conveyance, hereby grants a right of entry permit and temporary construction easement to the City. Therefore, each Owner permits the City or its designee the right of reasonable entry and temporary construction easement upon the land of the Owner's residence within the Property. The right of entry permit and the temporary construction easement are for the portion of the Owners' land that is shown on the construction plans for such sanitary sewer system. The easement will not exceed 20 feet in width.

Each Owner shall allow the City or its designee reasonable access to enter and reenter his/her property for a period of up to three (3) months, commencing from the date the Owner is provided notice from the City. The purpose of this access is to allow the City or its designee(s) to construct, install, and repair the sewer lines and associated facilities for the safe operation of the new sanitary sewer lines. In some cases, the location of the lines and facilities may need to be altered to allow for more efficient operation of the system. Each Owner will be

consulted prior to any alteration in the construction plans of such sanitary sewer system for the Owner's property.

Each Owner shall allow the City or its designee(s) to remove gates, fences, shrubs, and other obstacles to the construction of the sewer lines and associated facilities. The City or its designee will relocate, repair, and/or reconstruct any items removed from the Owner's land for the purpose of constructing the sewer lines and associated facilities. The City or its designee will not be responsible for any damage to the Owners' property beyond reasonable repairs to be provided by the City's construction contractor. Any requests for repair must be made within thirty (30) days of the completion of the installation of the sewer lines and associated facilities at the residence of the Owner.

All costs and expenses incident to the installation and connection of the building of the sanitary sewer system were satisfied at the time application for a building permit of the Owner's residence was made. Therefore, the Owners are not responsible for the connection to the sanitary system, or the construction of the sewer line between the occupied building, or the new building intended for occupancy, and the sanitary sewer system. Once the construction of the sewer lines and the associated facilities and equipment is complete, the improvements will become the property of and the sole responsibility of the City.

If no request for repair is made, the right of entry permit and the temporary construction easement cease on the thirty-first (31st) day after completion of the construction of the sewer lines and associated facilities. Upon completion of construction of such sanitary sewer system, each Owner's septic tank shall be rendered filled and inoperable.

Section 5.7 Temporary Easements Over Common Area. Subject at all times to terms, conditions and requirements of the District, all District Permits and Conservation Easements, Declarant hereby creates, reserves and declares to exist in favor of Declarant and its designated successors and assigns non-exclusive rights and easements over, under and through the Common Area for the following purposes: (a) to permit pedestrian and vehicular ingress, egress, passage and parking incidental to development, construction and marketing of Knight Lake Estates, (b) to cut trees, bushes or shrubbery, (e) to change the grade or elevation of the land, and (c) such other rights and easements as may be reasonably necessary to permit the orderly and economic development, improvement and sale of Lots within Knight Lake Estates. The rights and easements reserved in this Section shall continue in existence until such time as Declarant and its designated successors and assigns have sold all Lots to be developed and constructed in Knight Lake Estates.

Section 5.8 Permanent Easements Over Common Area. Declarant hereby creates, reserves and declares to exist in favor of Declarant, the Association, and their employees, contractors, and agents, perpetual, non-exclusive rights and easements over, under and through the Common Area and platted easements in the Property for the following purposes: (a) installation, maintenance, repair, replacement, connection with and use of wells, pumps, controls, poles, wires, fixtures, cables, conduits, pipes, lines, meters and other equipment and improvements for lighting, irrigation and utilities services (including but not limited to electric, gas, sewer, water, reuse water, telecommunications) to serve any portion of Knight Lake Estates, (b) installation, maintenance, repair, replacement, connection with and use of the surface water drainage detention, retention and conveyance structures and areas of the Master Surface Water Management System in accordance with District Permit and District

requirements, (c) irrigation of the Common Area with pre-treated effluent from a wastewater treatment facility, and (d) installation, maintenance, repair, and replacement of trees, shrubbery, and landscaping, all except as may be restricted or limited by Conservation Easements or requirements of the District or District Permit with respect to the Master Surface Water Management System.

Section 5.9 No Implied Obligation. None of the reservations of rights and easements in this Article shall be interpreted to impose any obligation on Declarant or its successors or assigns to install, operate, maintain, repair, replace, connect with or use any of the improvements or facilities referenced therein.

Section 5.10 No Interference. No improvement or material may be placed upon any Common Area easement which may damage or interfere with the installation or maintenance of utilities or the easement area or that may alter or impede the direction or flow of drainage.

Section 5.11 No Reference Necessary. The terms and provisions of this Declaration, including but not limited to the rights and easements granted and reserved in this Article, shall survive the delivery of each deed of Common Area to the Association, and said terms and provisions shall remain in full force and effect and shall bind the Common Area and the Association whether or not referred to or recited in any deed of Common Area to the Association.

Section 5.12 Delegation. Any Owner (including Declarant) may grant the benefit of any easement, right or privilege conferred under this Declaration to their respective family members, officers, agents, employees, contractors, members, tenants, licensees, invitees and guests, but nothing herein shall be construed to create any rights in the general public.

ARTICLE 6 **INSURANCE**

The Board may obtain fidelity bond coverage in its discretion. In addition, the Board may obtain hazard insurance for insurable improvements on the Common Area, any Area of Common Responsibility, or on any easement benefiting the Owners or the Association; public liability insurance; directors and officers liability insurance; and any other types of insurance coverage as the Board may deem desirable or appropriate, with such insureds, deductibles provisions and coverage types and amounts as shall be determined by the Board. All premiums for insurance obtained by the Association shall be Common Expense. The Association may self-insure against any risk.

ARTICLE 7 **COVENANT FOR MAINTENANCE ASSESSMENTS**

Section 7.1 General.

(a) **Covenant to Pay.** Each Owner, by acceptance of title to any Lot, whether or not it shall be so expressed in any deed or other conveyance, covenants and agrees to pay to the Association: (1) Annual Assessments, (2) Special Assessments, and (3) Individual Assessments. Assessments shall be fixed, established and assessed as herein provided. Declarant shall be excused from payment of Annual Assessments and Special Assessments for

so long as Declarant subsidizes the budget of the Association. Declarant shall never be obligated to pay any Initiation Assessment or Individual Assessment.

(b) Lien and Personal Obligation. Assessments, together with such interest and late charges as shall be imposed by the Board at its discretion, and the cost of collection thereof, including without limitation court costs and reasonable attorneys' and paralegals' fees before trial, at trial and on appeal, and in all post judgment proceedings, shall be a charge and a continuing lien upon the Lot against which such Assessment is made from and after the date on which such Assessment is due. Each Assessment, together with said interest, late charges, costs and fees, shall also be the personal obligation of each person who was an Owner of the Lot at the time the Assessment accrued.

(c) Nonpayment. If any Assessment or installment thereon is not paid when due, then such Assessment shall be delinquent and the delinquent Assessment, together with interest, late charges, and collection costs, shall be secured by a continuing lien on the Lot as to which the Assessment accrued. The lien shall be prior to all other liens hereinafter created except taxes or assessments levied by governmental authority, and except as to the lien of any first mortgage. The lien shall be prior to and superior in dignity to homestead status. The lien shall bind the Lot during the ownership by the Owner who owned the Lot at the time the Assessment accrued and the lien shall continue in effect following transfer of title to the relevant Lot to each subsequent Owner until all amounts secured by the lien have been paid. The personal obligation of the Owner to pay any delinquent Assessment shall remain that Owner's personal obligation for the statutory limitations period and personal liability shall not pass to successors in title unless expressly assumed by them. If the delinquent Assessment or installment thereon is not paid within thirty (30) days after the date when due, the delinquent amount shall bear interest from the date when due until paid at the highest lawful rate in Florida, or at such lesser rate of interest as may be determined by the Board and uniformly applied. The Association shall have and may pursue any and all remedies available at law and in equity for the collection of delinquent Assessments, including but not limited to bringing an action for collection against any Owner who is personally obligated to pay the delinquent Assessment, recording a claim of lien (as evidence of its lien and lien rights as provided for in this Declaration) against the Lot as to which the delinquent Assessment remains unpaid, and foreclosing the lien against the Lot by judicial foreclosure in the same manner as foreclosure of a mortgage. The Association may pursue any one or more of its remedies at the same time or successively. There shall be added to the amount of such delinquent Assessment the abovementioned interest, late charges, collection costs and attorneys' and paralegals' fees, which fees and collection costs shall be recoverable whether or not suit is brought. The Owner shall also be required to pay the Association any Assessments against the Lot that accrue during the period of collection and foreclosure. The Association shall have the right and power to bid at the foreclosure sale and to own, sell, lease, encumber, use and otherwise deal with any Lot acquired by the Association through foreclosure.

(d) Exempt Property. The following property shall be exempt from the Assessments and liens created herein: (i) the Common Area; (ii) lands owned by Declarant which have not been annexed to the Property by this Declaration or any Supplemental Declaration; (iii) lands dedicated to the County, City or other governmental authority, any utility company or the public; (iv) Lots owned by Declarant during the period of time that Declarant subsidizes the Common Expense of the Association pursuant to Section 7.8; and (v) any Lot owned by a Class B Member until the earlier of sale of the Lot to a Class A Member or Class

Conversion. No other land or improvements in the Property shall be exempt from Assessments or liens. No Owner may avoid Assessment obligations by virtue of non-use or abandonment of his Lot or the Common Area.

Section 7.2 Purpose. The Assessments levied by the Association may be used to promote the recreation, health, safety and welfare of the Owners, to perform the Association's duties and to exercise the powers conferred on it, and to pursue any other lawful purpose deemed desirable or appropriate by the Board, including without limitation any one or more of the following: (a) payment of Association operating and overhead expenses; (b) lighting, irrigation, maintenance, improvement and beautification of streets and easement areas, and acquisition, maintenance, repair and replacement of community identification signs and traffic control devices, and control and regulation of traffic in the Property; (c) payment, contest, or compromise of real and personal property taxes and assessments separately levied upon or assessed against the Association or the Common Area; (d) improvement, operation, insurance, maintenance, repair and replacement of the Common Area, Areas of Common Responsibility and easement areas benefiting the Association; (e) repayment of any deficits previously incurred by the Association; (f) funding of reserves for future Common Expense; (g) procurement and maintenance of insurance and fidelity bonds; (h) employment of accountants, attorneys and other professionals to serve, represent or advise the Association; (i) monitoring of protected wetlands as required by the District or District Permits; and (j) doing anything necessary or desirable in the judgment of the Board to keep the Property neat and attractive, to preserve or enhance the value thereof, to eliminate fire, health or safety hazards, or otherwise to benefit the Owners. Assessments shall also be used for improvement, operation, insurance, maintenance, repair and replacement of the Master Surface Water Management System for the Property in accordance with the terms of this Declaration, the District Permit and the requirements of the District including, but not limited to, work within retention areas, drainage structures and drainage easements.

Section 7.3 Annual Assessments.

(a) **Operating Budget.** At least forty-five (45) days prior to the end of each fiscal year, the Board shall prepare and approve a budget of the estimated Common Expense of the Association for the coming year, together with any amounts necessary to fund any deficits from prior years and to provide reserves for future expenses, including but not limited to the annual capital contribution approved by the Board under Subsection (c) below.

(b) **Capital Budget.** Each year, the Board shall approve a capital budget taking into account the number, type, useful life and expected major repair or replacement cost of major components of the Common Areas, such as but not limited to paving. The Board shall then set the required annual capital contribution in an amount sufficient to meet the projected capital needs of the Association on a timely basis. The annual capital contribution fixed by the Board shall then be included in the annual operating budget described in Subsection (a) above.

(c) **Adoption of Operating Budget.** The Association shall mail to each Member a copy of the capital budget, operating budget and projected Annual Assessments approved by the Board to be levied for the next fiscal year at least thirty (30) days prior to the end of the Association's current fiscal year. The operating budget and Annual Assessments shall become effective unless disapproved at a special meeting of the Members held not later than sixty (60) days after the proposed budget and Assessments are mailed to the Members. To

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be effective, the disapproval must be by a vote of two-thirds (2/3) of the Voting Interests of the Association, without regard to Class. If the membership disapproves the operating budget for the succeeding year, or if the Board fails to propose a budget, then the budget and Annual Assessments for the preceding year shall continue in effect until a new budget is determined.

(d) Allocation of Annual Assessments Among Lots. The operating budget of the Association shall be assessed against all Owners and their Lots in the Property in an equal amount per Lot.

Section 7.4 Special Assessments, Individual Assessments and Reserve Assessments.

(a) Special Assessments. In addition to Annual Assessments, the Board may levy at any time a Special Assessment for the purpose of defraying the cost of any construction, repair or replacement on the Common Area or Areas of Common Responsibility, or on any easement benefiting the Association, for the purpose of covering any budget deficits of the Association, or for any other purpose deemed desirable or appropriate by the Board; provided, however, that any such Special Assessment that exceeds fifteen percent (15%) of the operating budget for that fiscal year shall have the approval of a majority of the votes of the Members of each class who are in attendance and voting in person or by proxy at a meeting duly called for said purpose.

(b) Individual Assessment. The Board may levy an Individual Assessment against any Owner and that Owner's Lot in order to cover costs incurred by the Association due to that Owner's failure to maintain that Owner's Lot pursuant to the standards set forth in this Declaration, or to reimburse the Association for loss or damage to the Association or to any Common Area, Area of Common Responsibility or easement area caused by that Owner or his tenant, agent, contractor, invitee or guest, and not covered by insurance, or for any other purpose expressly authorized by this Declaration.

(c) Reserve Assessment. The Board shall establish, levy and collect a Reserve Assessment for periodic major maintenance to the Master Surface Water Management System, with a minimum level of reserves in such amount as may be required by the County or District (or such greater amount as shall be established by the Board) to be maintained in perpetuity and replenished from time to time, as necessary. The Reserve Assessment shall be included in the Annual Assessment.

Section 7.5 Commencement Dates; Due Dates. Annual Assessments on the Lots in the First Development Phase shall commence on the date of the Annual Meeting of the Members, following the date that a deed is recorded from the sale of the respective Lot to a Class A Member. There shall be an additional charge for cable television and/or telecommunications services ("Additional Cable Charge") if the Association arranges for any such services for the Property. The Additional Cable Charge for each Lot shall be calculated based on the actual charges incurred by the Association for cable television services. The initial Annual Assessment for the Lots in each Additional Property shall be set forth in the relevant Supplemental Declaration. Thereafter, Annual Assessments shall be due, in advance, on or before the commencement of the Association fiscal year for which imposed; but the Board may elect to collect Annual Assessments in semi-annual installments. In the event of such deferred payments, the Board may but shall not be required to charge a uniform, lawful rate of interest on

the unpaid balance. The Board may accelerate the balance of any Annual Assessment upon default in the payment of any installment thereon. Initial Annual Assessments shall not be prorated, but Annual Assessments following the sale of a Lot by a Class A Member to another Class A Member shall be prorated as of the date of closing on the sale.

Section 7.6 Certificate. Upon request, the Association shall furnish to any Owner a certificate setting forth whether all required Assessments have been paid. Such certificate shall be conclusive evidence in favor of third parties relying thereon of the payment of any Assessment therein stated to have been paid.

Section 7.7 Subordination. The lien for Assessments provided for in this Declaration shall be subordinate to the lien of any first mortgage. Any mortgagee or other acquirer who obtains title to a Lot through foreclosure of a first mortgage, or by voluntary conveyance in lieu of such foreclosure, shall not be liable for the uncollected Assessments or interest, late charges or collection costs pertaining to such Lot, or due from the former Owner thereof, which became due prior to the acquisition of title by said mortgagee or other acquirer. Instead, the unpaid amounts shall be deemed a Common Expense collectible from all Owners, including the acquiring mortgagee or other acquirer, on an equal basis. Any such transfer to or by a mortgagee or other acquirer through foreclosure of a first mortgage, or by voluntary conveyance in lieu of such foreclosure, shall not relieve the transferee of responsibility, or the Lot from the lien, for Assessments thereafter falling due.

Section 7.8 Funding by Declarant. Notwithstanding anything contained in this Declaration to the contrary, Declarant shall not be obligated to pay any Annual Assessment or Special Assessment as to any Lot owned by Declarant during any period of time that Declarant pays the Common Expense actually incurred over and above the income derived from Annual Assessments, Special Assessments and Individual Assessments due from the other Owners pursuant to this Declaration. For purposes of this subsidy arrangement, Declarant need not subsidize or pay replacement reserves or capital expenditures. Declarant, at its option, may elect by written notice delivered to the Association at any time to abandon the subsidy approach and commence payment of the Annual Assessments and Special Assessments thereafter falling due for the Lots then owned by Declarant, prorated as of the date of such notice.

ARTICLE 8 **ARCHITECTURAL CONTROL**

Section 8.1 Compliance With Codes. Notwithstanding any other provision of the Declaration, all plans, specifications, construction, and every alteration of any building or structure shall be in accordance with all applicable building, plumbing, fire, electrical, and all other regulatory codes. It shall be the responsibility of the Owner to obtain from applicable government authorities, or other appropriate authority, necessary information, technical data, and permits with regard to any construction or alteration, prior to commencing any construction or alteration.

Section 8.2 Exemption. Declarant shall be exempt from the architectural control provisions of this Article, except for the foregoing section on Compliance With Codes. Declarant shall be entitled to construct or install any new improvement, and to change or add to any existing improvement, without submitting Plans to or obtaining the approval of the ARB.

Section 8.3 Planning Criteria and Architectural Review Board. All Lots in the Property are subject to architectural review in accordance with the Governing Documents, including but not limited to the Knight Lake Estates Planning, Construction and Development Criteria ("the Planning Criteria") adopted and amended from time to time by the Architectural Review Board (the "ARB"). The Planning Criteria shall be written and made available to all Owners and prospective Owners. The Planning Criteria may include any matters considered appropriate by the ARB not inconsistent with this Declaration.

Section 8.4 Membership of ARB. So long as Declarant is entitled to appoint all members of the Board, Declarant shall be entitled to appoint all members of the ARB in its sole discretion, notwithstanding any other provision of this Section 8.4. Thereafter, the membership of the ARB shall be determined by the Board. The ARB shall consist of no less than three (3) members, all of whom shall be required to be Owners or occupants of Property within the Association, and may contain such additional number of members as may be determined from time to time by the Board. Decisions of the ARB shall be made by majority vote or action of the ARE. No member of the ARB shall be entitled to compensation for services performed, but the ARB may employ professional advisors and pay reasonable compensation to such advisors at Common Expense. Members of the ARB may be removed by the Board at any time with or without cause.

Section 8.5 Approval Requirement. Except for replacement of existing improvements with identical improvements (or as close as possible within local market availability), no site work, landscaping, utility installation or extension, drainage improvement, paving, driveway, swimming pool, pool enclosure, building, fence, wall, sidewalk, mailbox, lighting, decoration, equipment, or any other physical or structural improvement in the Property, nor any exterior alteration or addition to any of the foregoing, shall be permitted, commenced, erected or maintained until the ARB has received and approved in writing the Plans therefor. All improvements, alterations and additions shall also comply with all applicable governmental laws, statutes, ordinances, rules, regulations, orders and decrees. It shall also be the responsibility of each Owner at the time of construction of any improvement, alteration or addition on that Owner's Lot to comply with the approved construction plans for the Master Surface Water Management System on file with the District, the applicable portions of the District Permit and all other District requirements. Until the Plans for any improvement, alteration or addition have been submitted to and approved by the ARB, the Owner shall not make application (directly or through any other Person) to any governmental agency for any building or other permit for the proposed improvement, alteration and addition. Nothing herein shall limit the right of an Owner to finish or alter the interior of that Owner's Residence as that Owner desires.

Section 8.6 Submissions. Unless waived by the ARB, all Plans shall be prepared by an architect or engineer employed by and at the expense of the submitting Owner. Two (2) complete sets of Plans shall be submitted to the ARB.

Section 8.7 Approval or Disapproval. Except as otherwise expressly provided in the Governing Documents, all improvements and exterior alteration and additions must conform to the Governing Documents, including but not limited to the Planning Criteria, and no Plans shall be approved by the ARB if they are not in conformity with the Governing Documents. If for any reason, including purely aesthetic reasons, the ARB determines that a proposed improvement, alteration or addition is not consistent with the Governing Documents, including but not limited

to the Planning Criteria, Declarant's development plan or the character or best interests of Knight Lake Estates, then such improvement, alteration or addition shall not be made. Approval of Plans may be withheld not only because of noncompliance with any of the specific conditions, covenants and restrictions contained in the Governing Documents, but also by virtue of the dissatisfaction of the ARB with the location of the improvement, alteration or addition on the Lot, the elevation, color scheme, finish, design, proportions, architecture, drainage plan, shape, height, style and appropriateness of the proposed improvement, alteration or addition, the materials to be used therein, the materials, design, size, height or location of vegetation on the Lot, or because of its reasonable dissatisfaction with any other matter or thing which, in the judgment of the ARB, will render the proposed improvement, alteration or addition aesthetically displeasing or inharmonious with the Governing Documents, Declarant's development plan or the character or best interests of Knight Lake Estates. Submittals and re-submittals of Plans shall be approved or disapproved within thirty (30) days after receipt by the ARB. The ARB approval or disapproval shall be written and shall be accompanied by one (1) copy of the Plans approved or disapproved. Failure of the ARB to respond in writing to any submission or resubmission of any Plans within said thirty (30) day period shall be deemed to be approval of the Plans as submitted or resubmitted. Whenever the ARB disapproves any Plans, the ARB shall specify the reasons for disapproval. Any approval by the ARB may be conditional in nature or may impose additional requirements to be met by the Owner. Notwithstanding anything contained in this Declaration, the ARB may not make such denials of approval, or impose such conditions on approval, as to restrict an Owner's right and obligation to properly maintain the Lot and improvements thereon or to cause an Owner to incur costs unreasonably in excess of normal market costs for maintenance and replacement of improvements.

Section 8.8 Violations. All work must be performed strictly in accordance with the approved Plans. If after Plans have been approved, the approved improvement, alteration or addition is altered, erected or maintained upon the Lot other than as approved, then the improvement, alteration or addition shall be deemed to have been undertaken without ARB approval. After one (1) year from completion of any improvement, alteration or addition, it shall, in favor of purchasers and encumbrances in good faith and for value, be deemed to comply with the Governing Documents unless a notice of such noncompliance executed by any member of the ARB shall appear in the Public Records of the County or legal proceedings shall have been instituted to enjoin the noncompliance or to enforce compliance with the Governing Documents.

Section 8.9 Variances. The ARB may grant variances from compliance with the architectural provisions of the Governing Documents, including but not limited to restrictions upon height, size or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may reasonably require or permit. The granting of any variance shall not operate to waive any of the terms and provisions of the Governing Documents for any purpose except as to the particular Lot and the particular provision covered by the variance, nor shall it affect the Owner's obligation to comply with all governmental requirements, including the District Permit and other requirements of the District. Such variances may only be granted when mitigating or unique circumstances exist, and no variance shall be effective unless in writing, and no variance shall be deemed to preclude or estop the ARB from denying a variance in similar circumstances in the future.

Section 8.10 Waiver of Liability. None of Declarant, the ARB, the members of the Board or the Association, or any director, officer, agent or employee thereof, shall be liable for

damages to anyone submitting Plans for approval or to any Owner, tenant, invitee or guest of the Property by reason of or in connection with approval or disapproval of any Plans, or for any defect in any Plans submitted, revised or approved in accordance with the requirements of the ARB, or for any structural or other defect in any work done according to such Plans. Approval of Plans, or any other approvals, variances or consents, are given solely to protect the values and aesthetics of the Property in the judgment of the ARB and shall not be deemed a warranty, representation or covenant that any action taken in reliance thereon complies with applicable laws, codes, rules or regulations, nor shall ARB approval be deemed approval of any Plan or design from the standpoint of safety or conformity with building or other codes. Every Person who submits Plans for approval agrees, by submission of such Plans, and every Owner, tenant, invitee and guest of any Lot agrees, by acquiring title thereto or an interest therein, or by entering the Property, that he, she or it will not bring any action, proceeding or suit to recover any such damages and shall be deemed to have automatically agreed to hold harmless and indemnify the aforesaid parties from and for any loss, claim or damages connected with the aforesaid aspects of the improvements or any alterations or additions thereto.

Section 8.11 Enforcement. Declarant and the Association shall have standing and authority on behalf of the Association to enforce in courts of competent jurisdiction the Planning Criteria and the decisions of the ARB. In addition to any other remedy to which Declarant or the Association may be entitled, Declarant and the Association shall also be entitled to recover their Enforcement Cost from the violating Owner. Should any Owner fail to comply with the requirements of this Article within thirty (30) days after receipt of written demand for compliance, Declarant and the Association shall have the right but not the obligation to enter upon the exterior of the Owner's Lot, or retain a contractor who may so enter, make such corrections or modifications as are necessary, or remove anything in violation of the provisions of the Governing Documents, and charge the cost thereof to the Owner as an Individual Assessment. Neither the Declarant or the Association, nor any of their respective directors, officers, employees, contractors or agents, shall have any liability to the Owner or to any tenant, invitee or guest of any Lot for any trespass or damages or injury to property or person for any action taken hereunder unless caused by gross negligence or intentional wrongdoing.

Section 8.12 No Waiver of Future Approval Rights. The approval of any Plans by the ARB or the approval of or consent to any other matter requiring the approval or consent of the ARB, shall not be deemed to constitute a waiver of the right to withhold approval or consent as to any similar Plans or matters subsequently or additionally submitted to the ARB for its approval or consent.

Section 8.13 ARB Rules. The ARB may adopt reasonable rules of procedure and standards for the submission and review of any matter to be brought before it and the inspection and final approval of any completed work done pursuant to Plans approved by the ARB. Such rules shall be: (i) subject to the prior approval of the Board of Directors, (ii) not inconsistent with the covenants and restrictions set forth in this Declaration, and (iii) published or otherwise made available to the Owners as an Association Record.

ARTICLE 9 EXTERIOR MAINTENANCE

Section 9.1 Owner's Responsibility. Each Owner shall keep and maintain that Owner's Lot and all building and other improvements and landscaping located on that Owner's

Lot in good repair and in a neat and attractive condition. The minimum but not exclusive standard for maintenance of improvements shall be consistency with the approved Plans therefor and with the general appearance of the other occupied improvements in the Property as a whole when initially constructed and improved (taking into account, however, normal weathering and fading of exterior finishes, but not to the point of unsightliness). The maintenance obligation of each Owner as to building improvements shall include, without limitation, maintenance of all exterior surfaces and roofs, fascias and soffits, awnings, trellises, decorative facades, gutters, screens, windows and doors. Owners shall clean, repaint or restain, as appropriate, the exterior portions of the building improvements (with the same colors as initially approved or with other colors first approved by the ARB), including exterior surfaces of garage doors, as often as is necessary to comply with the foregoing standards. Each Owner shall also keep, maintain and irrigate the trees, shrubbery, grass and other landscape material located on that Owner's Lot in good repair and in a neat and attractive condition. The minimum but not exclusive standard for maintenance of landscaping shall be consistency with the approved Plans therefor and with the general appearance of the other occupied Lots in the Property as a whole when initially landscaped (taking into account, however, the natural and orderly growth and maturation of applicable landscaping, as properly trimmed and maintained). Landscape maintenance shall include, without limitation, irrigation, fertilization, weeding, mowing, trimming, spraying for insects and disease, and periodic replacement of dead, damaged or diseased plantings. To the extent not included in the areas required to be maintained by the Association, each Owner shall, at that Owner's expense, grass over (with St. Augustine sod or other grass or groundcover first approved by the ARB), mow and keep free of trash and debris, on a routine basis, those portions of the Master Surface Water Management System located on that Owner's Lot (whether or not included in a platted drainage easement). When required, all major repairs to, and major maintenance and reconstruction of, all components of the Master Surface Water Management System in the Property shall be performed by the Association, at Common Expense. Each Owner shall grass over (with St. Augustine sod or other grass or groundcover first approved by the ARB), mow and keep free of trash and debris, on a routine basis, the unpaved portions of any platted street(s) abutting the Owner's Lot.

The Association shall have the right but not the obligation to provide exterior repair and maintenance on any Lot, and any improvement thereon, in the event of default by any Owner in the duties hereby imposed. Prior to the Association performing repair or maintenance on any Lot that is the responsibility of the Owner, the Board shall determine that repair or maintenance is needed, that such repair or maintenance is the responsibility of the Owner, and that the failure of the Owner to perform such repair or maintenance detracts from the overall appearance or quality of the Property. Except in emergency situations, prior to commencement by the Association of any repair or maintenance on any Lot that is the responsibility of the Owner, the Board must furnish written notice to the Owner to the effect that, unless specified repairs or maintenance are commenced within fifteen (15) days after the mailing of the notice, and thereafter diligently pursued to completion, the Association may procure said repairs or maintenance. Upon the Owner's failure to commence timely and to diligently pursue the repairs or maintenance, the Association and its agents, employees or contractors shall have the right to enter in or upon the exterior of the Lot to perform the repairs or maintenance specified in the notice. For example, the Association shall have the right to clean, remove debris, paint, resurface, repair, replace and provide maintenance of any and all exterior surfaces, roofs, chimneys, gutters, downspouts, pools, pool enclosures, fences, walls, driveways, walks, parking

areas, landscaping (including but not limited to trimming, watering, fertilizing and caring for trees, shrubs, grass, repairing sprinkler systems and providing shoreline maintenance), swales, berms and other drainage improvements. In the event of an Owner's abandonment of its Lot for more than thirty (30) days without licensing or leasing the Lot to another Person, the Association may, in accordance with the procedures herein stated, enter onto the Lot for purposes of locking or otherwise securing the residence and any gates, fences, screens, or other enclosures (including without limitation enclosures of swimming pools), for the safety and well-being of the other Owners in the Association and their family members. In such event, the Association shall keep copies of all keys, codes, or other materials or information required for the Owner to re-enter the premises upon his return, if any. Neither the Declarant nor the Association, nor any of their respective directors, officers, employees, contractors or agents, shall have any liability to the Owner or to any tenant, invitee or guest of any Lot for any trespass or damages or injury to property or person for any action taken hereunder unless caused by gross negligence or intentional wrongdoing.

Section 9.2 Assessment of Cost. The cost of any work performed by or at the request of the Association pursuant to the foregoing section shall be assessed as an Individual Assessment against the Owner of the Lot upon which such work is done.

Section 9.3 Access. In order to perform the repairs or maintenance authorized by this Article, the agents and contractors of the Association may enter upon the exterior of any Lot during reasonable hours on any day except Sundays and holidays, except that in an emergency situation, as determined by the Board in its sole and absolute discretion, entry may be made at any time.

Section 9.4 Association Responsibilities. Except to the extent performed by the City, the Association shall operate, maintain, repair, replace the Common Area and the Areas of Common Responsibility and the walls, landscaping, lighting, irrigation, signs, drainage and other improvements from time to time located thereon, subject at all times to obtaining all required District permits.

Section 9.5 Master Surface Water Management System.

(a) **Part of Common Area.** The Master Surface Water Management System shall be included in and comprise a portion of the Common Area. Notwithstanding anything else contained in this Declaration with respect to Common Areas, this section shall operate as a limitation on the Owners' use and benefit of, and the easements granted in, the Common Areas with respect to the Master Surface Water Management System, but does not affect Owners' use of other Common Areas.

(b) **Transfer.** The transfer to the City or other governmental entity of any fee simple property rights in and to any portion of the Master Surface Water Management System is prohibited without the concurrence of one hundred percent (100%) of the Owners, and the written approval of the District and the City. The Association shall establish and collect reserve funds for periodic major maintenance to the Master Surface Water Management System, with a minimum level of reserves in such amount as may be required by the City or the District (or such greater amount as shall be established by the Board) to be maintained in perpetuity and replenished from time to time, as necessary. Such reserve funds shall be established and collected through the Reserve Assessments (as hereinafter defined) to be levied and collected

in accordance with this Declaration. The Association shall cause an annual statement or other financial report, to be submitted to the City if requested, confirming the existence and amount of the reserve funds for major maintenance to the Master Surface Water Management System. Said reserve funds shall be held in accounts separate and apart from all other Association funds.

(c) Maintenance Generally. Maintenance of the Master Surface Water Management System shall include the exercise of practices which allow the system to provide drainage, water storage, conveyance and other surface water management capabilities in accordance with the District Permit and the requirements of the District and the City, if any. Any repair or reconstruction of the Master Surface Water Management System shall be as originally permitted or, if modified, as approved, in writing, by the District and the City. Notwithstanding the foregoing, no person shall alter the drainage flow of the Master Surface Water Management System, including buffer areas or swales, without the prior written approval of the District and the City.

(d) Swale Maintenance. Declarant has or will construct a drainage swale on each Lot for the purpose of managing and containing the flow of excess surface water, if any, found upon such Lot from time to time. Each Owner, including builders, shall be responsible for the maintenance, operation, and repair of the swales on his Lot. Maintenance and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales to provide drainage, water storage, or conveyance or other stormwater management capabilities as permitted by the District. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in the swales is prohibited. No alteration of the drainage swale shall be authorized, but any damage to a drainage swale, as a result of any cause, shall be repaired and the drainage swale returned to its former (undamaged) condition as soon as possible by the Owner(s) of the Lot(s) upon which the drainage swale is located.

(e) By the Association. The Association shall at Common Expense operate, maintain, repair and replace the Master Surface Water Management System and all drainage improvements within the Property, including but not limited to all lakes, canals, swale areas, retention areas, culverts, pipes, drainage easements, drainage improvements, and related appurtenances located therein, all in accordance with the District Permit and District requirements, and enforce (or take such appropriate action as may be necessary to cure violations of) the routine maintenance and non-interference covenants of the Owners under this Declaration relative to the Master Surface Water Management System, and, when appropriate, to levy Special Assessments or Individual Assessments therefor. Each Owner shall provide routine landscape maintenance, mowing and removal of trash and debris within the portions of the Master Surface Water Management System lying within that Owner's Lot, failing which the Association shall perform the required maintenance and levy an Individual Assessment to cover the cost of such maintenance. Except than as provided in this paragraph above for landscape and aesthetic maintenance within the Owner's Lot, no Owner or group of Owners, acting solely in their capacities as Owners, shall attempt to maintain or alter the Master Surface Water Management System in any manner.

(f) By the City. The City shall have an emergency access easement to and over the Master Surface Water Management System in the event that inadequate maintenance of the Master Surface Water Management System creates a hazard to the public health, safety, and general welfare. However, this emergency access easement does not impose any

obligation, burden, responsibility or liability upon the City to enter upon the Master Surface Water Management System to take any action to repair or maintain the Master Surface Water Management System unless the same is dedicated to the City and the City assumes the responsibility to take such action or maintenance.

(g) **Enforcement by the District.** The District and the City shall have the right to enforce, by proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Master Surface Water Management System. No amendment to this Declaration that references or affects the Master Surface Water Management System may be recorded or have any effect without the written consent of the District and the City, except for Supplemental Declarations that annex Additional Property to the jurisdiction of the Association and Declaration, on or through which improvements may be made that comprise portions of the Master Surface Water Management System, provided that such Supplemental Declarations do not otherwise modify the provisions of this Declaration with respect to the Master Surface Water Management System.

ARTICLE 10 **AFFIRMATIVE AND RESTRICTIVE COVENANTS.**

The Property shall be subject to the following covenants, conditions, restrictions and reservations which shall bind all Owners and their respective Lot, tenants, invitees and guests:

Section 10.1 Obnoxious or Offensive Activity. No activity or use shall be allowed upon the Property which is a source of annoyance, embarrassment or discomfort to the Owners or their tenants, invitees or guests, or which interferes with the peaceful possession and proper use and enjoyment of the Property, nor shall any improper, unsightly, offensive or unlawful use be made of any Lot or the Common Area, and all laws and regulations of applicable governmental bodies shall be observed. The Property shall be used, enjoyed and occupied in such manner as not to cause or produce any of the following effects discernible outside any Residence: noise or sound that is objectionable because of its volume, duration, beat, frequency or shrillness; smoke; noxious, toxic or corrosive fumes or gases; obnoxious odors; dust, dirt or fly ash; unusual fire or explosive hazards; vibration; or interference with normal television, radio or other telecommunication reception by other Owners.

Section 10.2 Rules and Regulations. Reasonable rules and regulations may be promulgated by the Board, after notice and hearing, as to the use and enjoyment of the Property and shall be observed by the Owners and occupants of the Property. The rules and regulations may include, for example and not by way of limitation, the hours during which park and recreational facilities, if any, according to the plat of KNIGHT LAKE ESTATES, recorded or to be recorded in the Public Records of the County, will be closed to access. No rule or regulation of the Association shall apply to Declarant unless and until approved in writing by Declarant.

Section 10.3 Animals. No more than three (3) non-human animals may be kept on any Lot. Birds, fish, dogs, cats, reptiles, insects and all other non-human, non-plant living organisms (collectively, "Animals") may be kept as pets only, and shall not be held or offered for sale or maintained or bred for any commercial use. Animals shall be sheltered inside the Residences. No separate or exterior shelter for Animals shall be permitted. All Animals must be kept in a fully fenced area or leashed when outside and shall not be permitted to run loose. Each Owner shall be responsible for cleaning up after his Animals. No Animals shall be permitted to remain on the

Property if it or they disturb the tranquility of the Property or the Owners or tenants thereof, if it or they are unlawful, dangerous, annoying, or a nuisance to or destructive of wildlife, or if it or they are specifically excluded from the Property by the Board after notice and hearing.

Section 10.4 Garbage and Trash. No trash, garbage or other waste material or refuse shall be placed or stored on any part of the Property except in covered or sealed containers. All such containers must be stored within each Residence or concealed by means of a wall, fence, landscape, hedges or enclosure approved by the ARB.

Section 10.5 Exterior Equipment. All exterior water treatment systems, well pumps, sprinkler pumps, pool and spa equipment and heaters, and other mechanical fixtures and equipment, all wood piles, and all exterior fuel tanks and other storage receptacles, shall be installed only within approved accessory buildings or screened areas, or surrounded with hedging and shrubbery of sufficient height and density, so as not to be visible from any street, and shall not be located along the front of a residence. Exterior Equipment shall comply with any additional standards established from time to time by the ARB and applicable law. Window air conditioning units are prohibited. No wall-mounted air conditioning equipment will be permitted unless first approved by the ARB. No exterior clothes lines are permitted.

Section 10.6 Garages. All garages shall be enclosed and shall be adequate to house not less than two (2) nor more than three (3) standard-sized automobiles commonly available in the United States. All garage doors must be maintained and in useable condition.

Section 10.7 Vehicles and Equipment. No boat, camper, trailer, mobile home, tent, barn, motor home, recreational vehicle, commercial vehicle or equipment, construction vehicle or equipment, freight or delivery vehicle, repair vehicle or equipment or disabled vehicle of any type will be permitted to be parked or stored within the Property except within a garage, with the garage door kept closed, or within any area specifically designated for that purpose by the Declarant or the Association. The prohibition of this section will not apply to temporary parking of prohibited vehicles or equipment while in use for pick-up, delivery, construction, repair or maintenance activities on any Lot. This prohibition is also subject to the qualification that Declarant and Developers authorized by Declarant may erect and maintain temporary structures, staging and storage areas, trailers and mobile vehicles in the Property for the purpose of facilitating development, construction and sale of the Property and residences therein. No repair of vehicles or equipment will be performed outside the garage on any Lot except in an emergency situation. Washing a vehicle or equipment outside the garage, on a paved driveway, is not considered "repair." All emergency repairs must be completed within twenty four (24) hours from the time the vehicle or equipment becomes disabled, failing which the disabled vehicle or equipment must be removed from the Property or placed in a garage. Any vehicle or equipment parked or stored in violation of this Declaration or the rules and regulations promulgated by the Association for a period of twenty-four (24) consecutive hours or for forty-eight (48) nonconsecutive hours in any seven (7) day period may be towed by the Association at the expense of the owner of such vehicle or equipment. The Association will not be liable to the owner of such vehicle or equipment for trespass, conversion or otherwise, nor guilty of any criminal act by reason of such towing and neither its removal nor failure of the owner of such vehicle or equipment to receive any notice of such violation will be grounds for relief of any kind.

Section 10.8 Visibility of Intersections. No obstruction to visibility at street intersections shall be permitted; provided that the Association shall not be liable in any manner to any Person, including but not limited to any Owner, tenant, invitee or guest, for any loss or damage to property or person arising from any violation of this section.

Section 10.9 Flagpoles and Antennas. Flagpoles and antennas are only permitted in accordance with the following: (i) one television antenna is permitted but no larger than is required to receive a signal of acceptable quality, (ii) one antenna is permitted to receive multichannel multipoint distribution signals (MMDS, or wireless cable), (iii) one direct broadcast satellite (DBS) signal reception dishes not exceeding one (1) meter (i.e. 39.37 inches) is permitted. The exact placement and screening of all antennas shall be subject to ARB approval. Pursuant to section 720.3075(3), Florida Statutes, the display of one portable, removable United States flag, displayed in accordance with Title 36 United States Code, Chapter 10, does not require ARB approval. Other than the foregoing, and subject to all existing and future regulations, no flagpole and no exterior citizens band (CB) or amateur (ham) radio antenna, pole, mast, tower, or satellite signal reception equipment will be permitted unless first approved in writing by the ARB.

Section 10.10 Temporary Structures. No building or structure of a temporary or portable character such as sheds, shacks or tents shall be permitted in the Property unless first approved by the ARB. This prohibition is subject to the qualification that Declarant and any Developer authorized by Declarant may erect and maintain temporary structures, staging and storage areas, trailers and mobile vehicles in the Property for the purpose of facilitating development, construction and sale of the Property and Residences therein. This restriction does not apply to yard accessories and play structures permitted under Section 10.19 below.

Section 10.11 Signs. No signs, advertisements, billboards, solicitation or advertising structures or materials of any kind shall be displayed or placed upon any Lot without the prior written approval of the ARB; provided, however, one sign containing not more than seven (7) square feet of surface area per side (2 sides maximum) and used solely in connection with the marketing of the Lot for sale or lease, shall be permitted without prior approval of the ARB. All signs shall additionally comply with all local codes and ordinances. Declarant or the Association may enter upon any Lot and remove and destroy any sign that violates this section, without criminal or civil liability to Owner. This section shall not apply to Declarant or to any Developer doing business in the Property, except the requirement of compliance with local ordinances, provided that a Developer first obtains Declarant's written approval of any such structures or materials prior to installing same, such approval to be granted or denied by Declarant in Declarant's sole discretion.

Section 10.12 Drainage. Unless first approved by the ARB, the District and the District City in writing, no Owner other than the Declarant (and then only to the extent first approved by the District and City in writing) may obstruct, alter or in any way modify the method and/or structures of drainage utilized or installed by Declarant or the Association from, on or across any Lot, Common Area or easement area; nor shall any structure or material be erected, placed or maintained which shall in any way obstruct such drainage devices or facilities, including buffer areas or swales, or impede their efficient operation. No elevation changes shall be permitted on any Lot which materially adversely affects the drainage of or to any neighboring Lot or portion of the Common Area.

Section 10.13 Subdivision. No part of the Property shall be further subdivided without the prior written consent of Declarant, for so long as Declarant owns any Lot, and thereafter by the Board. Any such subdivision shall also require the approval of the City.

Section 10.14 Completion. Upon commencement of construction of improvements, alterations or additions on any Lot, the Owner shall diligently prosecute the work to the end that the improvements shall be completed as expeditiously as is reasonable, but in no event later than eighteen (18) months for original construction by a Developer purchasing directly from Declarant. The eighteen (18) month completion period may be extended for one twelve (12) month period from the expiration of the eighteen (18) month period, with written approval of the Declarant or Association. Construction of all other improvements by any Owner except Declarant shall be completed within twelve (12) months of the earlier of the beginning of construction or issuance of a building permit. The Owner of any Lot on which improvements, alterations or additions are being made shall keep the streets, sidewalks, and areas adjacent to the Lot free from damage, dirt, mud, garbage, trash or other debris occasioned by construction.

Section 10.15 Excavation. No clearing or excavation shall be made except incident to construction, maintenance or repair of any improvement, alteration or addition; and upon completion thereof exposed openings shall be back-filled, and disturbed ground shall be leveled, graded and covered with sod or seeded in accordance with the approved landscape plan. Notwithstanding the foregoing, no Lot shall be increased in size by filling in any drainage areas or other portions of the Master Surface Water Management System. No Owner shall fill, dike, rip-wrap, block, divert, or change the established drainage area or the Master Surface Water Management Systems that have been or may be created by easement without the prior written consent of the Association, City, and District, its successors and assigns. Any Owner undertaking excavation activities as defined in Chapter 556, Florida Statutes, shall comply with all applicable requirements of Chapter 556.

Section 10.16 Sidewalks. If permitted by the City, then the Developer of each Lot shall construct, prior to occupancy of the residence, a sidewalk along each boundary line of the Lot that abuts a street, which sidewalks will be maintained by the City.

Section 10.17 Lawns, Hedges, Walls and Fences. All areas not covered by buildings, structures, walkways, or paved parking facilities shall be maintained as a lawn or landscaped areas and shall be maintained to the pavement edge of abutting streets, or to the waterline of lakes and canals. Lawns must be sodded with St. Augustine grass and may have an irrigation system installed. The Owner shall be fully liable and responsible for abiding by water restrictions that may from time to time be imposed by any governing authority with jurisdiction over same. There shall be no hedge, fence or wall constructed or installed on any Lot or other portion of the Property unless the height, location, design and component materials are first approved by the ARB in accordance with the terms and conditions of the Declaration. Incidental to the approval of any hedge, fence or wall, the ARB may impose conditions and requirements applicable to such hedge, fence or wall, such as but not limited to a requirement for a landscape buffer on the exterior side of such hedge, fence or wall.

All fences installed or constructed on any Lot must first be approved by the Declarant or ARB, as to height, size, location, materials, and design. No wall or fence shall be installed or constructed with a height of more than six (6) feet above the ground level of adjacent property. In no event shall any fence be installed, constructed, or maintained in the front or side yards of

any building on a Lot. No chain-link fences will be allowed. No hedge or shrubbery with a height of more than four (4) feet will be permitted upon or along any Lot boundary line without the prior written approval of the ARB, except that where a six (6) foot wood privacy fence surrounding a pool or spa sits along the boundary line, hedges and shrubbery may be maintained up to, but not exceeding or overgrowing, the top edge of the fence. Additional provisions not in conflict herewith concerning hedges, walls and fences may be included in the Planning Criteria. Notwithstanding anything herein to the contrary, so long as any Developers designated by Declarant maintain any staging, storage or parking areas within the Property, they shall be entitled to hedge, fence or wall off any such area for the term of such use, provided that Declarant's written approval of each such hedge, fence or wall is obtained prior to construction or installation of the hedge, fence or wall. Hedges, fences and walls constructed or installed by Declarant are exempt from compliance with this Section. Notwithstanding anything to the contrary contained herein, construction of any fence or wall, whether by the Declarant or otherwise, which obstructs the surface water flow in swales shall be prohibited.

Section 10.18 Driveways and Parking Strips. Driveways must be constructed with the same type of materials as installed or approved by Declarant, or as otherwise approved by the ARB, but in no instance shall gravel, blacktop, or paved parking strips be permitted.

Section 10.19 Yard Accessories and Play Structures. No permanent basketball hoop or backboard, skateboard or bicycle ramp, volleyball net, or other game or play structure may be placed or installed on any Lot without the prior written approval of the ARB. Temporary yard accessories and play structures may be placed and used on a Lot without ARB approval, provided that they are stored within the residence when not in use and provided that the movement of them between use and storage does not damage the residence or Lot or create a nuisance.

Section 10.20 Use. Lots shall be used for residential purposes only; provided, however, this restriction shall not be construed to limit or prohibit model or sales centers or rentals of residences in the Property. Rentals are permitted without regard to whether rentals might otherwise constitute a commercial use or activity. No mobile or pre-manufactured homes shall be constructed, placed, or maintained on any Lot.

Section 10.21 Pools and Spas. Swimming pools and spas may not be located in the front or side yard of any Lot, nor nearer than the residence to any side street lot line. No aboveground swimming pools or spas are permitted on the Property.

Section 10.22 Building Standards.

(a) **Minimum Floor Area.**

(1) Each residence located in Knight Lake Estates shall contain not less than 1,500 square feet of enclosed, air conditioned space, exclusive of the garage.

(2) Garages, porches, patios, decks, covered entry ways, and terraces shall not be taken into account in calculating the minimum floor area. "Sun rooms" or "Florida rooms" shall be taken into account, provided they are fully enclosed by glass or similar solid material (not screen) and are air conditioned.

(b) Height and Roof Pitch. No residence shall exceed two (2) stories in height. Roof pitches shall be at least 5 : 12 or steeper. Flat roofs on screened porches, Florida Rooms, or utility rooms shall be permitted only if located at the rear of the building and not jutting out to the side of the building where it would be visible from streets running along the front of the Lot.

(c) Colors. All roofs on all Lots in the Property shall be of "earth-tone" colors and shall be of the same type of roofing material as shall be specified by the ARB. All building and structure colors shall remain the same color as originally approved in the plans and specifications submitted to the ARB, unless and except as changes may be approved by the ARB.

(d) Materials. Only finished materials such as brick, stucco, painted siding, block, wood, glass, and/or stone shall be used for the exterior surfaces of the buildings and structures on the side or sides exposed to or visible from the street, regardless of the angle of such side to the street (i.e. includes "front" and "sides" of the building, but not "back"). There shall be no manufactured or pre-fabricated homes constructed, installed, or maintained on the Property.

(e) Setbacks and Other Requirements. All setbacks and other building standards shall comply with the requirements, codes, and ordinances of the City.

Section 10.23 [intentionally deleted]

Section 10.24 Swimming Pool Equipment and Storage Receptacles. All swimming pool equipment and housing, and other such containers or equipment, must be installed in the main residence building, within a screened or walled area, with adequate landscaping maintained by the Owner, so that they shall not be visible from any street or adjacent Lots. Entrances to utility and storage rooms shall not be visible from any street or adjacent Lot.

Section 10.25 Collection. All garbage and refuse shall be placed for pickup not earlier than the evening preceding pickup, and all containers for garbage and refuse shall be returned no later than the evening of pickup to their normal, hidden location. Except for normal construction debris on any Lot during the course of construction of the residence or other approved improvements, no weeds, garbage, refuse or debris of any kind shall be placed or permitted to accumulate upon any portion of the Property.

Section 10.26 Pumping or Draining. No Owner of any Lot that includes or is adjacent to any pond, creek, bay head, or other body of water shall pump or drain water therefrom.

Section 10.27 Oil, Gas and Minerals. No oil, gas or mineral drilling, refining, quarrying or mining operations of any kind shall be permitted upon or in the Property, nor shall oil, gas or mineral equipment, wells, tunnels, excavations or shafts be permitted upon or in the Property. The operations and activities of Declarant in developing Knight Lake Estates and of the Association in operating, maintaining, repairing and replacing the Master Surface Water Management System of the Property are exempt from the provisions of this Section.

Section 10.28 Declarant Reservation. Incident to the development process, the quiet enjoyment of the Property by the Owners, their tenants, invitees and guests may be interfered

with by construction and sales operations. The Owners expressly consent to such construction and sales operation and acknowledge, covenant, and agree that Declarant and the Association will have no civil or criminal liability for any disturbance to quiet enjoyment by any Owner, tenant, invitee or guest of the Property due to construction and/or sales activities.

Any provision of this Declaration to the contrary notwithstanding, until Declarant has completed all of the contemplated improvements and closed the sales of all of the Lots, neither the Owners nor the Association shall interfere with the completion of Declarant's planned improvements and the sale of the Lots. Declarant may make such lawful use of the unsold Lots, and of the Common Area, without charge, as may facilitate such completion and sale, including, but not limited to, maintenance of sales and construction trailers and offices, the showing of the Lots and the display of signs and the use of Lots for vehicular parking. Without limiting the generality of the foregoing, except only when the express provisions of this Declaration prohibit the Declarant from taking a particular action, nothing in this Declaration shall be understood or construed to prevent or prohibit Declarant from any of the following:

- (a) Doing on any property owned by Declarant whatever Declarant determines to be necessary or advisable in connection with the completion of the development of the Property, including without limitation, the alteration of its construction plans and designs as Declarant deems advisable in the course of development (all models, plans or sketches showing plans for future development of the Property, as same may be expanded, may be modified by Declarant at any time and from time to time, without notice); or
- (b) Erecting, constructing and maintaining on any property owned or controlled by Declarant such structures as may be reasonably necessary for the conduct of its business of completing development of Knight Lake Estates and establishing the Property as a community and disposing of the same by sale, lease or otherwise; or
- (c) Conducting on any property owned or controlled by Declarant, its business of developing, subdividing, grading and constructing improvements in the Property and of disposing of Lots therein by sale, lease or otherwise; or
- (d) Determining in its sole discretion the nature of any type of improvements to be initially constructed as part of the Property; or
- (e) Maintaining such sign or signs on any property owned or controlled by Declarant as may be necessary or desired in connection with the operation of any Lots owned by Declarant or the sale, lease, marketing or operation of Lots; or
- (f) Filing Supplemental Declarations which annex or withdraw Additional Property as provided in this Declaration; or
- (g) Taking any action which may be required of Declarant by the City, the District, or any other federal, state or local governmental or quasi-governmental agency in connection with the development and continuing operation of the Property; or
- (h) Modifying, changing, re-configuring, removing or otherwise altering any improvements located on the Common Area or utilizing any Lots or the Common Area for

construction access or staging (provided that same does not impair existing access or utility services to any Lots); or

(i) Causing utilities to be available to all portions of the Property, including, but not limited, to the granting of easements and rights of way as may be necessary to locate, install and maintain facilities and connections. Notwithstanding the foregoing, this provision does not grant Declarant or its successors or assigns the right to use the Conservation Easement in any manner other than what is provided for in the Conservation Easement.

Section 10.29 Mailboxes. Before occupying a residence in the Property, the Owner thereof shall install a mailbox of such type, design and decoration, and in such location, as required by federal regulatory standards for mailboxes and as shall hereafter be designated by Declarant or approved by the ARB.

Section 10.30 Security Bars. No security bar system may be installed on the exterior of any window or door of any residence in the Property, unless first approved in writing by the ARB.

Section 10.31 Conservation Easement. Pursuant to the provisions of Section 704.06, Florida Statutes, Declarant has granted to the District that certain Conservation Easement in perpetuity shown as Tracts L, M, N, O and P on the plat of KNIGHT LAKE ESTATES, and recorded in Official Records Book _____, Page _____, Public Records of the County, a copy of which is attached hereto as Exhibit "G," solely for purposes of offsetting adverse impacts on natural resources, fish and wildlife, and wetland functions.

(a) The purpose of the Conservation Easement is to assure that the Conservation Easement area will be retained forever in its existing natural condition and to prevent any use of the Conservation Easement that will impair or interfere with the environmental value of the area. In furtherance of these purposes, the following are hereby prohibited in the Conservation Easement:

(b) The construction, installation or placement of signs, billboards or other advertising, utilities, buildings, fences, walls, roads or any other structures and improvements on or above the ground in the Conservation Easement.

(c) The dumping or placing of soil or other substances or materials as landfill or the dumping or placing of trash, waste or unsightly or offensive materials.

(d) The removal or destruction of trees, shrubs or other vegetation from the Conservation Easement. No removal, clearing, mowing or destruction of trees, shrubs or other vegetation is permitted within the Conservation Easement without the prior written consent of St. Johns River Water Management District.

(e) The excavation, dredging or removal of loam, peat, gravel, rock, soil, or other material substance in such a manner as to affect the surface of the Conservation Easement.

(f) Surface uses, except for those that permit the land or water area to remain in its predominantly natural condition.

(g) Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation.

(h) Acts or uses detrimental to such retention of land or water areas.

(i) Acts or uses detrimental to the preservation of the structural integrity or physical appearance of sites or properties of historical, architectural, archaeological, or cultural significance.

Declarant and its successors and assignees shall be responsible for the periodic removal of trash and other debris which may accumulate in the Conservation Easement.

The District, its successors or assigns, shall have the right to enter upon the Conservation Easement at all reasonable times and in a reasonable manner, to assure compliance with the aforesaid prohibitions and restrictions, and shall have the right to proceed at law or in equity to enforce the provisions of the Conservation Easement and the covenants therefor set forth herein, and require the restoration of the areas or features of the Conservation Easement that may be damaged by any activity inconsistent with the Conservation Easement.

The provisions of the Conservation Easement restriction may not be amended without prior written approval from the District, its successors or assigns. The District also has the right to prevent the occurrence of any of the prohibited activities set forth herein, and require the restoration of activities and features of the Conservation Easement that may be damaged by any activity inconsistent with the Conservation Easement.

All rights arising hereunder are appurtenances and covenants running with the land, and shall inure to the benefit of the District and its successors and assigns. Upon conveyance by the Declarant to third parties of any land affected by the Conservation Easement, the Declarant shall have no further liability or responsibility hereunder, provided the Conservation Easement is properly executed and recorded.

Section 10.32 Use of the Words "Knight Lake Estates," or "Knight Lake Estates Homeowners Association". No Person may use the words "Knight Lake Estates" or "Knight Lake Estates Homeowners Association" or any derivative in any printed or promotional material without Declarant's prior written consent. However Owners may use the words "Knight Lake Estates" or "Knight Lake Estates Homeowners Association" in printed or promotional matter where such terms are used solely to specify that particular property which is located within Knight Lake Estates and the Association will be entitled to use the words "Knight Lake Estates" or "Knight Lake Estates Homeowners Association" in its name.

Section 10.33 Variances. The Board of Directors of the Association shall have the right and power to grant variances from the provisions of this Article and from the Association's rules and regulations for good cause shown, as determined in the reasonable discretion of the Board. No variance granted as aforesaid shall alter, waive or impair the operation or effect of the provisions of this Article in any instance in which such variance is not granted.

ARTICLE 11 ADDITIONAL COVENANTS AND RESTRICTIONS

No Owner may impose any additional covenants or restrictions on any part of the Property without the prior written approval of Declarant, for so long as Declarant owns any Lot, and thereafter without the prior written approval of the Board.

ARTICLE 12 **AMENDMENT**

No amendment affecting the Conservation Easement or Master Surface Water Management System may be made without the prior written approval of the District and the City.

Prior to Class A Voting, Declarant may amend the Declaration in its discretion but not to the detriment of the Association.

Upon the occurrence of Class A Voting, the holders of at least two-thirds (2/3) of the Voting Interests in the Association may change or amend any provision hereof either (a) by executing a written instrument in recordable form setting forth such amendment, or (b) by causing a certified copy of a duly adopted resolution of the Owners to be prepared, and having the same recorded in the Public Records of the County. A proposed amendment may be initiated by Declarant, the Association, or petition signed by ten percent (10%) of the Owners. If a proposed amendment is to be adopted by vote, a written copy of the proposed amendment shall be furnished to each Owner at least thirty (30) days but not more than ninety (90) days prior to the meeting to discuss the proposed amendment. If adopted by vote, the affirmative vote required for adoption shall be two-thirds (2/3) of the eligible Voting Interests cast in person or by proxy at a meeting duly called, and the recorded certificate shall contain a recitation that notice was given as above set forth and said recitation shall be conclusive as to all parties, and all parties of any nature whatsoever shall have full right to rely upon said recitation in such recorded certificate. The amendment shall be effective upon recordation of the executed amendment, or the certified copy of the duly adopted resolution, among the Public Records of the County.

Notwithstanding the foregoing, no amendment may be made that would apply retroactively, without the approval of one hundred percent (100%) of the Voting Interests, regardless of Class or eligibility, and in no instance if such amendment would cause damage to any Owner or his Lot.

ARTICLE 13 **THIRD PARTY APPROVAL RIGHTS**

Section 13.1 HUD, FHA or VA. Notwithstanding anything in this Declaration to the contrary, as long as there exists a Class B membership, if any one or more of HUD, FHA or VA requires approval or consent by it or them to annexation of Additional Property, any merger or consolidation involving the Association, the placing of any mortgage lien on the Common Area, dedication to the public of any Common Area, any amendment of this Declaration, or dissolution of the Association, by any one or more of said agencies as a condition of making, insuring or purchasing loans on residences in the Property, and any such loan has been approved, insured or purchased by the applicable agency at the time of the proposed annexation, merger, consolidation, mortgaging, dedication, amendment or dissolution, then the required consent or approval shall be obtained.

Section 13.2 District and City. Any amendment to this Declaration that alters any provisions relating to the Master Surface Water Management System, beyond maintenance in its original condition, including the water management portions of the Common Area, must have the prior written approval of the District and the City, except for Supplemental Declarations whose provisions relating to the Master Surface Water Management System is limited to annexing Additional Property into the Association, on or through which improvements may be made that comprise portions of the Master Surface Water Management System.

ARTICLE 14 ENFORCEMENT

Section 14.1 Compliance by Owners. Every Owner and all tenants, guests and invitees of each Owner shall comply with the Governing Documents.

Section 14.2 Enforcement. If any Owner, tenant, invitee, guest or other Person violates the Governing Documents, the Association shall be entitled to levy a fine pursuant to Section 14.4 below, and, in addition, Declarant, any Owner, or the Association shall be entitled to prosecute proceedings in any court of competent jurisdiction for any and all remedies and relief available at law and equity for the redress of such violation, including but not limited to recovery of damages and to enjoin the violation. In addition, whenever there is installed or constructed on any Lot any improvement, alteration or addition in violation of the Governing Documents, or any thing or condition exists on any Lot in violation of the Governing Documents, Declarant or the Association (but not any other Owner) shall have the right, but not the obligation, to enter upon the Lot where such violation exists and summarily to abate and remove the same, all at the expense of the Owner of such Lot, which expense shall constitute an Individual Assessment, and such entry and abatement or removal shall not be deemed a trespass or make Declarant or Association, or the directors, officers, employees, agents or contractors of either, liable for any damages or trespass on account thereof. The remedies recited in this Section shall be cumulative of all other legal and equitable remedies now or hereafter provided by law or the Governing Documents and all such remedies may be exercised and pursued singly, sequentially or in any combination. The failure of Declarant, the Association, or any Owner to enforce any covenant, restriction, obligation, right, power, privilege or reservation contained in the Governing Documents, however long continued, shall in no event be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation, or as to any other breach or violation occurring prior or subsequent thereto.

Section 14.3 Enforcement by District. The District shall also have the right to enforce, by a proceeding at law or in equity, the provisions of this Declaration which relate to maintenance, operation, and repair of the Master Surface Water Management System. Notice shall be provided to the City in the event any such enforcement action is undertaken by the District.

Section 14.4 Fines. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of the Board of Directors of the Association, a fine or fines may be imposed upon an Owner for failure of an Owner or that Owner's tenants, licensees, invitees and guests to comply with any covenant, restriction, rule or regulation, provided the following procedures are adhered to:

(a) Notice. The Association shall notify the Owner of the alleged infraction or infractions. Included in the notice shall be the date and time of a special meeting of the Board of Directors at which time the Owner shall present reasons why a fine(s) should not be imposed. At least six (6) days' notice of such meeting shall be given.

(b) Hearing. The alleged non-compliance shall be presented to the Board of Directors after which the Board of Directors shall hear reasons why a fine(s) should not be imposed. A written decision of the Board of Directors shall be submitted to the Owner by not later than twenty-one (21) days after the Board of Director's meeting. The Owner shall have a right to be represented by counsel and to cross-examine witnesses.

(c) Amounts. The Board of Directors (if its or such panel's findings are made against the Owner) may impose Special Assessments against the Lot owned by the Owner as follows:

(1) For each violation, a fine not exceeding One Hundred Dollars (\$100.00).

(2) For a violation or violations which are of a continuing nature after notice thereof (even if in the first instance), a fine not exceeding One Thousand Dollars (\$1,000.00).

(d) Payment and Collection of Fines. Fines shall be treated as an Individual Assessment subject to the provisions for the collection of Individual Assessments, and the lien securing same, as set forth elsewhere in this Declaration.

(e) Application of Proceeds. All moneys received from fines shall be allocated as directed by the Board of Directors.

(f) Non-exclusive Remedy. These fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; provided, however, any penalty paid by the offending Owner shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner.

ARTICLE 15

DAMAGE OR DESTRUCTION TO COMMON AREA

Damage to or destruction of all or any portion of the Common Area shall be addressed in the following manner, notwithstanding any provision in this Declaration to the contrary:

Section 15.1 Sufficient Insurance Proceeds. In the event of damage to or destruction of the Common Area, if the insurance proceeds are sufficient to effect total restoration, then the Association shall cause such portions of the Common Area to be repaired and reconstructed substantially as it previously existed, for which ARB approval will not be required.

Section 15.2 Insufficient Insurance Proceeds. If the insurance proceeds are not sufficient to effect total restoration of the Common Area, then the Association shall cause such portions for the Common Area to be repaired and reconstructed substantially as they previously

existed (ARB approval not required), and the difference between the insurance proceeds and the actual cost shall be levied as a Special Assessment.

Section 15.3 Negligence or Willful Misconduct. Each Owner shall be liable to the Association for the cost to repair any damage to the Common Area not fully covered by collected insurance which may be sustained by reason of the negligence or willful misconduct of any Owner or that Owner's tenants, guests or invitees. In addition, the Association shall have the right to charge any Owner for the increase, if any, in the insurance premium attributable to damage caused by such Owner or that Owner's tenants, guests or invitees. The sums due from an Owner hereunder shall be an Individual Assessment against the Owner and that Owner's Lot and may be collected as provided elsewhere in this Declaration for the collection of Individual Assessments.

ARTICLE 16 MORTGAGEE PROTECTION

Section 16.1 Records and Notices. The Association shall make available to all Owners and to all holders of mortgages on Lots, and to insurers and guarantors of any first mortgage, for inspection, upon request, during normal business hours or under other reasonable circumstances, current copies of the Association Records. Such Persons shall be entitled, upon prior written request, (i) to receive notices of and attend Association meetings, (ii) to receive notice from the Association of an alleged default by any Owner in the performance of such Owner's obligations under the Governing Documents, which default is not cured within thirty (30) days after the Association learns of such default and to the extent that the mortgagee, insurer and/or guarantor has an interest, by virtue of the mortgage, in the Lot owned by the defaulting Owner, and (ii) to receive notice of any substantial damage or loss to the Common Area.

Section 16.2 Adverse Events. Any holder, insurer or guarantor of a mortgage on a Lot shall have, if first requested in writing, the right to timely written notice of (i) any condemnation or casualty loss affecting a material portion of the Lot or Common Area, (ii) a sixty (60) day delinquency in the payment of the Assessments on a mortgaged Lot, and (iii) the occurrence of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

Section 16.3 Taxes and Other Charges. After thirty (30) days written notice to the Association, any holder, insurer or guarantor of a mortgage on a Lot shall have the right to pay, singly or jointly, taxes or other charges that are delinquent and have resulted or may result in a lien against or loss of the Association's title to any portion of the Common Area, and to receive prompt reimbursement from the Association.

Section 16.4 Insurance Premiums. After thirty (30) days written notice to the Association, any holder, insurer or guarantor of a mortgage on a Lot shall have the right to pay, singly or jointly, any overdue premiums on any hazard insurance policy covering the Common Area or obtain, singly or jointly, new hazard insurance coverage on the Common Area upon the lapse of a policy and, in either case, receive prompt reimbursement from the Association.

ARTICLE 17 DURATION AND TERMINATION

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This Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by Declarant, the Association and any Owner, and their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded in the Public Records, after which time this Declaration and each Supplemental Declaration shall be automatically extended for successive periods of ten (10) years unless prior to the commencement of any 10-year extension period an instrument signed by the Owners of eighty percent (80%) of the Lots and agreeing to terminate this Declaration is recorded in the Public Records of the County. In the event this Declaration is terminated in accordance with this Article, notice of such termination shall be provided to the City.

ARTICLE 18 **GENERAL PROVISIONS**

Section 18.1 Notice. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 18.2 Enforcement. Without limiting the generality of any other provision, enforcement of the Governing Documents shall be accomplished by any proceeding at law or in equity against any Person or Persons violating any term or provision of the Governing Documents, for any remedy permitted under Florida law, including but not limited to injunction to restrain the violation or suit to recover damages, and against the Lots to enforce any lien created by the Governing Documents; and failure to enforce any term or provision of the Governing Documents shall in no event be deemed a waiver of the right to do so thereafter.

Section 18.3 Interpretation. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions and interpretation or construction. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine and neuter genders shall each include the others.

Section 18.4 Severability. Invalidation of any one of these covenants or restrictions or any part, clause or word hereof, or the application thereof in specific circumstances, by judgment or court order shall not affect any other provisions or applications in other circumstances, all of which shall remain in full force and effect and shall be interpreted as closely as possible to the original intent.

Section 18.5 Effective Date. This Declaration shall become effective upon its recordation in the Public Records of the County.

Section 18.6 Conflict. This Declaration shall take precedence over conflicting provisions in the Articles of Incorporation and Bylaws of the Association and said Articles shall take precedence over the Bylaws and any rules hereinafter promulgated. Any conflicting local, state, or federal code, ordinance, statute, rule, regulation, or other law shall take precedence over any conflicting provision in any of the Governing Documents.

Section 18.7 Cooperation. Each Owner, by acceptance of a deed therefor or other conveyance thereof, whether or not it shall be so expressed in such deed or other conveyance,

shall be deemed to covenant and agree, to cooperate in, and support, any and all zoning, administrative, governmental and/or quasi-governmental filings, applications, requests, submissions and other actions necessary or desired for development and/or improvement of the Property, including, without limitation, signing any required applications, plats, etc. as the owner of any portion of the Property owned or controlled thereby when necessary or requested.

Section 18.8 Condemnation. In the event that any authority with the power of eminent domain files a petition for condemnation, or engages in any activity that gives rise to a prima facie cause of action for inverse condemnation or an action under the Bert J. Harris, Jr., Private Property Rights Protection Act, with respect to the Common Area, each Owner consents to the Association's acting on his behalf in retaining counsel and making representations with respect to the Common Area and the Owner's interest therein. Any and all damages or proceeds arising out of any such action and inuring to the benefit of the Association and/or the Association as representative of the Owners' interests, shall be Association funds, which shall be used to relocate or replace the condemned or burdened Common Areas, if such is possible, or otherwise distributed according to the discretion of the Board. Any and all costs and expenses of the Association in such proceedings, which are not recovered within the action or proceeding, may be recouped by Special Assessment, in the Board's discretion.

In the event that any authority with the power of eminent domain files a petition for condemnation, or engages in any activity that may give rise to an action for inverse condemnation or an action under the Bert J. Harris, Jr., Private Property Rights Protection Act, with respect to an Owner's Lot, the Association shall not act on the Owner's behalf in such action, except and to the extent the action also involves Common Areas, and then the Association only acts on the Owner's behalf with respect to the portion of the action involving the Common Areas, but not Owner's Lot. Any damages or proceeds arising out of such action relating to Owner's Lot and inuring to the Owner shall belong to the Owner (subject to the terms of any lease or other agreement between Owner and any tenant or other occupant of the Lot which addresses how condemnation proceeds will be distributed between the parties thereto, and any laws applicable thereto). The Owner in any such action shall bear all costs and expenses associated therewith and shall not be entitled to indemnification from the Association for costs and expenses not recovered within the proceeding.

References to costs and expenses in this section shall include without limitation reasonable attorneys' and paralegals' expenses and fees.

Section 18.9 Easements. If the intended creation of any easement provided for in this Declaration fails by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to have been so created shall nevertheless be considered as having been granted directly to the Association as agent for such intended grantees for the purpose of allowing the original party or parties to whom the easements were originally intended to have been granted the benefit of such easement and the Owners hereby designate the Declarant and the Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such intended grantee's behalf as may hereafter be required or deemed necessary for the purpose of later creating such easement as it was intended to have been created herein. All parties using easements granted in this Declaration shall use reasonable efforts to minimize interference with all other permitted uses of the easements and the property subject thereto and shall restore any damage to such property caused in the exercise of any rights granted in any such easement.

Section 18.10 Conservation Easement. The wetlands and their associated upland buffers which are located onsite shall be retained predominately in their natural condition, as suitable habitat for fish, plants, or wildlife. In addition, they shall be maintained as their existing land uses and the following activities shall be limited/prohibited.

- (A) Construction or placing of buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground.
- (B) Dumping or placing of soil or other substance or material as landfill or dumping or placing of trash, waste, or unsightly or offensive materials.
- (C) Removal or destruction of trees, shrubs, or other vegetation.
- (D) Excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance in such manner as to affect the surface.
- (E) Surface use except for purposes that permit the land or water area to remain predominantly in its natural condition.
- (F) Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation.
- (G) Acts or uses detrimental to such retention of land or water areas.

The following activities shall be allowed within the protected wetland and associated upland buffer zones, provided that adverse secondary impacts are avoided, as required by paragraph 40C-4.301 (1) (f), F.A.C and Section 12.2.7(a).A.H.

- (A) Maintenance and removal of exotic, invasive, and nuisance plant species.
- (B) Recreational activities which do not remove, damage, or otherwise adversely impact native beneficial vegetation.

Section 18.11 No Other Public Right or Dedication. Except as expressly provided in the Governing Documents, nothing contained in the Governing Documents shall be deemed to be a gift or dedication of all or any part of the Common Area to the public, or for any public use.

Section 18.12 Constructive Notice and Acceptance. Every person who owns, occupies, or acquires any right, title, estate or interest in or to any Lot, shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition, lien and covenant contained herein, whether or not any reference hereto is contained in the instrument by which such person acquired an interest in such Lot.

ARTICLE 19 DISCLAIMERS

Section 19.1 Disclaimer of Representations or Warranties. EXCEPT AS EXPRESSLY PROVIDED IN THIS DECLARATION, NO REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, HAS BEEN GIVEN OR MADE BY

DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH THE PROPERTY, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IN CONNECTION WITH THE DEVELOPMENT, SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF. IF ANY SUCH WARRANTY CANNOT BE DISCLAIMED, AND AS TO ANY CLAIMS WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED.

Section 19.2 General. Notwithstanding anything contained in the Governing Documents or other documents binding the Association, Declarant or the Property (collectively, the "Constituent Documents"), neither the Association nor the Declarant shall be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Owner, occupant or user of any portion of the Property including, without limitation, residents and their families, agents, employees, contractors, guests or invitees, or for any property of any such persons. Without limiting the generality of the foregoing:

(a) it is the express intent of the Constituent Documents that the various provisions thereof which are enforceable by the Association or Declarant or which govern the uses of the Property, have been written, and are to be interpreted and enforced, for the sole purpose of enhancing and maintaining the enjoyment of the Property and the value thereof;

(b) the Association is not empowered, nor has been created, to act as an entity which enforces or ensures compliance with the laws or regulations of the United States, State of Florida, the County, the City or any other jurisdiction or governmental entity, or prevents tortious activities; and

(c) any provisions of the Constituent Documents setting forth the uses of Assessments which relate to health, safety and/or welfare shall be interpreted and applied only as limitations on the uses of Assessment funds and not as creating a duty of the Association to protect or further the health, safety or welfare of any person(s), even if Assessment funds are chosen to be used for such reason.

Each Owner (by virtue of his acceptance of title to its, his or her Lot) and each other person having an interest in or lien upon, or making any use of, any portion of the Property (by virtue of accepting such interest or lien or making such uses) shall be bound by this Article and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against the Association or Declarant and arising from or connected with any matter for which the liability of the Association or Declarant has been disclaimed in this Article or in this Declaration generally.

As used in this Article, the words "Association" and "Declarant" shall each include within their meanings all of the respective directors, officers, committees and board members, employees, agents, contractors (including without limitation management companies), and successors and assigns of each.

[SIGNATURE AND ACKNOWLEDGMENT FOLLOWS]

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IN WITNESS WHEREOF, Declarant has executed this Declaration on the day and year first above written.

Signed, sealed and delivered in the presence of:

BANYAN CONSTRUCTION AND DEVELOPMENT, INC., a Florida corporation

Signature of Witness

Print Name: Franklin C Beaty

By:

Frank M. Gammon, Jr.
Sr. Vice President/General Manager

Signature of Witness

Print Name: Susan Northcutt

[CORPORATE SEAL]

STATE OF FLORIDA)

)ss:

COUNTY OF Lake)

The foregoing instrument was acknowledged before me this 7th day of May 2007, by Frank M. Gammon, Jr., as Sr. Vice President and General Manager of **BANYAN CONSTRUCTION AND DEVELOPMENT, INC., a Florida corporation**, on behalf of the corporation. He is personally known to me, or produced _____ as identification.

Heidi Sabeur
Notary Public, State of Florida

Notary Stamp:



HEIDI SABEUR
MY COMMISSION # DD 300618
EXPIRES: April 20, 2008
Bonded Thru Budget Notary Services

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EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

Description

Begin at the Southwest corner of the Northeast 1/4 of the Southwest 1/4 of Section 15, Township 22 South, Range 24 East, Lake County, Florida; thence run N 00°20'55" E along the West line of said Northeast 1/4 of the Southwest 1/4 for a distance of 134.60 feet to the South right of way of County Road No. 565; thence run along said South right of way line the following courses and distances; thence run N 49°01'15" E for a distance of 541.49 feet to the beginning of a curve concave to the Northwest, having a radius of 3743.17 feet and a chord bearing of N 46°57'29" E; thence run Northeasterly along the arc of said curve for a distance of 270.25 feet; through a central angle of 04°08'12"; to the beginning of a compound curve concave to the Northwest, having a radius of 2884.44 feet and a chord bearing of N 34°42'35" E; thence run Northeasterly along the arc of said compound curve for a distance of 328.31 feet through a central angle of 06°31'18"; thence run N 31°27'09" E for a distance of 122.10 feet to the beginning of a curve concave to the Southeast, having a radius of 1058.81 feet and a chord bearing of N 37°00'34" E; thence run Northeasterly along the arc of said curve for a distance of 206.53 feet through a central angle of 11°10'34"; thence run N 42°34'04" E for a distance of 141.70 feet to the North line of said Northeast 1/4 of the Southwest 1/4; thence leaving said East right of way line run S 89°27'42" E along said North line of the Northeast 1/4 of the Southwest 1/4 for a distance of 250.02 feet to the East line of said Northeast 1/4 of the Southwest 1/4; thence run S 00°12'05" W along said East line of the Northeast 1/4 of the Southwest 1/4 for a distance of 90.00 feet; thence run S 61°53'44" E for a distance of 743.66 feet to the East line of the West 1/2 of the Northwest 1/4 of the Southeast 1/4 of said Section 15; thence run S 00°26'13" W along said East line of the West 1/2 of the Northwest 1/4 of the Southeast 1/4 for a distance of 885.64 feet to the Southeast corner of said West 1/2 of the Northwest 1/4 of the Southeast 1/4; thence run N 89°39'54" W along the South line of said West 1/2 of the Northwest 1/4 of the Southeast 1/4 a distance of 653.56 feet to the Southwest corner of said West 1/2 of the Northwest 1/4 of the Southeast 1/4; thence run N 89°40'43" W along the South line of the aforesaid Northeast 1/4 of the Southwest 1/4 for a distance of 1323.00 feet to the Point of Beginning.

AND

Begin at the Northwest corner of the Southwest 1/4 of the Southwest 1/4 of Section 15, Township 22 South, Range 24 East, Lake County, Florida; thence run S 00°24'30" W along the East line of said Southwest 1/4 of the Southwest 1/4 for a distance of 1323.02 feet to the Southeast corner of said Southwest 1/4 of the Southwest 1/4; thence run N 89°41'48" W along the South line of said Southwest 1/4 of the Southwest 1/4 for a distance of 1325.02 feet to the Southwest corner of said Section 15; thence run N 00°29'45" E along the West line of the aforesaid Southwest 1/4 of the Southwest 1/4 for a distance of 276.83 feet to the South right of way line of County Road 565; thence run N 48°34'48" E along said South right of way line for a distance of 1572.11 feet to the North line of said Southwest 1/4 of the Southwest 1/4; thence run S 89°40'43" E along said North line of the Southwest 1/4 of the Southwest 1/4 for a distance of 153.15 feet to the Point of Beginning.

EXHIBIT "B"

**ARTICLES OF INCORPORATION
FOR KNIGHT LAKE ESTATES
PROPERTY OWNERS ASSOCIATION, INC.**

ARTICLES OF INCORPORATION
of
KNIGHT LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.
(a Florida Corporation Not for Profit)

We, the undersigned, acting as incorporators of a nonprofit corporation under Chapter 617, and a homeowners association under Chapter 720, all of the Florida Statutes, do hereby adopt the following articles of incorporation for such corporation.

ARTICLE I
NAME

The name of the corporation is KNIGHT LAKE ESTATES HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association."

ARTICLE II
ADDRESS

The street address of the initial principal office and the mailing address are the same as follows:

301 North US Highway 27, Suite G
Clermont, Florida 34711

ARTICLE III
DEFINITIONS

Unless otherwise provided herein to the contrary, all capitalized terms and words utilized herein shall be as defined in the Bylaws of the Association and that certain Declaration of Covenants, Conditions and Restrictions for Knight Lake Estates, recorded or to be recorded in the Public Records of Lake County, Florida, as may be amended or supplemented from time to time (the "Declaration").

ARTICLE IV
PURPOSE AND POWERS OF THE ASSOCIATION

The Association does not contemplate pecuniary gain or profit. The Association shall not pay dividends, and no part of any income of the Association shall be distributed to its Members, Directors, or Officers. The Association shall have the power and duty to do any and all lawful things which may be authorized, assigned, required, or permitted to be done by the Declaration, the Bylaws, or these Articles of Incorporation, and to do and perform any and all acts which maybe necessary or proper for, or incidental to, the exercise of any of the duties or powers of the Association for the benefit of the Owners and for the improvement, operation, maintenance, repair, and replacement of the Property, Common Areas, and Surface Water Management System.

The purposes for which it is formed are to provide for maintenance, preservation and architectural control of the Lots, Residences, Common Area, and Stormwater Management System, within that certain tract of property described as:

KNIGHT LAKE ESTATES, according to the plat thereof, as recorded in Plat Book _____, Page _____, Public Records of Lake County, Florida (the "Property").

and to promote the health, safety and welfare of the residents within the Property and any additions thereto as may hereafter be annexed to the jurisdiction of the Declaration and Association for this purpose to:

A. Exercise all the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, as the same may be amended or supplemented from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

B. Fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incidental to the conduct of business of the Association, including all licenses, taxes or governmental charges levied or imposed against the Property of the Association;

C. Acquire (by gift, purchase or otherwise), own, hold improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association, subject to that certain requirement detailed further in Section 5.2 of the Declaration regarding prior written approval of the St. Johns River Water Management District for conveyances affecting the master Surface Water Management System as defined therein;

D. Borrow money, and with the assent of two-thirds (2/3) of the Voting Interests, mortgage, pledge, grant a deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to that certain requirement detailed further in Section 5.2 of the Declaration regarding prior written approval of the St. Johns River Water Management District for conveyances affecting the Master Surface Water Management System as defined therein;

E. Dedicate, sell or transfer all of any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument for same has been signed by two-thirds (2/3) of the Voting Interests;

F. Participate in mergers and consolidations with other not for profit corporations organized for the same purposes, or annex additional property to the jurisdiction of the Association and Declaration, provided that any such merger, consolidation, or annexation shall have the assent of two-thirds (2/3) of the Voting Interests;

G. Make, establish, and enforce rules and regulations regarding the use of property owned, operated, or managed by it;

H. Contract for goods, services, and professional management and delegate to such manager the powers and duties of the Association, except those which require specific approval of the Board of Directors or Members;

I. To sue and be sued, and appear and defend in all actions and proceedings in its corporate name;

J. The Association shall operate, maintain and manage the surface water or storm water management system(s) in a manner consistent with the applicable St. Johns River Water Management District permit number 40-069-92463-1 requirements and the City of ~~Groveland~~ ^{Mascotte}, Florida, and applicable District rules, and shall assist in the enforcement of the Declaration that relate to the surface water or storm water management system;

K. The Association shall levy and collect adequate assessments against Members of the Association for the costs of maintenance and operation of the surface water or storm water management system; and

L. Have and to exercise any and all powers, rights and privileges which a corporation not for profit or a homeowners association organized under the laws of the State of Florida may now or hereafter have or exercise, limited only as expressly provided in the Articles of Incorporation, Bylaws, and Declaration.

ARTICLE V
MEMBERSHIP, VOTING RIGHTS AND CLASS ASSESSMENTS

Each Owner (including Declarant and Developers) shall be a Member of the Association. The Association membership shall be appurtenant to and inseparable from the Lot giving rise to such membership, and any transfer of fee simple title to a Lot shall operate automatically to transfer to the new Member the membership in the Association appurtenant to that Lot. The interest, if any, of a Member in the funds and assets of the Association may not be assigned, hypothecated, or transferred in any manner except as an appurtenance to the Member's Lot.

The Association shall have two (2) classes of voting membership as follows:

CLASS A. The CLASS "A" MEMBERS shall be all Owners, except for the Declarant and Developers until Class Conversion (defined in Article VI below). Class "A" Members shall be entitled to one (1) vote for each Lot owned. Class "A" members may first exercise voting rights at the Annual Meeting at which the total number of Voting Interests held by all Class "A" Members exceeds the number of Voting Interests held by all Class "B" Members, and their agents or associates (this event shall be called "Class 'A' Voting"). When more than one person holds a property interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as the multiple Owners may determine, but in no event shall more than one (1) vote be cast with respect to any one Lot (this is the "Voting Interest" for the Lot). If any Owner casts a vote on behalf of its Lot, it shall be conclusively presumed that Owner was acting with the authority and consent of all other Owners of that Lot. A person or entity with only a mortgage, easement, or leasehold interest in the Lot shall not be deemed an Owner or Class "A" Member and shall not be entitled to vote. Within ninety (90) days of the occurrence of Class "A" Voting, the Declarant shall transition and turn over control of the Association to the homeowners, in accordance with section 720.307, Florida Statutes, and as more detailed in the Declaration, and from that time, Declarant shall not use its remaining Voting Interests to reacquire or attempt to reacquire control of the Association. A Special Meeting of the Members may be held for this purpose.

CLASS B. The CLASS "B" MEMBERS shall be the Declarant and Developers. The Class "B" Members shall be entitled to three (3) votes for each platted Lot owned by them and shall exercise total and exclusive voting control until the time of Class "A" Voting. Any voting that is required by the Articles of Incorporation, Bylaws, or Declaration to be conducted by Class "A" Members shall be conducted by the Class "A" Members only after the occurrence of Class

"A" Voting, and until such time shall be conducted by the Class "B" Members. SUFFICIENT VOTES TO CARRY A MOTION OR PROPOSAL. Whenever the Articles of Incorporation, Bylaws, or Declaration requires the assent of a stated percentage or amount of Voting Interests in order to carry a motion, proposal, or assessment, the percentage shall be of those Voting Interests present at the respective meeting where the motion, proposal, or assessment to be voted on. Presence may be established either in person, by representative or proxy, or as otherwise provided in the Articles of Incorporation, Bylaws, or Declaration.

CLASS ASSESSMENTS. Except as subject to Declarant's option under Article 12.8 of the Declaration, no Lot owned by a Class B Member shall be subject to any Assessment until the Annual Meeting following the earlier of: (i) purchase of the Lot by a Class A Member, or (ii) Class Conversion, according to Article VI below.

ARTICLE VI
TRANSFER AND TERMINATION OF MEMBERSHIP

A. Class "A" membership is automatic with Lot ownership (except for Declarant and Developers) and may be transferred or terminated only by sale of the Lot.

B. Class "B" membership is automatic in the Declarant and Developers and may be transferred only by sale of a Lot(s) owned by Declarant or a Developer to a Class "A" Member. Class "B" membership shall terminate at the Annual Meeting following when 95% of the Lots have been sold to Class "A" Members, or such earlier time as Declarant may in its sole discretion record a Notice of Termination of Class "B" Membership in the Public Records of Lake County, Florida. Upon termination of Class "B" Membership, Declarant's and Developers' memberships in their remaining Lots shall convert to Class "A" memberships entitled to one (1) vote per Lot owned by them ("Class Conversion").

ARTICLE VII
BOARD OF DIRECTORS

The affairs of the Association will be managed by a Board consisting of not less than three (3) and not more than five (5) Directors. The number of Directors maybe changed by amendment of the Bylaws of the Association. The names and address of the persons who are to act in the capacity of Directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
F. M. Gammon, Jr.	301 North US Highway 27, Suite G Clermont, FL 34711
F. Beaty	301 North US Highway 27, Suite G Clermont, FL 34711
S. Northcutt	301 North US Highway 27, Suite G Clermont, FL 34711

At the first Annual Meeting, and each meeting thereafter, unless changed by amendment of the Bylaws, the Members eligible to vote shall elect three (3) Directors for a term of one (1) year each.

ARTICLE VIII
ADDRESS OF INITIAL REGISTERED OFFICE
AND NAME OF INITIAL REGISTERED AGENT

The address of this Association's initial registered office in the State of Florida is 301 North US Highway 27, Suite G, Clermont, Florida 34711. The name of this Association's initial Registered Agent at the above address is F.M. Gammon, Jr.

ARTICLE IX
OFFICERS

The initial officers of the Association shall be a president, vice president and secretary/treasurer. Such officers shall be elected or appointed at the first meeting of the Board of Directors following each Annual Meeting of Members.

The names of the officers who are to serve until the first election or appointment are:

F. M. Gammon, Jr., President
F. Beaty, Vice President
S. Northcutt, Secretary/Treasurer

ARTICLE X
INCORPORATORS

The names and addresses if the incorporators of these Articles of Incorporation are as follows:

F. M. Gammon, Jr.
301 North US Highway 27, Suite G
Clermont, Florida 34711

ARTICLE XI
BYLAWS

The Bylaws of the Association shall be adopted by the Board of Directors and maybe altered, amended or rescinded at any Annual Meeting of the Association, or at any Special Meeting duly called for such purpose, by a vote of a majority of a quorum of voting members present in person or by proxy, except that the initial Bylaws of the Association shall be made and adopted by the Board of Directors.

ARTICLE XII
EXISTENCE AND DURATION

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

**ARTICLE XIII
AMENDMENTS**

Amendments to the Articles of Incorporation may be proposed by any Member of the Association at any Annual Meeting of the Association or at any Special Meeting duly called and held for such purpose, on the affirmative vote of at least three-fourths (3/4) of the Voting Interests.

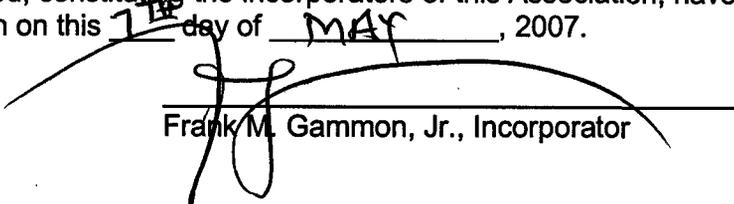
**ARTICLE XIV
DISSOLUTION**

In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or storm water management system must be transferred to and accepted by an entity which would comply with Section 40C42.027, F.A.C., and be approved in writing by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

The Association may be dissolved with the assent given in writing and signed by not less than three-fourths (3/4) of each then-existing Class of Members, or as otherwise required by law. Upon dissolution of the Association (other than incidental to a merger or consolidation, administrative, or judicial dissolution), the assets 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 such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

In the event of dissolution of the Association, notice of such dissolution shall be provided to the City of Mascotte within ten (10) days after such dissolution.

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of Florida, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation on this 1st day of MAY, 2007.



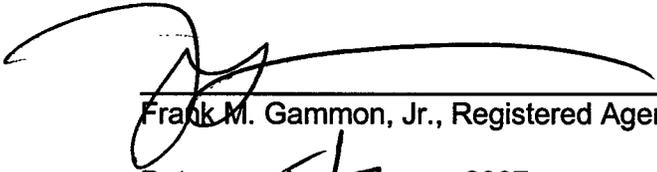
Frank M. Gammon, Jr., Incorporator

CERTIFICATE DESIGNATING REGISTERED AGENT

The Association, with its registered office at 301 North US Highway 27, Suite G, Clermont, Florida 34711 , hereby names and appoints Frank M. Gammon, Jr., as its registered agent to accept service of process within the State of Florida.

ACCEPTANCE OF REGISTERED AGENT

Having been named as Registered Agent, I hereby accept such appointment and I hereby am familiar with and accept the duties and responsibilities as Registered Agent for the corporation.



Frank M. Gammon, Jr., Registered Agent
Date: 5/7, 2007

ARTICLES OF INCORPORATION
of
KNIGHT LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.
(a Florida Corporation Not for Profit)

We, the undersigned, acting as incorporators of a nonprofit corporation under Chapter 617, and a homeowners association under Chapter 720, all of the Florida Statutes, do hereby adopt the following articles of incorporation for such corporation.

ARTICLE I
NAME

The name of the corporation is KNIGHT LAKE ESTATES HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association."

ARTICLE II
ADDRESS

The street address of the initial principal office and the mailing address are the same as follows:

301 North US Highway 27, Suite G
Clermont, Florida 34711

ARTICLE III
DEFINITIONS

Unless otherwise provided herein to the contrary, all capitalized terms and words utilized herein shall be as defined in the Bylaws of the Association and that certain Declaration of Covenants, Conditions and Restrictions for Knight Lake Estates, recorded or to be recorded in the Public Records of Lake County, Florida, as may be amended or supplemented from time to time (the "Declaration").

ARTICLE IV
PURPOSE AND POWERS OF THE ASSOCIATION

The Association does not contemplate pecuniary gain or profit. The Association shall not pay dividends, and no part of any income of the Association shall be distributed to its Members, Directors, or Officers. The Association shall have the power and duty to do any and all lawful things which may be authorized, assigned, required, or permitted to be done by the Declaration, the Bylaws, or these Articles of Incorporation, and to do and perform any and all acts which maybe necessary or proper for, or incidental to, the exercise of any of the duties or powers of the Association for the benefit of the Owners and for the improvement, operation, maintenance, repair, and replacement of the Property, Common Areas, and Surface Water Management System.

The purposes for which it is formed are to provide for maintenance, preservation and architectural control of the Lots, Residences, Common Area, and Stormwater Management System, within that certain tract of property described as:

KNIGHT LAKE ESTATES, according to the plat thereof, as recorded in Plat Book _____, Page _____, Public Records of Lake County, Florida (the "Property").

and to promote the health, safety and welfare of the residents within the Property and any additions thereto as may hereafter be annexed to the jurisdiction of the Declaration and Association for this purpose to:

A. Exercise all the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, as the same may be amended or supplemented from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

B. Fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incidental to the conduct of business of the Association, including all licenses, taxes or governmental charges levied or imposed against the Property of the Association;

C. Acquire (by gift, purchase or otherwise), own, hold improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association, subject to that certain requirement detailed further in Section 5.2 of the Declaration regarding prior written approval of the St. Johns River Water Management District for conveyances affecting the master Surface Water Management System as defined therein;

D. Borrow money, and with the assent of two-thirds (2/3) of the Voting Interests, mortgage, pledge, grant a deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to that certain requirement detailed further in Section 5.2 of the Declaration regarding prior written approval of the St. Johns River Water Management District for conveyances affecting the Master Surface Water Management System as defined therein;

E. Dedicate, sell or transfer all of any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument for same has been signed by two-thirds (2/3) of the Voting Interests;

F. Participate in mergers and consolidations with other not for profit corporations organized for the same purposes, or annex additional property to the jurisdiction of the Association and Declaration, provided that any such merger, consolidation, or annexation shall have the assent of two-thirds (2/3) of the Voting Interests;

G. Make, establish, and enforce rules and regulations regarding the use of property owned, operated, or managed by it;

H. Contract for goods, services, and professional management and delegate to such manager the powers and duties of the Association, except those which require specific approval of the Board of Directors or Members;

I. To sue and be sued, and appear and defend in all actions and proceedings in its corporate name;

J. The Association shall operate, maintain and manage the surface water or storm water management system(s) in a manner consistent with the applicable St. Johns River Water Management District permit number 40-069-92463-1 requirements and the City of Mascotte Florida, and applicable District rules, and shall assist in the enforcement of the Declaration that relate to the surface water or storm water management system;

K. The Association shall levy and collect adequate assessments against Members of the Association for the costs of maintenance and operation of the surface water or storm water management system; and

L. Have and to exercise any and all powers, rights and privileges which a corporation not for profit or a homeowners association organized under the laws of the State of Florida may now or hereafter have or exercise, limited only as expressly provided in the Articles of Incorporation, Bylaws, and Declaration.

ARTICLE V **MEMBERSHIP, VOTING RIGHTS AND CLASS ASSESSMENTS**

Each Owner (including Declarant and Developers) shall be a Member of the Association. The Association membership shall be appurtenant to and inseparable from the Lot giving rise to such membership, and any transfer of fee simple title to a Lot shall operate automatically to transfer to the new Member the membership in the Association appurtenant to that Lot. The interest, if any, of a Member in the funds and assets of the Association may not be assigned, hypothecated, or transferred in any manner except as an appurtenance to the Member's Lot.

The Association shall have two (2) classes of voting membership as follows:

CLASS A. The CLASS "A" MEMBERS shall be all Owners, except for the Declarant and Developers until Class Conversion (defined in Article VI below). Class "A" Members shall be entitled to one (1) vote for each Lot owned. Class "A" members may first exercise voting rights at the Annual Meeting at which the total number of Voting Interests held by all Class "A" Members exceeds the number of Voting Interests held by all Class "B" Members, and their agents or associates (this event shall be called "Class 'A' Voting"). When more than one person holds a property interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as the multiple Owners may determine, but in no event shall more than one (1) vote be cast with respect to any one Lot (this is the "Voting Interest" for the Lot). If any Owner casts a vote on behalf of its Lot, it shall be conclusively presumed that Owner was acting with the authority and consent of all other Owners of that Lot. A person or entity with only a mortgage, easement, or leasehold interest in the Lot shall not be deemed an Owner or Class "A" Member and shall not be entitled to vote. Within ninety (90) days of the occurrence of Class "A" Voting, the Declarant shall transition and turn over control of the Association to the homeowners, in accordance with section 720.307, Florida Statutes, and as more detailed in the Declaration, and from that time, Declarant shall not use its remaining Voting Interests to reacquire or attempt to reacquire control of the Association. A Special Meeting of the Members may be held for this purpose.

CLASS B. The CLASS "B" MEMBERS shall be the Declarant and Developers. The Class "B" Members shall be entitled to three (3) votes for each platted Lot owned by them and shall exercise total and exclusive voting control until the time of Class "A" Voting. Any voting that is required by the Articles of Incorporation, Bylaws, or Declaration to be conducted by Class "A" Members shall be conducted by the Class "A" Members only after the occurrence of Class

"A" Voting, and until such time shall be conducted by the Class "B" Members. SUFFICIENT VOTES TO CARRY A MOTION OR PROPOSAL. Whenever the Articles of Incorporation, Bylaws, or Declaration requires the assent of a stated percentage or amount of Voting Interests in order to carry a motion, proposal, or assessment, the percentage shall be of those Voting Interests present at the respective meeting where the motion, proposal, or assessment to be voted on. Presence may be established either in person, by representative or proxy, or as otherwise provided in the Articles of Incorporation, Bylaws, or Declaration.

CLASS ASSESSMENTS. Except as subject to Declarant's option under Article 12.8 of the Declaration, no Lot owned by a Class B Member shall be subject to any Assessment until the Annual Meeting following the earlier of: (i) purchase of the Lot by a Class A Member, or (ii) Class Conversion, according to Article VI below.

ARTICLE VI
TRANSFER AND TERMINATION OF MEMBERSHIP

A. Class "A" membership is automatic with Lot ownership (except for Declarant and Developers) and may be transferred or terminated only by sale of the Lot.

B. Class "B" membership is automatic in the Declarant and Developers and may be transferred only by sale of a Lot(s) owned by Declarant or a Developer to a Class "A" Member. Class "B" membership shall terminate at the Annual Meeting following when 95% of the Lots have been sold to Class "A" Members, or such earlier time as Declarant may in its sole discretion record a Notice of Termination of Class "B" Membership in the Public Records of Lake County, Florida. Upon termination of Class "B" Membership, Declarant's and Developers' memberships in their remaining Lots shall convert to Class "A" memberships entitled to one (1) vote per Lot owned by them ("Class Conversion").

ARTICLE VII
BOARD OF DIRECTORS

The affairs of the Association will be managed by a Board consisting of not less than three (3) and not more than five (5) Directors. The number of Directors maybe changed by amendment of the Bylaws of the Association. The names and address of the persons who are to act in the capacity of Directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
F. M. Gammon, Jr.	301 North US Highway 27, Suite G Clermont, FL 34711
F. Beaty	301 North US Highway 27, Suite G Clermont, FL 34711
S. Northcutt	301 North US Highway 27, Suite G Clermont, FL 34711

At the first Annual Meeting, and each meeting thereafter, unless changed by amendment of the Bylaws, the Members eligible to vote shall elect three (3) Directors for a term of one (1) year each.

ARTICLE VIII
ADDRESS OF INITIAL REGISTERED OFFICE
AND NAME OF INITIAL REGISTERED AGENT

The address of this Association's initial registered office in the State of Florida is 301 North US Highway 27, Suite G, Clermont, Florida 34711. The name of this Association's initial Registered Agent at the above address is F.M. Gammon, Jr.

ARTICLE IX
OFFICERS

The initial officers of the Association shall be a president, vice president and secretary/treasurer. Such officers shall be elected or appointed at the first meeting of the Board of Directors following each Annual Meeting of Members.

The names of the officers who are to serve until the first election or appointment are:

F. M. Gammon, Jr., President
F. Beaty, Vice President
S. Northcutt, Secretary/Treasurer

ARTICLE X
INCORPORATORS

The names and addresses if the incorporators of these Articles of Incorporation are as follows:

F. M. Gammon, Jr.
301 North US Highway 27, Suite G
Clermont, Florida 34711

ARTICLE XI
BYLAWS

The Bylaws of the Association shall be adopted by the Board of Directors and maybe altered, amended or rescinded at any Annual Meeting of the Association, or at any Special Meeting duly called for such purpose, by a vote of a majority of a quorum of voting members present in person or by proxy, except that the initial Bylaws of the Association shall be made and adopted by the Board of Directors.

ARTICLE XII
EXISTENCE AND DURATION

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

**ARTICLE XIII
AMENDMENTS**

Amendments to the Articles of Incorporation may be proposed by any Member of the Association at any Annual Meeting of the Association or at any Special Meeting duly called and held for such purpose, on the affirmative vote of at least three-fourths (3/4) of the Voting Interests.

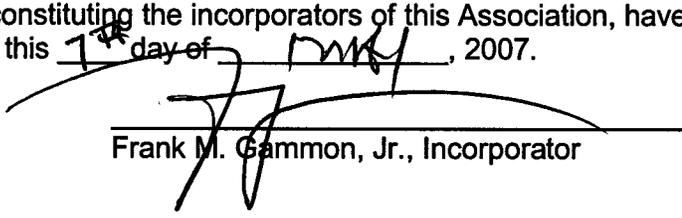
**ARTICLE XIV
DISSOLUTION**

In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or storm water management system must be transferred to and accepted by an entity which would comply with Section 40C42.027, F.A.C., and be approved in writing by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

The Association may be dissolved with the assent given in writing and signed by not less than three-fourths (3/4) of each then-existing Class of Members, or as otherwise required by law. Upon dissolution of the Association (other than incidental to a merger or consolidation, administrative, or judicial dissolution), the assets 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 such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

In the event of dissolution of the Association, notice of such dissolution shall be provided to the City of Mascotte within ten (10) days after such dissolution.

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of Florida, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation on this 1st day of May, 2007.



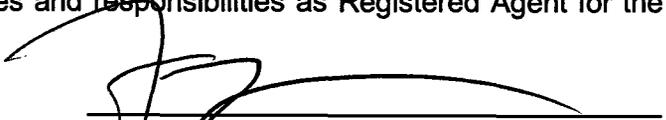
Frank M. Gammon, Jr., Incorporator

CERTIFICATE DESIGNATING REGISTERED AGENT

The Association, with its registered office at 301 North US Highway 27, Suite G, Clermont, Florida 34711 , hereby names and appoints Frank M. Gammon, Jr., as its registered agent to accept service of process within the State of Florida.

ACCEPTANCE OF REGISTERED AGENT

Having been named as Registered Agent, I hereby accept such appointment and I hereby am familiar with and accept the duties and responsibilities as Registered Agent for the corporation.



Frank M. Gammon, Jr., Registered Agent
Date: 5/7, 2007

EXHIBIT "C"

**BYLAWS
OF
KNIGHT LAKE ESTATES
PROPERTY OWNERS ASSOCIATION, INC.**

EXHIBIT "C"

**BYLAWS
OF
KNIGHT LAKE ESTATES
PROPERTY OWNERS ASSOCIATION, INC.**

Received

MAY 18 2007

..... *Raddy*

87851, 00003, 101638590.1, Declaration
1/31/07 3:13 PM

BYLAWS

of

KNIGHT LAKE ESTATES HOMEOWNERS ASSOCIATION, INC.

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

ARTICLE I IDENTITY AND LOCATION

The name of the corporation is KNIGHT LAKE ESTATES HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association," a corporation not for profit and a homeowners association, organized and existing under Chapters 617 and 720, Florida Statutes, for the purpose of administering the Property in accordance with these Bylaws and the Declaration of Covenants, Conditions and Restrictions for the Association. The principal office of the corporation shall be located at 301 North US Highway 27, Suite G, Clermont, Florida 34711, but meetings of Members and Directors may be held at such places within the State of Florida as may be designated by the Board of Directors.

ARTICLE II DEFINITIONS

Unless otherwise provided herein to the contrary, all capitalized terms and words used in these Bylaws shall be as defined in that certain Declaration of Covenants, Conditions, and Restrictions for Knight Lake Estates, recorded or to be recorded in the Public Records of Lake County, Florida, as may be amended or supplemented from time to time.

ARTICLE III ASSOCIATION MEETINGS

Section 1. Annual Meeting. The first Annual Meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular Annual Meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 P.M. If the annual day of the Members is a legal holiday, the meeting will be held at the same time on the first day following which is not a legal holiday.

Section 2. Regular Meetings. Regular Meetings of the Members, after December 31, 2007 shall be held at least annually, on the second Monday of such month or months as may from time to time be fixed by resolution of the Members, and at such place and hour as may from time to time be fixed by resolution of the Members. Should a Regular Meeting fall upon a legal holiday, then that meeting shall be, held at the same time on the next day which is not a legal holiday.

Section 3. Special Meetings. Special Meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of twenty-five percent (25%) of the Voting Interests of Class A membership. Business conducted at a Special Meeting is limited to the purposes stated in the notice of the Special Meeting.

Section 4. Notice of Meetings. Written notice of each Special and Annual Meeting of the Association shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such a notice, postage prepaid, at least fifteen (15) days

before such meeting to each Member addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice, The only required notice for Regular Meetings shall be a copy of the resolution setting the time and location (and each subsequent resolution amending time and location), sent to each Member at the Member's address last appearing on the books of the Association, at least fifteen (15) days before the first Regular Meeting following the resolution. Notices shall specify the place, day and hour of the meeting, and, in the case of a Special Meeting, the purpose of the meeting.

Section 5. Quorum. The presence at the meeting of a sufficient number of Members to make up one fourth (1/4) of the Voting Interest of each class of membership that is eligible to vote - either in person, or by representative if a member is an entity, or by proxy - shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however such quorum shall not be present or represented at any meeting, the Members entitled to vote thereon shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum of aforesaid shall be present or be represented.

Section 6. Proxies. At all meetings of Members, each Member that is eligible to vote may attend and vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be freely revocable and shall automatically cease upon conveyance by the Member of his Lot. Pursuant to section 720.306(6), Florida Statutes, in order to be valid a proxy must be dated, and state the date, time, and place of the meeting for which it was given, and must be signed by the authorized person who executed the proxy. A proxy will be effective only for the specific meeting for which it was originally given, as the meeting may lawfully be adjourned and reconvened from time to time. A valid proxy shall bear a date not more than one hundred eighty (180) days prior to the original date of the meeting for which it is given and shall expire ninety (90) days after the original date of the meeting for which it was given. Any proxy holder may appoint, in writing, a substitute to act in his or her place.

Section 7. Recording of Meetings. Pursuant to section 720.306(7), Florida Statutes, any Member may tape record or videotape meetings of the Board of Directors and meetings of the Members. The Board of Directors may adopt reasonable rules governing the recording and taping of meetings of the Board and the Members.

ARTICLE IV BOARD OF DIRECTORS - GENERAL

Section 1. Number. The affairs of the Association shall be initially managed by a Board of three (3) Directors, - The Board of Directors may consist of a Membership of three (3) Members and a maximum of five (5) Members. The Board of Directors will be elected by the Class "B" Members until the occurrence of Class "A" Voting.

Section 2. Term of Office. At the first Annual Meeting and each Annual Meeting thereafter, the Members eligible to vote shall elect three (3) Directors for a term of one (1) year each.

Section 3. Removal. Any Director maybe removed from the Board with or without cause, by a majority vote of the eligible Voting Interests. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Directors and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses, evidenced by a receipt, incurred in the performance of his duties.

ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee at the Annual Meeting of the Members, and candidates for Directors shall be made from among the Members. Nominations may also be made from the floor by all Members. The Nominating Committee shall consist of a Chairman, who shall be a Director, and one or more Members. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Meeting of the Members, to serve from the close of such Annual Meeting until the close of the next Annual Meeting and such appointment shall be announced at each Annual Meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Pursuant to section 720.306(7), Florida Statutes, all Members of the Association shall be eligible to serve on the Board of Directors, and a Member may nominate himself or herself as a candidate for the Board at a meeting where the election is to be held. Only those Members who are eligible to vote may elect the Board of Directors.

ARTICLE VI
MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular Meetings of the Board of Directors shall be held annually on the second Monday of December, or such a place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two Directors, after not less than three (3) days notice to each Director.

Section 3. Notice and Right to Attend. Pursuant to section 720.303(2), Florida Statutes, notice of all meetings of the Board shall be posted in a conspicuous place at least forty-eight 48 hours in advance, or mail notice seven (7) days in advance, except in emergencies. If and at such time that the Association has more than one hundred (100) Members, then the Board may use broadcast notice, publication, or provision of a schedule in advance. The time and place of the meeting must be included. All Members are entitled to attend all meetings of the Board, except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would be governed by the attorney-client privilege.

Section 4. Quorum. A majority of the number of Directors shall constitute a quorum of the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum exists shall be regarded as the act of the Board.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. **Powers.** The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and personal conduct of the Member and their guests thereon, and to establish penalties for the infraction thereof;

(b) Adopt and publish rules and regulations governing the recording or videotaping of meetings of Members or the Board;

(c) Adopt and publish rules and regulations governing the frequency, time, location, notice and manner of inspection of official Association records by Members and impose a fee of no more than the actual cost of reproducing and furnishing the official records;

(d) Suspend the voting rights and right to use of the Common Areas of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations. Pursuant to section 720.305(2)(c), Florida Statutes, suspension of such rights shall not interfere with or prevent a Member or its tenant's vehicular or pedestrian ingress or egress to its Lot, including but not limited to, the right to park.

(e) Exercise for the Association all powers, duties and authority vested in or delegated to the Association by these Bylaws, the Articles of Incorporation, the Declaration, or by law, and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, the Declaration, or by law;

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

(g) Retain a manager, legal counsel, accountant, or such other employees or independent consultants as it deems necessary, and to prescribe their duties;

(h) Procure and maintain professional liability insurance in reasonable amounts for the Board and individual Directors with respect to Association business;

(i) Exercise all other powers vested in a Board of Directors by Chapter 617 or 720, Florida Statutes, or other applicable law.

Section 2. **Duties.** It shall be the duty of the Board of Directors to:

(a) Cause to be kept complete records of all its acts and corporate affairs, in accordance with the requirements of section 720.303(5), Florida Statutes, and to provide access and opportunity for copying of any or all Association Records to any Member who requests same in writing, within ten (10) days of such request. All Association Records identified as official records of a homeowner's association in section 720.303(4), Florida Statutes, shall be kept, maintained, and available for inspection and copying for at least seven (7) years from their

date, except that bids for consultant services must be kept, maintained, and available for inspection for at least one (1) year from their date;

(b) Supervise all officers, agents, independent consultants, and employees of the Association, and to see that their duties are properly performed, and to pay the agreed upon cost of services of all independent consultants and employees upon completion of performance;

(c) As more fully provided in the Declaration to:

(i) Establish a budget annually, and fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(ii) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days prior to due date, and after due date if not paid, and/or to bring an action at law against any Owner that is obligated to pay the same and has not paid;

(iii) Establish checking and savings accounts in the name of the Association, with a bank authorized to do business in Florida, and naming the president and treasurer as signatories on the accounts;

(d) Pursuant to section 720.303(2), Florida Statutes, cause notice of intent to levy assessments at a Board meeting (i.e. as opposed to at an Annual, Regular, or Special Meeting of the Association), in advance of such Board meeting, including the nature of assessments to be considered;

(e) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessments has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payments;

(f) Procure and, maintain adequate liability and hazard insurance on all property owned by the Association;

(g) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(h) Cause the Areas of Common Responsibility, Common Areas, and Surface Water Management System to be maintained;

(i) Cause the exterior of the dwellings to be maintained;

(j) Provide copies of the minutes of their board meetings to the Members at the regular annual Members meetings in addition to whenever requested as an Association Record;

(k) Pursuant to Fla. Stat. 720.303(2), cause each Director's vote on all action taken at a Board meeting to be made openly and in person (i.e. not by proxy and not by secret ballot, except election of officers may be by secret ballot);

(l) Issue, or cause to be issued, to each Member an annual financial report of the Association, within sixty (60) days of the close of each fiscal year, in addition to whenever same is requested as an Association Record.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, who shall at all times be a Member of the Board of Directors, secretary, and treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first Regular Meeting of the Board of Directors following each Annual Meeting of the Members (this shall be the "Election Meeting").

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such periods, have such authority, and perform such duties as the Board may, from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) **President.** The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments that pertain to the common area and shall co-sign all checks and promissory notes.

(b) **Vice-President.** The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring the seal; serve notice of meetings of the Board

and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) **Treasurer.** The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be approved by the Board at the Annual Meeting of the Board, and presented to the Membership at the Annual Meeting of the Members, and deliver a copy of each to the Members at the Member's last address shown on the Association Records.

Section 9. Death of Officer. Should the president die, resign or be removed from office, then the Vice President shall accede to the office of president of the Association until the following Election Meeting. If there is no Vice President at that time, then the Secretary shall become President until the following Election Meeting.

ARTICLE IX APPOINTMENT OF COMMITTEES

The Board of Directors shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. The Association shall defend, indemnify and hold harmless any person of the Association who is made a party or is threatened to be made a party to any threatened, pending, or contemplated action, suit or proceedings, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, officer, committee member, employee or agent of the Association, according to the terms provided herein:

(a) From and against expenses (including but not limited to reasonable attorneys' fees for pretrial, trial, or appellate proceedings), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with an action, suit, or proceeding (other than one by him in the right of the Association), if he acted in good faith, and, with respect to any criminal action or proceedings, he had no reasonable cause to believe his conduct was unlawful, tortious, or in violation of the Association's governing documents; and

(b) From and against expenses (including but not limited to reasonable attorneys' fees for pretrial, trial, or appellate proceedings) actually and reasonably incurred by him in connection with the defense or settlement of an action or suit by or in the right of the Association, if he acted in good faith.

Section 2. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith, or, with respect to any criminal action or

proceeding, that such person had reasonable cause to believe that his conduct was unlawful, tortious, or in violation of the Association's governing documents.

Section 3. Notwithstanding any other provision hereof to the contrary, no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misconduct. (of a civil or criminal nature) in the performance of his duty to the Association.

Section 4. Any indemnification under Section 1 (unless ordered 6na court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director or officer, committee member, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit, or proceeding, or (b) if such quorum is not obtainable, or even if obtainable and a quorum of disinterested Directors so directs, by a majority vote of Members of the Association.

Section 5. Expenses incurred in defending a civil or criminal action, suit, or proceeding shall be paid by the Association from time to time as incurred rather than only after the final disposition of such action, suit, or proceeding. Payment of such expenses shall be authorized by the Board of Directors in each specific case only after receipt by the Association of an undertaking by or on behalf of the director or officer to repay such amounts if it shall later develop that he is not entitled to be indemnified by the Association.

Section 6. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which the Association's directors, officers, committee members, employees or agents may be entitled under the Association's bylaws, agreement, vote of Members or disinterested directors, or otherwise, both as to actions in their official capabilities and as to action in another capacity while holding such offices or positions, and shall continue as to a person who has ceased to be a director, officer, committee member, agent or employee and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 7. Notwithstanding the foregoing provisions, indemnification provided under this Article shall not include indemnification for any action of a director, officer, committee member, agent or employee of the Association for which indemnification is deemed to be against public policy. In the event that indemnification provided under this Article is deemed to be against public policy, such an event shall not invalidate or affect any other right or indemnification herein provided.

Section 8. The Association shall have the power, but shall not be obligated, to purchase and maintain indemnification insurance to provide coverage for any liability asserted against any director, officer, committee member, agent or employee of the Association in any of his capacities as described in Section 1, whether or not the Association would have the power to indemnify him or her under this Article.

Section 9. Any person requesting indemnification shall first look to any insurance maintained by the Association for indemnification against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement (as described above). The Association shall be obligated to indemnify such person (if entitled to indemnification by the Association) only to the extent such insurance does not indemnify such person. In the event that any expenses,

judgments, fines, or amounts paid in settlement are paid pursuant to insurance maintained by such Association, the Association shall have no obligation to reimburse the insurance company.

ARTICLE XI ASSOCIATION RECORDS

The Association Records shall at all times, during reasonable business hours, be subject to inspection and copying by any Member at the principal office of the Association. Association Records must be provided for inspection and copying within ten (10) days of a Member's written request. The Association may charge for copies up to and no more than the amount of actual copying cost to the Association.

ARTICLE XII ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association Annual and Special Assessments which are secured by a continuing lien upon the Lot against which the Assessment is made. Any Assessments which are not paid when due shall be delinquent. If the Assessment is not paid within thirty (30) days after the due date, the Assessment shall bear interest from the date of delinquency at the rate of the lesser of eighteen percent (18%) per annum, or the maximum allowed by law, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot. Interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such Assessments. No Owner may waive or otherwise escape liability for Assessments provided for herein by non-use of the Common Area, abandonment or rental of his Lot, or by any other means.

ARTICLE XIII CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: "KNIGHT LAKE ESTATES HOMEOWNERS ASSOCIATION, INC." and "Florida" and the year of incorporation.

ARTICLE XIV AMENDMENTS AND CONFLICTS

Section 1. These Bylaws may be amended, at a Regular or Special Meeting of the Members, by a vote of a majority of the eligible Voting Interests (in person or by proxy), However, until Class Conversion occurs, amendments may be vetoed by HUD/VA.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of conflict between the Declaration and these Bylaws, the Declaration shall control. In the case of any conflict between any of these governing documents and Florida Statutes or other law, the statutes or other law shall control.

ARTICLE XV
MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. Waiver. No provision of these Bylaws or any regulation promulgated by the Board of Directors shall be deemed to have been abrogated or waived by reason of any failure to enforce same, regardless of the number or frequency of Member violations or breaches which may have occurred.

Section 3. Severability. The provisions of these Bylaws are severable, and in the event one or more provisions hereof are deemed invalid or unenforceable, the remainder shall remain in full force and effect and shall be interpreted as closely as possible to the original intent.

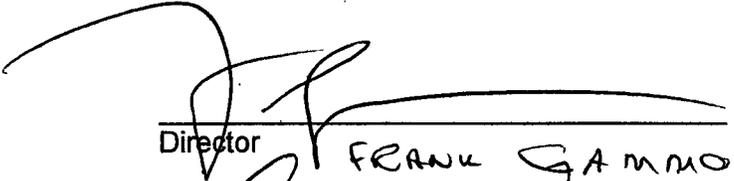
Section 4. Captions. Captions are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of the Bylaws or the intent of any provision.

Section 5. Gender and Number. All nouns and pronouns used herein shall be deemed to include the masculine, feminine, and neuter; and the singular shall include the plural and the plural shall include the singular whenever the context requires or permits.

Section 6. Roberts Rules. All meetings of the Board of Directors shall be conducted in accordance with the most recent edition of Roberts Rules of Order.

IN WITNESS WHEREOF, all of the Directors of KNIGHT LAKE ESTATES HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit, have hereunto set our hands this 18 day of MAY 2007.

Director


FRANK GANNON

Director


FRANKLIN C. BEATTY

Director


Susan Northcutt

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am duly elected and acting secretary of KNIGHT LAKE ESTATES HOMEOWNERS ASSOCIATION, INC. a Florida corporation not for profit,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 18th day of May, 2007.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Association this 18th day of May, 2007.

Susan Northcutt
Secretary

STATE OF FLORIDA

COUNTY OF LAKE

The foregoing instrument was acknowledged before me this 18th day of May, 2007, by Susan Northcutt as Secretary of KNIGHT LAKE ESTATES HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit, who is personally known or _____ who produced _____ as identification.



HEIDI SABEUR
MY COMMISSION # DD 300618
EXPIRES: April 20, 2008
Bonded Thru Budget Notary Services.

Heidi Sabeur
Notary Public, State of Florida

Print Name: Heidi Sabeur
My Commission Expires: 4/20/2008

EXHIBIT "D"
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.

November 18, 2005

Banyan Construction and Development, Inc.
301 N US Hwy 27 Suite G
Clermont, FL 34711

SUBJECT: Permit Number 40-069-100486-1
Knight Lake

Dear Sir/Madam:

Enclosed is your general permit as authorized by the staff of the St. Johns River Water Management District on November 18, 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 as 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 general 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 general 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 "Eliseo Miranda Jr.", with a stylized flourish at the end.

Eliseo Miranda Jr.
Data Management Specialist II
Division of Permit Data Services

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

cc: District Permit File

Consultant: Farner Barley & Associates Inc
350 North Sinclair Ave
Tavares, FL 32778

"EXHIBIT A"
CONDITIONS FOR ISSUANCE OF PERMIT NUMBER 40-069-100486-1
BANYAN CONSTRUCTION AND DEVELOPMENT, INC.
DATED NOVEMBER 18, 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:
 - a. Dimensions and elevations of all discharge structures including all weirs, slots, gates, pumps, pipes, and oil and grease skimmers;
 - b. 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;
 - c. Dimensions, elevations, contours, or cross-sections of all treatment storage areas sufficient to determine state-storage relationships of the storage area and the permanent pool depth and volume below the control elevation for normally wet systems, when appropriate;
 - d. Dimensions, elevations, contours, final grades, or cross-sections of the system to determine flow directions and conveyance of runoff to the treatment system;
 - e. Dimensions, elevations, contours, final grades, or cross-sections of all conveyance systems utilized to convey off-site runoff around the system;
 - f. 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 rule 40C-1.1006, F.A.C., 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 rule 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 archaeological 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. 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.

22. 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.
23. This permit requires the recording of a conservation easement.

Description of Conservation Easement Area

The permittee shall provide to the District for review and written approval a copy of: (a) the preliminary plat showing the area to be encumbered by the conservation easement, or (b) a surveyor's sketch and legal description of the area to be placed under the conservation easement, per the approved mitigation plan, at least 45 days prior to (1) dredging, filling, or clearing any wetland or surface water for which mitigation is required, (2) clearing any upland within a Riparian Habitat Protection Zone for which mitigation is required, (3) the sale of any lot or parcel, (4) the recording of the subdivision plat, or (5) use of the infrastructure for its intended use, whichever occurs first.

If the impacts to an upland within a Riparian Habitat Protection Zone or to a wetland or surface water for which mitigation is required will occur in discrete phases, the areas to be preserved to offset such impacts may be placed under conservation easement in phases such that impacts are offset during each phase. Such phasing of preservation shall only occur if it has been proposed in the mitigation plan and approved by the permit, or if it is approved in writing by the District. A surveyor's sketch and legal description of the area to be placed under conservation easement during each phase must be submitted in accordance with the previous paragraph.

Recording of Conservation Easement

Prior to (1) dredging, filling, or clearing any wetland or surface water for which mitigation is required, (2) clearing any upland within a Riparian Habitat Protection Zone for which mitigation is required, (3) the sale of any lot or parcel, (4) the recording of the subdivision plat, or (5) use of the infrastructure for its intended use, whichever occurs first, the permittee shall record a conservation easement which shall include restrictions on the real property pursuant to section 704.06, Florida Statutes, and be consistent with section 12.3.8, Applicant's Handbook, Management and Storage of Surface Waters (February 1, 2005). The conservation easement shall be in the form approved in writing by the District and, if no plat has been submitted, the easement shall include the approved legal description and surveyor's sketch. If the District does not provide written comments on the preliminary plat or surveyor's sketch and legal description within 45 days of receipt, then the permittee may record the conservation easement with the legal description and surveyor's sketch or plat reference previously submitted. If the District provides written disapproval of the preliminary plat or surveyor's sketch and legal description, the permittee shall, within ten (10) days of receipt of the disapproval, correct all errors with the conservation easement, including the preliminary plat or legal description and surveyor's sketch, and record the conservation easement.

Pursuant to section 704.06, Florida Statutes, the conservation easement shall prohibit all construction, including clearing, dredging, or filling, except that which is specifically authorized by this permit, within the mitigation areas delineated on the final plans and/or mitigation proposal approved by the District. The easement must contain the provisions set forth in paragraphs 1(a)-(h) of section 704.06, Florida Statutes, as well as provisions indicating that the easement may be enforced by the District, and may not be amended without written District approval.

Additional Documents Required

The permittee shall ensure that the conservation easement identifies, and is executed by, the correct grantor, who must hold sufficient record title to the land encumbered by the easement. If the easement's grantor is a partnership, the partnership shall provide to the District a partnership affidavit stating that the person executing the conservation easement has the legal authority to convey an interest in the partnership land. If there exist any mortgages on the land, the permittee shall also have each mortgagee execute a consent and joinder of mortgagee subordinating the mortgage to the conservation easement. The consent and joinder of the mortgagee shall be recorded simultaneously with the conservation easement in the public records of the county where the land is located. Within 30 days of recording, the permittee shall provide the District with: (a) the original recorded easement (including exhibits) showing the date it was recorded and the official records book and page number, (b) a copy of the recorded plat (if applicable), (c) a surveyor's sketch of the easement area plotted on the appropriate USGS topographic map, and (d) the original recorded consent and joinder(s) of mortgagee (if applicable).

Demarcation of Conservation Easement Area

Prior to lot or parcel sales, all changes in direction of the easement area boundaries must be permanently monumented above ground on the project site.

24. The project must be constructed as per plans received by the District on October 20, 2005, and as amended by Plan Sheets 10 and 21 received by the District on November 1, 2005.

25. The operation and maintenance entity shall inspect the stormwater or surface water management system once within two years after the completion of construction and every two years thereafter to determine if the system is functioning as designed and permitted. The operation and maintenance entity must maintain a record of each required inspection, including the date of the 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.

If at any time the system is not functioning as designed and permitted, then within 14 days the entity shall submit an Exceptions Report to the Altamonte Springs Service Center, on form number 40C-42.900(6), Exceptions Report for Stormwater Management Systems Out of Compliance.

26. This permit does not authorize any work within wetlands or other surface waters.

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:

Banyan Construction and Development, Inc.
301 N US Hwy 27 Suite G
Clermont, FL 34711

At 4:00 p.m. this 18th day of November, 2005.



Division of Permit Data Services
Gloria Lewis, Director

St. Johns River Water Management District
Post Office Box 1429
Palatka, FL 32178-1429
(386) 329-4152
Permit Number: 40-069-100486-1

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. O. 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.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
CONSTRUCTION COMMENCEMENT NOTICE

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
POST OFFICE BOX 1429
PALATKA, FL 32178-1429

PROJECT: KNIGHT LAKE PHASE: _____

I hereby notify the St. Johns River Water Management District that the construction of the surface water management system authorized by Environmental Resource Permit No. 40-069-100486-1 has commenced/~~is expected to commence on~~ _____20_____ and will require a duration of approximately 4 months _____ weeks _____ days to complete. It is understood that should the construction term extend beyond one year, I am obligated to submit the Annual Status Report for Surface Water Management System Construction form no. 40C-4.900(4).

PLEASE NOTE: If the actual construction commencement date is not known, District staff should be so notified in writing in order to satisfy permit conditions.


FRANK GAMMOND
Permittee's or
Authorized Agent's
Signature

S.R.V.P. BANYAN CONSTRUCTION &
Title and Company REV., INC

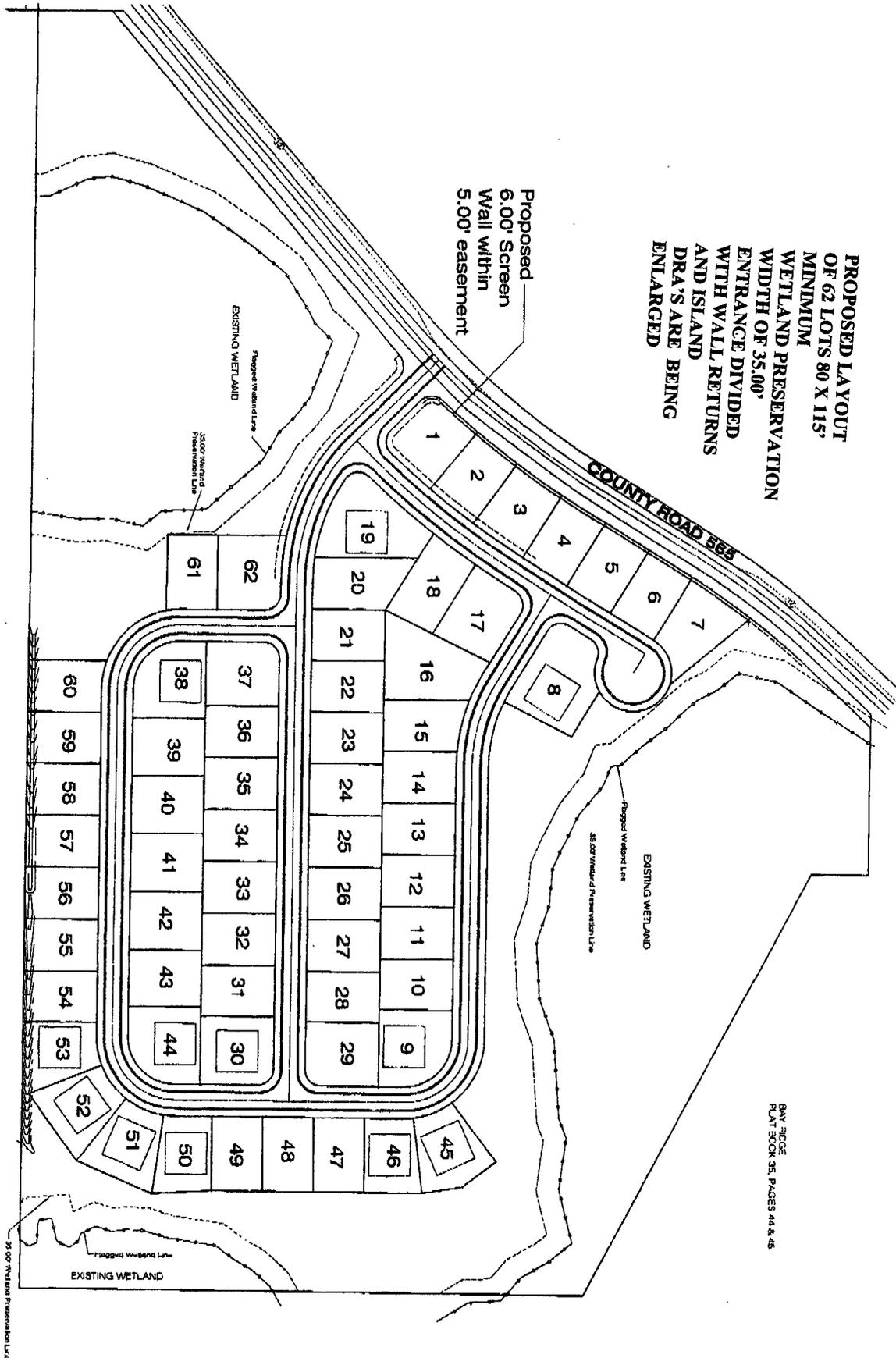
12/18/05
Date

352. 394. 8215
Phone

301 N. U.S. Hwy 27, Suite G, Clewiston, FL
Address 1 34711

EXHIBIT "E"

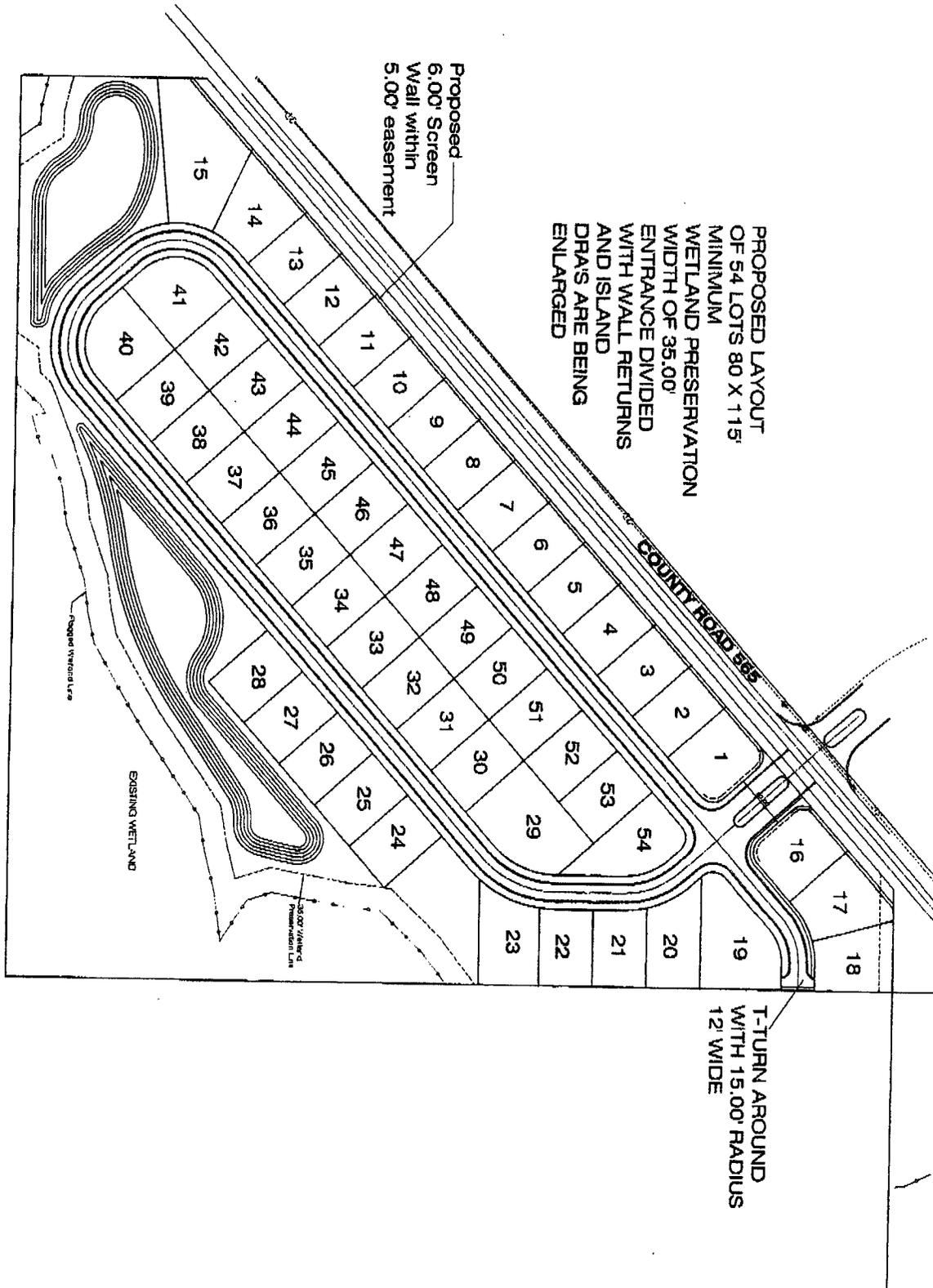
NON-BINDING PRELIMINARY DEVELOPMENT PLAN



**PROPOSED LAYOUT
OF 62 LOTS 80 X 115'
MINIMUM
WETLAND PRESERVATION
WIDTH OF 35.00'
ENTRANCE DIVIDED
WITH WALL RETURNS
AND ISLAND
DRA'S ARE BEING
ENLARGED**

DRAWING
PLAN BOOK 98, PAGES 44 & 45

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