

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

FOREST LAKES

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
FOREST LAKES PLANNED UNIT DEVELOPMENT**

THIS DECLARATION, made the date hereinafter set forth, by FOREST LAKES DEVELOPERS, LLC, a Florida limited liability company, whose address is #7 Town Center Loop, Unit C-14, Santa Rosa Beach, FL 32459, hereinafter called "Declarant."

WITNESSETH:

WHEREAS, Declarant is the Owner of certain real property more particularly described in Attached Exhibit "A." Declarant hereby declares that all of the real property described above shall be held, sold and conveyed subject to the approvals granted by Walton County, Florida for Forest Lakes Planned Unit Development and the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the described property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

Declarant, the Association, and their respective heirs, successors, and assigns may enforce this Declaration. This Declaration shall be effective for a minimum of 25 years from the date it is recorded. After 25 years, this Declaration shall be extended automatically for successive 10-year periods unless at least 75% of the then Owners sign a document stating that the Declaration is terminated and that document is recorded within the year before any extension. In such case, this Declaration shall expire on the date specified in the termination document.

ARTICLE I. DEFINITIONS

Section 1.1 "Articles" shall mean the Articles of Incorporation of the Association, as amended from time to time.

Section 1.2 "Assessments" shall mean any sum of money payable to the Association which if unpaid can result in a lien against an Owner's Lot, including, without limitation, the classes of Annual, Specific and Special Assessments provided for in Article V of this Declaration.

Section 1.3 "Association" shall mean and refer to Forest Lakes Community Owners' Association, Inc., a Florida non-profit corporation, its successors and assigns.

Section 1.4 "Board" or "Board of Directors" shall mean the Board of Directors of the Association.

Section 1.5 "Buffer Areas" shall mean the areas of the Property which are designated protection zones by the Declarant or any governmental agency having jurisdiction over the Properties.

Section 1.6 "Bylaws" shall mean the Bylaws of the Association, as amended from time to time. A copy of the initial Bylaws is attached to this Declaration as Exhibit "B."

Section 1.7 "Common Areas" shall mean the areas of the Property which are from time to time owned or leased by the Association or upon which the Association has easement or use rights, together with all other real and personal property owned or leased by the Association from time to time for the common use, benefit, and enjoyment of all or several of the Owners. Common Areas shall also include areas of the Property owned by Declarant, which are to be transferred to the Association as Common Areas. Nothing in this Declaration is intended as a dedication of any portion of the Common Areas to the Public. The Common Areas to be conveyed by Declarant to the Association is described as those areas designated as Common Area on the plat of Forest Lakes, Phase I, a Planned Unit Development, as recorded in Plat Book 16, Pages 6 and 6A, of the Public Records of Walton County, Florida, along with any additional plats filed covering future phases of Forest Lakes Planned Unit Development;

The Declarant may subsequently convey additional property to the Association as additions to the Common Area.

Section 1.8 "Community" or "Forest Lakes" shall mean the real property described in Exhibit "A" and any property that may be added to this Declaration pursuant to a Supplemental Declaration.

Section 1.9 "Declarant" shall mean and refer to Forest Lakes Developers, LLC, a Florida limited liability company, its successors and assigns.

Section 1.10 "Design Code" shall mean that document created by Declarant which establishes the applicable standards and guidelines for construction and improvement of the Lots.

Section 1.11 "Design Review Board" or "DRB" shall refer to the committee established to review plans and specifications for all construction or modification of improvements on any Lot and to administer and enforce the architectural controls described in Article VI.

Section 1.12 "Dwelling" shall mean a residential structure constructed on a Lot.

Section 1.13 "Easement Areas" shall mean those areas designated as easement areas on the Plat(s) together with any additional easement areas in which easement rights may be granted to the Association for the benefit of Owners from time to time and other easements recorded in the Public Records of Walton County, Florida.

Section 1.14 "Landscape Zones", shall mean those areas designated with the Design Code as "Street Right of Way Zone", "Front Facade Zone", "Driveway Zone", "Buffer Zone", and "Private Zone", as well as any mandated preservation areas and buffers noted on the Plats or mandated by governmental agencies having jurisdiction over the Properties.

Section 1.15 "Lot" shall mean each numbered lot, as shown by the plat(s) of Forest Lakes Planned Unit Development, as recorded in the Public Records of Walton County, Florida, any addition to the Properties and any other lot(s) added to the Properties. Residential Lots shall be limited to residential uses specified in Section 7.1A herein. Non-Residential Lots shall be limited to such non-residential uses as are described in Section 7.1B herein.

Section 1.16 "Member" shall refer to each Lot Owner, as described in Section 4.1. There are two membership classes, Class "A" and Class "B."

Section 1.17 "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot, which is part of the Properties.

Section 1.18 "Person" shall mean any natural person or artificial entity having legal capacity.

Section 1.19 "Plat" or "Plat(s)" shall mean the plat of any and all phases of Forest Lakes Planned Unit Development, together with any plat of additional property added to the Properties.

Section 1.20 "Property" or "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II. PROPERTY RIGHTS

Section 2.1 Common Area. Every Owner shall have a right and nonexclusive easement of use, access and enjoyment in and to the Common Area, subject to:

(a) This Declaration and any other applicable covenants; including restrictions related to preservation and maintenance of Landscape Zones and Buffer Areas;

(b) Vegetated Natural Buffer that are to remain undisturbed in its natural state in perpetuity per Florida DEP requirements;

- (c) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (d) The right of the Board of Directors to adopt rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;
- (e) The right of the Board of Directors to suspend the right of an Owner to use recreational facilities within the Common Area (i) for any period during which any charge against such Owner's Lot remain delinquent, and (ii) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation of the Declaration, any applicable Supplemental Declaration, the Bylaws or published rules and regulations of the Association after notice and a hearing;
- (f) The right of the Association, acting through the Board of Directors, to dedicate or transfer all or any part of the Common Area pursuant to the Declaration, Bylaws and Articles;
- (g) The right of the Board of Directors to impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Area;
- (h) The right of the Board of Directors to permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees and guests upon payment of use fees established by the Board of Directors;
- (i) The right of the Association, acting through the Board of Directors, to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and
- (j) The right of the Association to rent or lease any portion of any recreational facility within the Common Area on a short-term basis to any Owner for the exclusive use of such Owner and such Owner's family and guests.

Any Owner may extend his or her right of use and enjoyment of Common Areas to the members of his or her family, lessees, social invitees, licensees or contract purchasers, as applicable, only if the Owner is present or such individuals are staying overnight in the Owner's Dwelling, and subject to reasonable regulation by the Board of Directors. An Owner who leases his or her Dwelling shall be deemed to have assigned all such use and enjoyment rights to the lessee of such Dwelling.

2.2 Owner's Responsibility. Each Owner shall install and maintain his or her Lot and all structures, parking areas and other improvements comprising the Lot in a manner consistent with the Design Code, and Site Plan and Building Plan approved by the DRB and all applicable covenants. In addition to any other enforcement rights, if an Owner fails to properly perform his or her installation and/or maintenance responsibility, the Association may perform such responsibilities and assess all costs incurred by the Association against the Lot. The Association shall afford the Owner reasonable written notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with all applicable covenants. The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of property that it does not own.

Each Owner shall carry property insurance for the full replacement cost of all insurable improvements on his or her Lot, less a reasonable deductible.

Within three months of any damage or destruction of a structure on a Lot, the Owner shall repair or reconstruct the structure in a manner consistent with the original construction or other plans and specifications approved in accordance with Article VI; provided, under special circumstances, the Board, in its discretion, may extend such time period. The Owner shall pay any costs insurance proceeds do not cover.

ARTICLE III. RESUBDIVISION AND ANNEXATION

Section 3.1 Resubdivision. Lots may not be subdivided or separated into smaller lots, or any portion of a Lot separately conveyed, except by the Declarant. However, this provision shall not prohibit corrective deeds or similar corrective instruments. The Declarant shall have the right to modify Plats to make adjustments to lot boundary lines with consent only of those Owners whose Lot boundaries are to be changed.

Section 3.2 Annexation of Additional Property. Declarant may annex other land under the provisions hereof by recorded supplemental declarations (which shall not require the consent of then existing Owners, the Association, or any mortgagee) and thereby add to the Properties. Where such other land is not then owned by the Declarant, the Owner thereof shall join in the applicable supplemental declaration. Such supplemental declaration and any plat of the annexed land shall describe any additional Lot, Common Area or other area, which is included by such annexation. By acceptance of delivery of title to any property described hereunder, any Owner expressly consents and agrees to the foregoing provision and acknowledges the privilege of the Declarant to annex other land, which may be granted the privilege of utilizing the Common Area. In the event that additional property is annexed to the Property pursuant to this Article, such additional lands shall be considered within the definition of the Property for all purposes of this Declaration.

Section 3.3 Mergers. Upon a merger or consolidation of the Association with another owners' association (or similar organization) as may be provided in the By-laws, the Association's properties, rights and obligations may be transferred to another surviving or consolidated owners' association, or alternatively, the Association may constitute the surviving association pursuant to a merger. The surviving or consolidated owners' association may administer the covenants and restrictions established by this Declaration together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the covenants and restrictions established by this Declaration within the presently existing Property, except in accordance with amendment procedures of this Declaration.

ARTICLE IV. MEMBERSHIP AND VOTING RIGHTS

Section 4.1 Membership. Every Owner of a Lot shall become a member ("Member") of the Association. If title to a Lot is held by more than one Person, each Person is a Member. An Owner of more than one Lot is entitled to one membership for each Lot owned (subject to Section 4.3 below). Each membership is appurtenant to the Lot upon which it is based and is transferred automatically by conveyance of title. No person other than an Owner may be a Member, and membership in the Association may not be transferred except by the transfer of title to a Lot.

Section 4.2 Voting. The Association shall have two classes of membership: Class "A" and Class "B." Class "A" Members are all Owners except the Declarant. The Class "B" Member shall be the Declarant. Upon termination of Class "B" membership, as provided below, Class "A" Members are all Owners, including Declarant so long as Declarant is an Owner. The Class "B" Member shall be entitled to five votes for each Lot owned or planned. Class "A" Members shall be entitled to cast one vote for each Lot owned (and in the case of Lots which have been consolidated with other Lots or partial Lots pursuant to the provisions herein set forth, voting rights for such consolidated Lot(s) shall be adjusted upwards in proportion to the increase in size by virtue of such consolidation). The Class "B" Member is entitled to elect the Board of Directors until the termination of the Class "B" membership.

Section 4.3 Co-Ownership. If more than one Person owns an interest in any Lot, or if more than one Person owns separate portions of a Lot, all such Persons are Members; but there may be only one vote in the aggregate cast with respect to each such entire Lot. Such vote may be exercised as the Co-Owners determine among themselves; but no split vote is permitted among Co-Owners. Prior to any meeting at which a vote is to be taken, each Co-Owner must file the name of the voting Co-Owner with the Secretary of the Association to be entitled to vote at such meeting, unless such Co-Owners have filed a general voting authority with the Secretary applicable to all votes until rescinded. Notwithstanding the foregoing, if title to

any Lot is held jointly by a husband and wife, either spouse is entitled to cast the vote for such Lot unless and until the Association is notified by either spouse otherwise in writing.

Section 4.4 Class "B" Termination. The Class "B" membership will terminate and convert automatically to Class "A" membership (to the extent the Declarant then owns Lots) ("Turnover") upon the happening of any of the following, whichever occurs first:

(a) Three months after Declarant conveys to the Class "A" Members (other than any successor Declarant, developers, builders, contractors or others who purchase a Lot for the purpose of constructing improvements thereon for resale), all its rights, title and interests to ninety percent (90%) of the total platted Lots and ninety percent (90%) of any additional land uses planned for inclusion within the Properties; or

(b) The decision of Declarant to convert to Class "A" membership.

Upon termination of the Class "B" membership, all provisions of this Declaration, Articles, or By-Laws referring to Class "B" membership will be obsolete and without further force or effect, including any provision requiring voting by classes of membership. However, notwithstanding the termination of the Class "B" membership, Declarant may, at its option, in place of voting its Class "A" membership votes for the election of the Board of Directors, appoint one of the Directors to the Board of Directors, so long as Declarant holds for sale in the ordinary course of business at least five percent (5 %) of the total of all the existing Lots in the Property and any land uses planned for inclusion within the Properties. If Directors are being elected for different terms the Declarant shall be entitled to appoint a Director who will sit for the longest term being offered.

Section 4.5 Additional Classes of Membership. The Declarant may, by Supplemental Declaration, create additional classes of membership for the Owners of Lots and/or units within any additional property made subject to this Declaration, in recognition of the different character and intended use of the Property subject to such Supplemental Declaration.

ARTICLE V. COVENANT FOR MAINTENANCE ASSESSMENTS

Section 5.1 Creation of the Lien and Personal Obligations of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of title thereunto, whether or not it shall be so expressed in such deed or other conveying instrument, is deemed to covenant and agree to pay to the Association (a) Annual Assessments or charges as hereinafter specified, (b) Special Assessments for capital improvements, such assessments to be established and collected as hereinafter provided, and (c) Specific Assessments imposed upon an individual Owner for repair or maintenance necessitated by the willful or negligent act of the Owner, his family, or their guests, their tenants, their invitees, their contractors, their employees, or their agents. The Annual, Specific, and Special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment is made. Each such Assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the Assessment fell due. Such personal obligation for delinquent Assessments shall become a joint and several obligation of the Owner's successors in title upon transfer of a Lot while delinquent Assessments are outstanding.

Section 5.2 Purposes of Assessments. The Assessments levied by the Association shall be used (a) to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvements and maintenance of the Common Areas, Buffer Areas, and Landscape Zones and (b) to fulfill the responsibility of the Association as described in this Declaration, the Articles of Incorporation, the By-Laws, and the Design Code and (c) to fulfill the responsibilities of the Association as it may relate to the waste water collection system, drainage system, and storm water system arising as a result of any agreement with or requirement of Walton County, the State of Florida, or Regional Utilities, its successors or assigns.

In the event that the need for maintenance or repair of Common elements, Common Area, Buffer Areas, and/or Landscape Zones is caused through the willful or negligent act of the Owner, his/her/its family,

guests, invitees, contractors, employees, or agents, the costs of such maintenance or repairs shall be added to and become a part of the Assessment to which such Lot is subject.

Section 5.3 Annual Assessment. The Annual Assessment shall initially be \$ 2,100.00 per year per Lot. Annual assessments may be imposed on each Lot from the date of conveyance of such Lot by the Declarant. Until the Declarant shall elect to pay annual assessments on Lots, which have not been conveyed by the Declarant to others, to the extent that the revenue received from Annual Assessments is not adequate to pay the expenses of the Association, the Declarant shall pay the difference between such revenue and expense. At each annual membership meeting, or at a special meeting properly called for such purpose, the amount of the Annual Assessment shall be established and approved by a majority of the voting interests present and voting at a meeting of the membership called for such purpose. In the event of maintenance or repair cost necessitated by the willful or negligent act of an Owner, his family or their guests, tenants or invitees occasions an increased assessment to a particular Owner, that increase may be established as a Specific Assessment by the Association's Board of Directors. Annual Assessments may be collected on a monthly, quarterly, semi-annual or annual basis as the Board of Directors may establish. Initially such assessments shall be payable quarterly.

Section 5.4 Uniform Amount of Annual Assessments. Annual Assessments must be uniform throughout the Lots. Notwithstanding any other provision herein contained, in the event Lots are consolidated with other Lots or partial Lots as permitted by this Declaration, Assessments shall thereafter be imposed against any such consolidated Lot(s) in proportion to the increase in size by virtue of the consolidation.

Section 5.5 Provision for Reserves. As a part of the Annual Assessment described in Section 5.3, the Association may establish reserves for working capital, contingencies, Common Area and Landscape Zones, capital improvements, repairs, maintenance and replacements, or other items as determined by the Board. Until the Declarant shall elect to pay Annual Assessments on Lots that have not been conveyed by the Declarant to others pursuant to the provisions of this Declaration, the Declarant shall have no obligation to contribute to any reserves described within this Section.

Section 5.6 Special Assessments. The Board of Directors may impose Special Assessments at a meeting of the membership called for the purpose of adopting such Special Assessment. All Special Assessments shall be assessed in the same proportion as Annual Assessments. This requirement for proportionality shall not apply to Specific Assessments imposed upon an individual Owner for repair, restoration or maintenance necessitated by the willful or negligent act of the Owner, his family, his guests, tenants, invitees, contractors, employees, or agents.

Section 5.7 Notice and Quorum for any Action Authorized. Written notice of any meeting called for the purpose of taking any action authorized under Section 5.3, 5.5, or 5.6 shall be sent to all Members not less than 14 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast thirty percent (30%) of all votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting. Quorum requirements for action taken under Section 5.6 shall be a majority of the Board of Directors in person or by proxy.

Section 5.8 Date of Commencement of Annual Assessments - Due Dates. Unless the Declarant shall earlier elect to submit a Lot for payment of Annual Assessments, the Annual Assessments provided for herein shall commence for each Lot on the later of the date on which such Lot is conveyed by the Declarant to an Owner or the date on which roads, water and sewer improvements to that Lot have been deemed complete by the Declarant. The first quarterly assessment shall be paid in advance when the Owner takes title to its Lot. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. The Board of Directors shall establish the due dates for all assessments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on a specified Lot has been paid.

Section 5.9 Effect of Nonpayment of Assessments - Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen (18%) percent per annum. The Association may bring an action at law against any past or present Owner(s) personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his Lot. The Board may suspend any Owners use of Common Area amenities for non payment of any assessments, until all past due assessments and associated interest is paid to the Association.

Section 5.10 Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure of any first mortgage or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 5.11 Owners' Transfer Contributions. Each Lot Owner, at the time of acquisition of title of the Lot from the Declarant or any subsequent Owner, shall pay to the Association the sum of \$250 which shall provide an additional source of funds to pay expenses of the Association. Without limitation, such funds may be used as additional working capital, may be expended for capital improvements to the Common Area, and may be used to purchase personal property for use by the Association or the Owners.

ARTICLE VI. DESIGN CODE AND DESIGN CODE ADMINISTRATION

Section 6.1 General. No structure shall be placed, erected, or installed upon any Lot, and no improvements (including staking, clearing, improvements, and planting or removal of landscaping materials) shall take place except in compliance with this Article and with the approval of the Design Review Board as described in Section 6.5. Notwithstanding this, the Board may exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

Any Owner may remodel, paint, or redecorate the interior of structures on his or her Lot without approval. However, modification to the interior screen porches, patios or similar portions of the a Lot visible from the outside the structures on the Lot shall be subject to approval. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications.

This Article shall not apply to the activities of the Declarant, nor to improvements to the Common Area on behalf of the Association.

This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

Section 6.2 Design Code. The Declarant has caused to be prepared the Forest Lakes Design Code, referred to as the "Design Code", which establishes the applicable standards and guidelines for construction and improvement of the Lots. Each Owner, by acceptance of title to a Lot, covenants to comply with the Design Code as such Design Code exists on the date on which such Owner shall make application for approval of initial construction plans, or any subsequent plans for reconstruction or remodeling of an approved structure on a Lot. The Design Code may be amended only by the Declarant. The Declarant may transfer the authority to amend the Design Code to the Association.

Section 6.3 Design Review Board.

(a) **Composition.** Declarant shall initially appoint a Design Review Board consisting of not less than two (2) nor more than five (5) persons. Declarant may select any successor or replacement to the Design Review Board until the happening of either of the following events, whichever occurs first: (i) five (5) years following the conveyance of the first Lot or (ii) written waiver by Declarant of its right to appoint Design

Review Board members. The Association's Board of Directors shall thereafter appoint the Design Review Board members. In the event of any resignation or vacancy, the remaining members shall exercise the Design Review Board's authority until a replacement has been made.

(b) Compensation. Members of the Design Review Board may be paid reasonable compensation as determined by the Association's Board of Directors.

(c) Cost of Operation. At the discretion of the Association, the Design Review Board may be funded in whole or in part by the Association, or may set fees to cover all or part of the cost of its operation.

(d) Employees. The Design Review Board may employ personnel or contract with individuals or companies as necessary to assist in the review process.

Section 6.4 Approved Designers and Builders. The Design Review Board must approve all designers and builders of improvements on Lots. The Design Review Board shall have the right, in its sole discretion, to allow only approved, registered architects to design improvements and only approved builders to construct structures within Forest Lakes.

Section 6.5 Review Procedure.

(a) Construction Subject to Review. All construction or modification (except interior alterations not affecting the external structure or appearance of any structure) on any Lot or within the Common Area must be approved in advance by the Design Review Board. Modifications subject to review specifically include, but are not limited to, painting or other alteration of a structure (including doors, windows and trim); replacement of roof or other parts of structures; installation of antennas, satellite dishes or receivers, solar panels or other devices; construction of fountains, swimming pools, spas or other pools, construction of privacy walls or other fences or gates; addition of awnings, flower boxes, shelves, statues, or other outdoor ornamentation; window coverings; any individual wells and any material alteration of the landscaping or topography of Forest Lakes, including without limitation, any removal or cutting of trees or plants. The listing of a category does not imply that such construction is permitted. The Design Code may, for example, prohibit specific improvements. The non listing of a category above does prohibit the requirement of other items requiring approval prior to construction.

(b) Application. The plans to be submitted for approval shall include, as applicable, site layout, structural design, exterior elevations, exterior materials and colors, proposed clearing and landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as well as such other items as the Design Review Board and the Design Code requires. No construction on any Lot shall be commenced and no Lot shall be modified except in accordance with approvals of the Design Review Board. Any modification to Design Review Board approved plan must be reviewed and approved by separate application.

(c) Basis for Decision. In reviewing each submission, the DRB may consider the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, among other things. Decisions of the DRB may be based on purely aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary as board members change over time. The Design Review Board may grant variances from the Design Code based on existing topographical or landscape conditions, demonstrated hardship, or architectural merit. Applications shall be reviewed for compliance with the current version of the Design Code as of the date on which the application is received. Applicants may be required to resubmit for design approvals based upon the then current Design Code as of the resubmission date if construction of approved improvements does not commence within the time periods specified in the Design Code. No variance shall (i) be effective unless in writing; (ii) be contrary to this Declaration; or (iii) prevent the DRB from denying a variance in other circumstances. A variance requires Declarant's written consent for so long as Declarant or its members own any portion of the Property or has the unilateral right to annex property, and, thereafter, requires the Board's written consent.

(d) Uniform Procedures.

- i. Review Procedure: The Design Review may establish procedures for the review of applications, including review costs and fees, if any, to be paid by the applicant.
- ii. Construction Regulations: The Design Review Board may also establish regulations governing procedures and behavior of contractors, materials, suppliers and other construction related visitors.

(e) Notification: Construction. The Design Review Board shall notify the applicant of its decision within the time limits set out in the Design Code. If approval is given in accordance with the provisions of the Design Code, construction of the improvements may begin. All construction must comply with the submitted plans.

(f) Enforcement. Any structure or improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the DRB the Association or the Declarant, Owners shall, at their own cost and expense, remove such structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Association or its designees shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Lot and collected as a Specific Assessment. The foregoing shall not preclude the same entities from assessing fines of \$100 per day up to \$5000.00 per occurrence for any violation of construction rules, Codes or approvals.

Unless otherwise specified in writing by the board granting approval, all approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Lot. In the event that any person fails to commence and diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard in accordance with By-Laws Section 3.24, to enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and the Owner thereof as a Specific Assessment.

Any contractor, subcontractor, agent, employee, or other invitee of any Owner who fails to comply with the terms and provisions of this Article and the Design Code may be excluded by the Board from the Property, subject to the notice and hearing procedures contained in the By-Laws. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this paragraph.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the DRB.

(g) Approved Contractors and Suppliers. The Design Review Board shall keep a current list of all approved contractors for Forest Lakes (Approved Contractors List). If a contractor does not appear on this Approved Contractors List, they are not allowed to construct any improvements within Forest Lakes. The Approved Contractors List is not an endorsement of any contractor by any board or board member of Forest Lakes. Approved contractors and suppliers providing services and materials within Forest Lakes shall be required to agree to construction regulations and post deposits that may be forfeited if the contractor violates the construction regulations. Construction contractors who are unwilling to comply with the construction regulations or who continue to violate the construction regulations may be prohibited from building within Forest Lakes by vote of the Board of Directors.

Section 6.6 Liability. This Article establishes standards and procedures as a mechanism for maintaining and enhancing the overall aesthetics of Forest Lakes. The standards and procedures do not create any duty to any Person. Review and approval of any application pursuant to this Article may be based on purely aesthetic considerations. The DRB is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other

governmental requirements, or for ensuring that every dwelling is of comparable quality, value, or size, of similar design, or aesthetically pleasing or otherwise acceptable to other Owners.

Declarant, the Association, its officers, the Board, the DRB, the Association's management agent, any committee, or any member of any of the foregoing shall not be held liable for the approval of, disapproval of, or failure to approve or disapprove any plans; soil conditions, drainage, or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not Declarant has approved or featured such contractor as a Builder in the Community; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Lot. In all matters, the Association shall defend and indemnify the Board, the DRB, the members of each, and the Association officers as provided in Section 13.1.

ARTICLE VII. USE RESTRICTIONS

Section 7.1 Allowable Uses. Residential Lots - Each Residential Lot shall be used and occupied for only residential purposes and home occupations. Home occupations shall conform to Walton County ordinances, the Design Code and the rules and regulations of the Association. Only one primary residence shall be constructed on each Lot. As an appurtenance to a primary residence, a separate ancillary apartment, which may not be rented separate and apart from the rental of the primary residence, may be constructed if feasible given the Lot's dimensions and the requirements of the Design Code. The Design Review Board shall have the sole authority to determine if an ancillary apartment may be constructed upon a Lot.

This Section shall not apply to restrict Declarant's activities, nor shall it restrict the activities of Persons Declarant approves with respect to the development and sale of property in the Community. This Section also shall not apply to Association activities related to the provision of services or to operating and maintaining the Community, including the Community's recreational and other amenities.

Section 7.2 Renting. Residential dwellings may be rented, subject only to rules and regulations established by the Association. At the time of the original recording of this Declaration, no rule or regulation shall limit the length of leases. All leases or rental agreements pertaining to a Lot shall be in writing and shall specifically subject the lessee to the requirements of this Declaration, and to all rules and regulations, which shall have been properly promulgated. All individual leases must be approved in advance of execution for form by the Association on these points. All owners leasing a dwelling must provide the Association with a copy of the current approved executed lease at the outset of renewal of any lease term. In the alternative, an owner may provide an executed copy of a rental management agreement for the rental of the dwelling.

Section 7.3 Offensive Activities. No noxious or offensive trade or activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the Owners of other Lots.

Section 7.4 Fires. No fires for burning of trash, leaves, clippings or other debris or refuse shall be permitted on any part of the Lots or land contiguous thereto.

Section 7.5 Vehicles and Parking. As used in this Section, the term "vehicles" includes, without limitation, automobiles, trucks, boats, trailers, motorcycles, campers, vans, and recreational vehicles.

No vehicle may be left upon any portion of the Community except in a garage, driveway, or other area the Board designates. No person shall park any pick-up truck with a camper top or other raised enclosure or commercial lettering or logos, or any recreational vehicle, mobile home, trailer, camper, stored vehicle, commercial vehicle (including all vehicles with commercial lettering or logos), or any unlicensed or inoperable vehicle within the Community other than in an enclosed garage. "Sports utility vehicles" and "mini-vans" (as such vehicles are commonly referred to, as determined in the Board's discretion) and pick-up trucks without raised enclosures or commercial writing or logos shall be treated as automobiles and may be parked in driveways outside of enclosed garages. Boats or other watercraft may be kept or stored on a Lot only so long as they are screened from view from outside of the Lot. This Section shall not apply to

emergency vehicle repairs or to construction, service, and delivery vehicles for periods necessary to perform the services or make a delivery.

Notwithstanding the above, for purposes of cleaning, loading, unloading, and short term parking, recreational vehicles may be parked outside of an enclosed garage for up to one hour within each calendar month.

Section 7.6 Animals. Pets may be kept by an Owner on his Lot but only if such pets do not cause a disturbance or annoyance within Forest Lakes. The Association reserves the right to regulate the number of pets, to prohibit keeping of animals other than customary household pets, to require pets to be on a leash or otherwise confined, to restrict the rights of tenants to keep pets, and to disallow pets on any portion of the Common Area.

Section 7.7 Insurance. Nothing shall be done or kept on any Lot or the Common Area, which will increase the rate of, or result in cancellation of, insurance for Common Areas, Lots, or the contents thereof, without the prior written consent of the Association.

Section 7.8 Signs. No signs of any kind shall be displayed on the property except small signs as specified in the Design Code. The foregoing shall not preclude the erection of signs by the Declarant during the time of its development and marketing of the Lots. The Declarant and the Association shall have the right to place on Common Areas signs relating to the Common Area.

Section 7.9 Attractiveness of Lots. It shall be the responsibility of each Owner to prevent the development of any unclean, unsightly or unkempt condition of the building or grounds on such Lot, which will decrease the beauty of the neighborhood as a whole or the specific area. All Lots and buildings shall be maintained in a neat, clean and well-kept condition. Natural vegetation within the Buffer Areas is to remain undisturbed in its natural state in perpetuity per Florida DEP. Landscape Zones on each Lot shall be preserved and maintained on each Lot by the Owner in accordance with the provisions of this Declaration and the Design Code. The Landscape Zones which retain the natural vegetation or are restored to a natural regime shall be maintained to preserve and enhance their natural character. No garbage, trash, ashes, refuse, house trailers, junk or other waste shall be thrown, dumped, placed or kept on any of the above described Areas or lands contiguous thereto. All garbage shall be kept in sanitary containers as specified in the Design Code. In the event of an Owner's failure to properly maintain or repair in accordance with the requirements of this section, following written notice thereof from the Association to such Owner of its intention, the Association shall be authorized to enter upon the property to accomplish such maintenance or repair, the expense of which shall then be recoverable by the Association by assessment to the Owner of the Lot or other legal means. The foregoing remedies shall not preclude the Association from assessing fines of \$100 per day up to \$5,000 per occurrence.

Section 7.10 Utility Services and Communications Equipment. All electrical service, telephone lines, television cables, natural gas lines, communication system lines and similar items shall be placed underground. Utility suppliers may require specific placement areas for meters. It is the Owners' responsibility to gain approval, prior to installation of any meter or other utility device that has not been previously approved by the DRB, from the DRB if any meter or utility device has been approved at a different location. Exposed or exterior radio or television transmission or receiving antennas, as well as parabolic dishes or satellite dishes, when installed in a manner which minimizes visual impacts, may be permitted at the Design Review Board's sole discretion.

Section 7.11 Clothes Drying. No clotheslines shall be located upon a Lot so as to be visible from any street or from any adjoining real property.

Section 7.12 Temporary Structures. The Association may prohibit or regulate structures of a temporary character, trailers, tents, shacks, barns, sheds, or other outbuildings.

Section 7.13 Common Area, Buffer Area, and Landscape Zone Use. The Association may promulgate rules and regulations to define and restrict the use of the Common Areas, Buffer Area, and Landscape Zone and any structures, which may be constructed thereon by the Owners, Declarant or the Association.

Section 7.14 Timeshare. No timeshare ownership of any structure constructed on a Lot shall be permitted without Declarant's written approval, which may be issued or withheld at Declarant's sole discretion. Timeshare ownership shall include any method of ownership where the right of use, possession or occupancy is divided into time units or points and sold, leased or licensed to various individuals. Timeshare ownership shall generally not include ownership by a group of individuals as tenants-in-common or other joint tenancy.

ARTICLE VIII. INSURANCE

Section 8.1 Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not, the most nearly equivalent coverage as are reasonably available:

(a) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area and within other portions of the Common Maintenance Areas to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership. All Association property insurance policies shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;

(b) Commercial general liability insurance on the Common Maintenance Areas, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least \$2,000,000.00 per occurrence and in the aggregate with respect to bodily injury, personal injury, and property damage;

(c) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(d) Directors and officers liability coverage; and

(e) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's business judgment, but not less than an amount equal to one-quarter of the Annual Assessments on all Lots plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation.

In the exercise of its business judgment, the Board may obtain additional insurance coverage and higher limits. Premiums for Common Maintenance Area insurance shall be a Common Expense.

Section 8.2 Policy Requirements. The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Walton County area. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible which shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 8.1. In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or tenants, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots as a Specific Assessment.

To the extent available upon reasonable cost and terms, all insurance coverage obtained by the Board shall:

(a) be written with a company authorized to do business in Florida which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(b) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members.

(c) not be brought into contribution with insurance purchased by individual Owners, their Mortgagees, or any occupants of a Lot;

(d) contain an inflation guard endorsement;

(e) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(f) provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Area as a Member in the Association (provided, this provision shall not be construed as giving an Owner any interest in the Common Area other than that of a Member);

(g) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and

(h) include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners (as a class) as additional insureds and provide:

(i) a waiver of subrogation as to any claims against Declarant, Declarant's affiliates, the Association, or their respective directors, officers, employees, and agents, or the Owners and their tenants, servants, agents, and guests;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(iv) an endorsement requiring at least 30 days prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(v) a cross liability provision; and

(vi) a provision vesting in the Board exclusive authority to adjust losses; provided, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

Section 8.3 Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which the Association is obligated to maintain and/or insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Common Area shall be repaired or reconstructed unless the 100% of the total Class "A" votes in the Association and the Class "B" Member, if any, decide within 60 days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates for the loss, or both, are not

available to the Association within such 60-day period, then the period may be extended until such funds or information are available. No Mortgagees shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive condition.

The Association shall retain in a reserve fund for capital items any insurance proceeds remaining after paying the costs of repair or reconstruction, or after an agreed-upon settlement, for the benefit of the Members, as appropriate. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Lot.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the applicable insurance coverage premiums.

ARTICLE IX. TOTAL OR PARTIAL CONDEMNATION

The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Areas, or part thereof. Each Owner hereby appoints the Association as attorney-in-fact for such purpose. In the event of a taking or acquisition of part or all of the Common Area by a condemning authority, the award of proceeds or settlement shall be payable to the Association for the use and benefit of the Owners and their mortgagees as their interest may appear. Such proceeds, if not utilized by the Association for the purpose of restoring or replacing Common Areas which have been taken, shall be disbursed in proportion to assessment shares to the Owners and their mortgagees, as their interest may appear.

ARTICLE X. EASEMENTS

Section 10.1 Easements in Common Area. Declarant grants to each Owner a right and easement of use, access, and enjoyment in and to the Common Area, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying the property to the Association;
- (c) The Board's right to:
 - (i) adopt rules regulating Common Area use, including rules limiting the number of guests who may use the Common Area, and charge use fees for such use;
 - (ii) suspend the right of an Owner to use any Common Area amenity (A) for any period during which any assessment or other charge against the Owner's Lot remains delinquent and (B) for a period not to exceed 30 days for a single violation, or for a longer period in the case of any continuing violation, of the Governing Documents;
 - (iii) dedicate or transfer all or any part of the Common Area, subject to any approval requirements set forth in this Declaration;
 - (iv) rent any portion of any clubhouse or other Common Area recreational facilities on an exclusive or non-exclusive short-term basis to any Person;
 - (v) permit use by the general public, which use may be subject to admission charges, membership fees, or other user fees established in the Board's discretion; and
 - (vi) mortgage, pledge, or hypothecate any or all of the Common Area as security for money borrowed or debts incurred; and

Any Owner may extend his or her right to use the Common Area to the members of his or her family, tenants, and social invitees, as applicable, subject to reasonable Board regulation. An Owner who leases his or her Lot shall be deemed to have assigned all such rights to the tenants of such Lot for the lease term.

Any Person's use and enjoyment of the Common Area is subject to the Board's authority to promulgate and enforce Use Restrictions and reasonable rules and regulations governing such use and to charge use, consumption, or membership fees as provided for in this Declaration. The rules and regulations and fees may be different for different classifications of users, including, but not limited to, Owners of Residential Lots, guests or social invitees unaccompanied by Owners, or otherwise. The posting of rules and regulations and fees in a conspicuous manner and location within Forest Lakes or the publication in a Community newsletter of general circulation within Forest Lakes shall be deemed sufficient notice to all permitted users; provided, the Board, in its discretion, may provide notice of rules, regulations, and fees by other means or methods.

Section 10.2 Easements of Encroachment. Declarant grants easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area and between adjacent Lots. A permitted encroachment is a structure or fixture which extends unintentionally from one person's property on to another's a distance of less than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. An encroachment easement shall not exist if the encroachment results from willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

Section 10.3 Easements for Utilities, Etc.

(a) Installation and Maintenance. Declarant reserves for itself, so long as Declarant or its members own any property in the Community, and grants to the Association and utility providers, perpetual, non-exclusive easements throughout Forest Lakes (but not through a structure) to the extent reasonably necessary to:

- (i) install utilities and infrastructure to serve Forest Lakes, cable and other systems for sending and receiving data and/or other electronic signals, drainage systems, and security and similar systems;
- (ii) install walkways, pathways and trails, street lights, and signage on property which Declarant or the Association owns or within public rights-of-way or easements reserved for such purpose on a Plat;
- (iii) inspect, maintain, repair, and replace the utilities, infrastructure, and other improvements described above; and
- (iv) access and read utility meters.

Notwithstanding the above, Declarant reserves the right to deny access to any utility or service provider, to the extent permitted by law, or to condition such access on negotiated terms.

(b) Specific Easements. Declarant also reserves for itself the non-exclusive right and power to grant and record such specific easements as may be necessary, in Declarant's sole discretion, to develop the property described in Exhibit "A." The location of the easement shall be subject to the written approval of the burdened property Owner, which approval shall not unreasonably be withheld, delayed, or conditioned.

(c) Minimal Interference. All work associated with the exercise of the easements described in subsections (a) and (b) of this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to the condition existing prior to the work. The exercise of these easements shall not extend to permitting entry into

structures on a Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

Section 10.4 Easements for Maintenance, Emergency and Enforcement. Declarant grants to the Association easements over Forest Lakes as necessary for the Association to fulfill its maintenance responsibilities under Article V. The Association shall also have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforcing the Governing Documents. Any member of the Board, and its duly authorized agents and assignees, including committee members, and all emergency personnel in the performance of their duties may exercise such right. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

Declarant grants to the Association, subject to any required notice, an easement and right to enter a Lot to abate a Governing Document violation and/or to remove any structure, thing, or condition which violates the Governing Documents. Any costs incurred, including reasonable attorneys' fees, shall be assessed against the Lot Owner as a Benefited Assessment.

Section 10.5 Easements for Cross-Drainage. All portions of the Community shall be burdened with easements for natural drainage of stormwater runoff from other portions of the Community; provided, no Person shall alter the natural drainage on any Lot to increase materially the drainage of stormwater onto adjacent portions of the Community without the consent of the Owner(s) of the affected property, the Board, and Declarant as long as it or its members own any property in the Community.

Section 10.6 Rights to Stormwater Runoff, Effluent, and Water Reclamation. Declarant reserves for itself and its designees all rights to ground water, surface water, stormwater runoff, and effluent located or produced within the Community, and each Owner agrees, by acceptance of a deed to a Lot, that Declarant shall retain all such rights. Such rights shall include the reservation of an easement over the Community for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff, and effluent. This Section may not be amended without Declarant's consent, and the rights created in this Section shall survive termination of this Declaration.

ARTICLE XI. RULES AND REGULATIONS

Section 11.1 Initial Promulgation. The initial rules and regulations for the Association shall be promulgated by the Declarant, and may be not only as to those matters and subjects identified in this Declaration, but may also be as to any matter and subject, the regulation of which shall be needed to govern misconduct or to promote harmony among the Owners.

Section 11.2 Amendment. The initial rules and regulations for the Association shall be amended only by the Board of Directors of the Association.

ARTICLE XII. COVENANT FOR CONSTRUCTION AND MAINTENANCE OF STORMWATER DRAINAGE SYSTEM, BUFFER AREAS, AND LANDSCAPE ZONES

Each Owner, by acceptance of a deed to a Lot, covenants to comply with the requirements of Walton County, the State of Florida, and the Design Code as it relates to stormwater drainage, Buffer Areas, and Landscape Zones. The Owner agrees to comply with the stormwater drainage plans for Forest Lakes, as amended, and agrees, at the time of construction of improvements on his Lot, to construct and maintain any stormwater drainage facilities which are required to be constructed on the Lot. If the Owner does not construct and maintain stormwater drainage improvements required, or maintain Buffer Areas per Florida DEP requirements, and/or construct and maintain Landscape Zones per the Design Code and DRB approvals, on the Owner's Lot, the Association shall construct and/or maintain the required stormwater drainage improvements, repair or maintain the stormwater drainage improvements, and repair, maintain, plant and/or replace the Buffer Areas, and Landscape Zones on the Owner's Lot, and shall assess the Owner for the cost of said construction and/or maintenance.

ARTICLE XIII. GENERAL PROVISIONS

Section 13.1 Indemnification. The Association shall indemnify every one of its officers, directors and committee members against all damages and expenses, including legal counsel fees, reasonably incurred in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section and Florida law.

The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director or committee member may be entitled. The Association may, as a Common Expense, maintain adequate general liability, officers' and directors' liability insurance and other insurance deemed advisable to fund this obligation, if such insurance is reasonably available.

Section 13.2 Dedication of Common Areas. The Association may dedicate portions of the Common Areas to Walton County, Florida, or to any other local, state or federal governmental or quasi-governmental entity for purposes determined to be in the interest of the Owners.

Section 13.3 Security. The Association may, but shall not be obligated to maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. Neither the Association, the original Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Properties, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system or measures, including any mechanism or system for limiting access to the Properties, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended.

Section 13.4 Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to his or her Lot shall give the applicable Board at least seven (7) days prior written notice of the name and address of the purchase or transferee, the date of such transfer of title, and such other information as that Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot, including assessments obligations until the date upon which such notice is received by that Board, notwithstanding the transfer of title.

Section 13.5 Enforcement. The Association, or any Owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure of the Association or by any Owner to enforce any restriction, condition, covenant, reservation, lien, charge, rule or regulation herein contemplated or contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 13.6 Association's Performance of Owners' Duties. If an Owner of any Lot shall fail to comply with any of its obligations under this Declaration and such failure continues for ten (10) days after written notice of such failure from the Association, the Association, after approval by a majority of the Board of Directors, shall have the right, through its agents, employees or contractors, to enter upon said Lot and to perform such acts and pay such amount necessary to fulfill such obligations and bring the Lot and Owner into compliance with this Declaration and all costs and expenses incurred in connection therewith shall be a Specific Assessment against such Lot.

Section 13.7 Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 13.8 Duration. The covenants and restrictions of this Declaration, along with all future amendments, shall run with and bind the land in perpetuity.

Section 13.9 Availability of Records and Other Documents. The Association shall make available to the Owner of any Lot current copies of this Declaration, the Articles of Incorporation of the Association, and the books, records and financial statements of the Association. Such items shall be available to any of the described parties for inspection upon request during normal business hours or under other reasonable circumstances. Copies shall be provided for a nominal fee to reimburse the Association for any expense which may be incurred.

Section 13.10 Amendment.

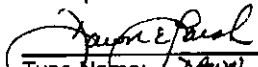
(a) By Members. This Declaration may be amended at any time by an instrument signed by the president or vice president and secretary of the Association, certifying approval in writing by seventy-five percent (75%) of the voting interests. Rights reserved to the Declarant may not be amended without the specific consent of the Declarant.

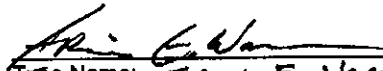
(b) By the Declarant. The Declarant specifically reserves the absolute and unconditional right, so long as it is a Class "B" Member, to amend this Declaration without consent or joinder of any party (i) to conform to the requirements of the Federal Home Loan Mortgage Corporation, Veterans Administration, Federal National Mortgage Association, Office of Interstate Land Sales Registration, Federal Home Loan Bank Board or any other similar entity, (ii) to conform with the requirements of institutional mortgage lenders or title insurance companies, (iii) to clarify the Declaration's provisions or correct errors, and/or to (iv) to make any other changes which shall not diminish substantively the rights of the Owners.

(c) Recording. Any amendment shall take effect upon recording in the public records.

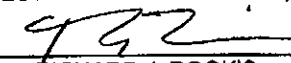
IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused these presents to be signed and sealed this 27th day of July, 2004.

Signed, sealed and delivered
in the presence of:


Type Name: DAWN E. LARSH


Type Name: BRIAN E. WARNER

FOREST LAKES DEVELOPERS, LLC

BY: 
RICHARD J. ROOKIS
ITS: MANAGER

STATE OF FLORIDA
COUNTY OF WALTON

The foregoing instrument was acknowledged before me this 27th day of July, 2004, by Richard J. Rookis, Manager, Forest Lakes Developers, LLC, a Florida limited liability company, on behalf of the corporation. He is personally known to me.



Dawn E. Larsh
My Commission DD118854
Expires May 19, 2006


Notary Public

Name: _____
Commission No. _____
Commission Expires: _____

EXHIBIT "A"

COMMENCE AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 3 SOUTH, RANGE 20 WEST, WALTON COUNTY, FLORIDA; THENCE PROCEED NORTH 87 DEGREES 55 MINUTES 30 SECONDS WEST, ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 5.70 FEET; THENCE PROCEED SOUTH 01 DEGREES 44 MINUTES 25 SECONDS WEST, A DISTANCE OF 417.71 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 01 DEGREES 44 MINUTES 25 SECONDS WEST, A DISTANCE OF 593.23 FEET; THENCE PROCEED SOUTH 84 DEGREES 30 MINUTES 31 SECONDS WEST, A DISTANCE OF 70.10 FEET; THENCE PROCEED SOUTH 05 DEGREES 02 MINUTES 28 SECONDS EAST, A DISTANCE OF 9.00 FEET; THENCE PROCEED SOUTH 84 DEGREES 30 MINUTES 31 SECONDS WEST, A DISTANCE OF 140.40 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 44.00 FEET; THENCE PROCEED ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 38 DEGREES 56 MINUTES 11 SECONDS, AN ARC DISTANCE OF 29.90 FEET, (CHORD BEARING AND DISTANCE = NORTH 76 DEGREES 01 MINUTES 24 SECONDS WEST, A DISTANCE OF 29.33 FEET), TO A POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 69.00 FEET; THENCE PROCEED ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 47 DEGREES 06 MINUTES 16 SECONDS, AN ARC DISTANCE OF 56.73 FEET, (CHORD BEARING AND DISTANCE = NORTH 80 DEGREES 06 MINUTES 26 SECONDS WEST, A DISTANCE OF 55.14 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE PROCEED SOUTH 76 DEGREES 20 MINUTES 26 SECONDS WEST, A DISTANCE OF 334.79 FEET; THENCE PROCEED SOUTH 13 DEGREES 39 MINUTES 34 SECONDS EAST, A DISTANCE OF 98.75 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF WALTON COUNTY ROAD C-30A (66.00 FOOT WIDE RIGHT OF WAY), SAID POINT LYING IN A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 1943.08 FEET; THENCE PROCEED ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 01 DEGREES 10 MINUTES 50 SECONDS, AN ARC DISTANCE OF 40.03 FEET, (CHORD BEARING AND DISTANCE = SOUTH 74 DEGREES 03 MINUTES 17 SECONDS WEST, A DISTANCE OF 40.03 FEET); THENCE, DEPARTING SAID NORTHERLY RIGHT OF WAY LINE, PROCEED NORTH 13 DEGREES 39 MINUTES 34 SECONDS WEST, A DISTANCE OF 100.35 FEET; THENCE PROCEED SOUTH 76 DEGREES 20 MINUTES 26 SECONDS WEST, A DISTANCE OF 225.97 FEET; THENCE PROCEED SOUTH 13 DEGREES 39 MINUTES 34 SECONDS EAST, A DISTANCE OF 125.01 FEET TO A POINT IN THE AFOREMENTIONED NORTHERLY RIGHT OF WAY LINE OF WALTON COUNTY ROAD C-30A, SAID POINT LYING IN A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 1943.08 FEET; THENCE PROCEED ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 00 DEGREES 16 MINUTES 09 SECONDS, AN ARC DISTANCE OF 9.13 FEET, (CHORD BEARING AND DISTANCE = SOUTH 66 DEGREES 37 MINUTES 24 SECONDS WEST, A DISTANCE OF 9.13 FEET), TO A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 2; THENCE DEPARTING SAID NORTHERLY RIGHT OF WAY LINE, PROCEED NORTH 87 DEGREES 54 MINUTES 27 SECONDS WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 475.51 FEET; THENCE, DEPARTING SAID SOUTH LINE, PROCEED NORTH 02 DEGREES 14 MINUTES 02 SECONDS EAST, A DISTANCE OF 639.18 FEET; THENCE PROCEED NORTH 43 DEGREES 13 MINUTES 40 SECONDS EAST, A DISTANCE OF 167.52 FEET; THENCE PROCEED NORTH 22 DEGREES 48 MINUTES 20 SECONDS EAST, A DISTANCE OF 304.31 FEET; THENCE PROCEED SOUTH 77 DEGREES 18 MINUTES 31 SECONDS EAST, A DISTANCE OF 171.50 FEET; THENCE PROCEED SOUTH 46 DEGREES 55 MINUTES 30 SECONDS EAST, A DISTANCE OF 256.40 FEET; THENCE PROCEED SOUTH 43 DEGREES 04 MINUTES 30 SECONDS WEST, A DISTANCE OF 196.52 FEET; THENCE PROCEED SOUTH 46 DEGREES 55 MINUTES 30 SECONDS EAST, A DISTANCE OF 616.20 FEET; THENCE PROCEED NORTH 76 DEGREES 20 MINUTES 26 SECONDS EAST, A DISTANCE OF 72.01 FEET; THENCE PROCEED NORTH 01 DEGREES 03 MINUTES 23 SECONDS EAST, A DISTANCE OF 155.68 FEET; THENCE PROCEED NORTH 88 DEGREES 58 MINUTES 01 SECONDS EAST, A DISTANCE OF 84.76 FEET; THENCE PROCEED NORTH 01 DEGREES 01 MINUTES 59 SECONDS WEST, A DISTANCE OF 14.41 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 30.00 FEET; THENCE PROCEED ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 52 DEGREES 15 MINUTES 57 SECONDS, AN ARC DISTANCE OF 27.37 FEET, (CHORD BEARING AND DISTANCE = NORTH 25 DEGREES 06 MINUTES 00 SECONDS EAST, A DISTANCE OF 26.43 FEET); THENCE PROCEED NORTH 51 DEGREES 14 MINUTES 27 SECONDS EAST, A DISTANCE OF 99.19 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 30.00 FEET; THENCE PROCEED ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 86 DEGREES 09 MINUTES 40 SECONDS, AN ARC DISTANCE OF 45.11 FEET, (CHORD BEARING AND DISTANCE = SOUTH 85 DEGREES 40 MINUTES 42 SECONDS EAST, A DISTANCE OF 40.98 FEET); THENCE PROCEED NORTH 18 DEGREES 05 MINUTES 50 SECONDS EAST, A DISTANCE OF 336.99 FEET; THENCE PROCEED SOUTH 88 DEGREES 15 MINUTES 35 SECONDS EAST, A DISTANCE OF 27.86 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED.

SAID PARCEL CONTAINING 15.92 ACRES, MORE OR LESS.

EXHIBIT "B"

**BY-LAWS
OF THE
FOREST LAKES COMMUNITY OWNERS ASSOCIATION, INC.**

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BY-LAWS
OF
FOREST LAKES COMMUNITY OWNERS ASSOCIATION, INC.

Article I: Name, Principal Office, and Definitions

1.1. **Name.**

The name of the corporation is the Forest Lakes Community Owners Association, Inc. ("Association").

1.2. **Principal Office.**

The Association's principal office shall be located in Walton County, Florida. The Association may have other offices, either within or outside Florida, as the Board of Directors determines or as the Association's affairs require.

1.3. **Definitions.**

The words used in these By-Laws shall have their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Declaration of Covenants, Conditions, and Restrictions for Forest Lakes, as it may be amended ("Declaration"), unless the context indicates otherwise.

Article II: Membership: Meetings, Quorum, Voting, Proxies

2.1. **Membership.**

The Association shall have two classes of membership, Class "A" and Class "B," as more fully set forth in the Declaration. Provisions of the Declaration pertaining to membership are incorporated by this reference.

2.2. **Place of Meetings.**

The Association shall hold meetings at its principal office or at such other suitable place convenient to the Members as the Board may designate.

2.3. **Annual Meetings.**

The Association shall hold its first meeting, whether a regular or special meeting, within one year after the date of the Association's incorporation. The Board shall set the date and time of subsequent regular annual meetings. Annual meetings may be conducted electronically (i.e., via the Internet, intranet, or teleconference) if, and to the extent, permitted by law.

2.4. **Special Meetings.**

The President may call a special meeting of the Association. It also shall be the President's duty to call a special meeting if so directed by Board resolution or upon petition of Owners representing at least 10% of the Association's total Class "A" votes; provided, the Neighborhood Representatives must deliver to the Association's Secretary at least one written demand for the meeting, describing the meeting's purpose.

If the President does not send notice of a special meeting pursuant to Section 2.5 within 30 days after the date written demand is delivered to the Association's Secretary, any Owner signing the demand may set the time and place of the special meeting and give the Association notice pursuant to Section 2.5.

2.5. Notice of Meetings.

The Association's Secretary shall cause written notice stating the place, day, and hour of any Association meeting to be given in any manner permitted by Florida law. If permitted, notice may be posted in a conspicuous, prominent place within the Community, delivered by hand delivery, or sent by facsimile, electronic mail, or other electronic communication device, or such other manner which is reasonably calculated, as determined in the Board's discretion, to provide personal notice to the Members entitled to notice. Notice shall be given at least 10 but less than 50 days before the date of the meeting, by or at the direction of the President, the Secretary, or the officers or Persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No other business shall be transacted at a special meeting except as stated in the notice.

If posted, notice shall be deemed delivered when posted. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the Association's records, with postage prepaid. If sent by facsimile, electronic mail, or such other electronic communication device, notice shall be deemed delivered when transmitted to the Member at his or her address or number as it appears on the Association's records. Failure to receive actual notice of an Association meeting shall not affect the validity of any action taken at such meeting.

2.6. Waiver of Notice.

Waiver of notice of an Association meeting shall be the equivalent of proper notice. Any Member may waive, in writing, notice of any Association meeting, either before or after such meeting. A Member's attendance at a meeting shall be deemed a waiver by such Member of notice of the meeting unless the Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed a waiver of notice of all business transacted at the meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7. Adjournment of Meetings.

If the Association cannot hold a meeting because a quorum is not present, a majority of the Members who are present may adjourn the meeting to a time at least five but not more than 30 days from the date called for the original meeting. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If those in attendance at the original meeting do not fix a time and place for reconvening the meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, the Association shall give the Members notice of the time and place for reconvening the meeting in the manner prescribed for regular meetings.

Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that at least a majority of the votes required to constitute a quorum approve any action taken.

2.8. Voting.

Members shall have such voting rights as are set forth in the Declaration, which provisions are incorporated herein by this reference.

Members may vote at a meeting by voice vote or ballot or may vote by mail without the necessity of a meeting, as determined by the Board; provided, the Board shall hold meetings when required by the Declaration, these By-Laws, or Florida law. Votes for the election of directors shall be cast by secret written ballot. All Member votes cast at meetings are subject to the quorum requirements of Section 2.11.

The Board may permit votes to be cast electronically (i.e., via the Internet, intranet, or electronic mail) with sufficient verification of authenticity and if permitted by law.

2.9. Proxies.

On any matter as to which a Member is entitled personally to cast the vote for his Lot, such vote may be cast in person or by proxy, subject to Florida law.

Every proxy shall be in writing specifying the Lot for which it is given, signed by the Member or his duly authorized attorney-in-fact, dated, and filed with the Association's Secretary prior to the meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid.

Every proxy shall be revocable and shall automatically cease upon: (a) conveyance of any Lot for which it was given; (b) the Secretary's receipt of written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is an individual; or (c) 90 days from the meeting date for which the proxy was originally given, unless the proxy specifies a shorter period.

2.10. Majority.

As used in these By-Laws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate totaling more than 50% of the total eligible number.

2.11. Quorum.

Except as these By-Laws or the Declaration otherwise provide, the presence of Members, either personally or by proxy, representing 30% of the total Class "A" votes in the Association shall constitute a quorum at all Association meetings.

2.12. Conduct of Meetings.

The President or other Board designee shall preside over all Association meetings. The Secretary shall ensure that minutes of the meetings are kept and that all resolutions adopted and all other transactions occurring at such meetings are recorded in the Association's minute book. Owners may tape record or videotape Association meetings subject to reasonable rules the Board imposes.

Article III: Board of Directors: Selection, Meetings, Powers

A. Composition and Selection.

3.1. Governing Body: Composition.

The Board of Directors shall govern the Association's affairs. Each director shall have one vote. Except for "At-Large Representatives" elected by the Class "A" Members, directors need not be Members or residents of the Community. A director must be at least 18 years old.

In the case of a Member who is not an individual, any officer, director, partner, or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member; provided, no more than one such representative of any Member, nor more than one occupant of a particular Lot, may serve on the Board at any one time, except in the case of directors the Class "B" Member appoints.

3.2. Number of Directors.

The Board shall consist of the number of directors provided for in Section 3.5. The initial Board shall consist of the three directors identified in the Articles of Incorporation.

3.3. Directors During Class "B" Control Period.

The Class "B" Member shall have complete discretion in appointing its directors under Section 3.5. Class "B" Member-appointed directors shall serve at the pleasure of the Class "B" Member.

3.4. Nomination and Election Procedures.

(a) Nominations and Declarations of Candidacy. Prior to each election of directors, the Board shall prescribe the opening date and the closing date of a reasonable filing period in which every eligible person who has an interest in serving as a director may file as a candidate for any position to be filled by Class "A" votes. Except with respect to directors the Class "B" Member appoints, nominations for election to the Board shall be made in accordance with policies and procedures the Board establishes. Such policies and procedures may include, but are not limited to, permitting or requiring that nominations be made through a nominating committee and permitting "write-in" candidates. The Board also shall permit nominations from the floor at any election meeting.

The Board shall give each candidate a reasonable, equal opportunity to communicate his or her qualifications to the Members and to solicit votes.

(b) Election Procedures. Cumulative voting is not allowed. That number of candidates which equals the number of positions to be filled and receiving the greatest number of votes shall be elected.

3.5. Election and Term of Office.

Except as these By-Laws or the Declaration may otherwise specifically provide, election of directors shall take place at the Association's annual meeting. Notwithstanding any other provision of these By-Laws:

(a) Declarant shall appoint an At-Large Representative no later than at such time as Class "A" Members own 25% of the Lots anticipated for Forest Lakes or whenever the Class "B" Member earlier determines. At such time, one of the Class "B" Member-appointed directors shall resign, and the At-Large Representative shall serve as a director. The remaining two directors shall be Class "B" Member appointees. Until the happening of the event described below in subsection (b), At-Large Representatives shall serve one-year terms on the Board and shall be succeeded by the most recently elected At-Large Representative.

(h) Within 30 days after Class "A" Members other than Builders own 50% of the Lots anticipated for Forest Lakes, or whenever the Class "B" Member earlier determines, the Board shall be increased to five directors. At such time, both At-Large Representatives shall serve as directors, and, notwithstanding the above, their terms on the Board shall coincide with their terms as At-Large Representatives. Upon expiration of their respective terms, their successors as At-Large Representatives shall serve as directors for like terms. The remaining three directors shall be Class "B" Member appointees.

(c) Not later than the first annual meeting after the termination of the Class "B" Control Period, the Board shall hold an election at which the Members shall elect a director. In order to establish staggered terms for such directors, at least one-half of the initial directors elected shall serve two-year terms and the remainder shall serve one-year terms, as such directors determine among themselves. In addition, the At-Large Representatives shall continue to serve as directors.

In the event the above results in an even number of directors, the Board members, by majority vote, shall elect one additional director. In the event of a tie in such voting, the Board President shall appoint the remaining director from among the candidates under consideration.

For so long as Declarant owns at least five percent of the Lots permitted for the Community, the Class "B" Member may appoint one director. Thereafter, the director elected by the Class "B" Member shall resign.

Upon expiration of the initial terms of each director elected the Members shall elect successors to serve two-year terms. Notwithstanding the stated length of any term, directors shall hold office until their respective successors have been elected.

Notwithstanding the above, the Board, as deemed necessary or convenient in the exercise of its reasonable discretion, may adjust the commencement of director terms (as staggered) to begin at the same time each year.

The directors which are not appointed by the Class "B" Member are referred to collectively as "Class "A" Directors."

3.6. Removal of Directors and Vacancies.

Any Class "A" Director may be removed, with or without cause, by the vote of Class "A" Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Class "A" Members entitled to elect the director so removed to fill the vacancy for the remainder off such director's term. Class "A" Directors may not be removed by the Class "B" Member.

Any Class "A" Director who has three consecutive unexcused absences from Board meetings, or who is more than 30 days delinquent (or occupies a Unit for which assessments are so delinquent) in the payment of any assessment or other charge due the Association, may be removed by a majority vote of the Board, excluding the director at issue. If the director is removed, the Board may appoint a successor to fill the vacancy for the remainder of the term.

In the event of the death, disability, or resignation of a director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members entitled to fill such directorship may elect a successor for the remainder of the term.

This Section shall not apply to directors the Class "B" Member appoints nor to any director serving as Declarant's representative. The Class "B" Member or Declarant shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability, or resignation of a director appointed by or elected as a representative of the Class "B" Member or Declarant.

B. Meetings.

3.7. Organizational Meetings.

The Board shall hold its first meeting following each annual membership meeting within 10 days thereafter at such time and place as the Board shall fix.

3.8. Regular Meetings.

The Board may hold regular meetings at such time and place as the Board shall determine, but the Board shall hold at least four such meetings during each fiscal year with at least one per quarter.

3.9. Special Meetings.

The Board shall hold special meetings when called by written notice signed by the President, Vice President, or any two directors.

3.10. Notice: Waiver of Notice.

(a) Notices of Board meetings shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. The Board shall give notice to each director by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone (either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director); or (iv) facsimile, electronic mail, or other electronic communication device, with confirmation of transmission. All such notices shall be given at the director's telephone number, fax number, electronic mail address, or sent to the director's address as shown on the Association's records. Notices sent by first class mail shall be deposited into a United States mailbox at least five business days before the time set for the meeting. Notices given by personal delivery, telephone, or other device shall be delivered or transmitted at least 72 hours before the time set for the meeting.

(b) Except for emergency meetings, notice of a Board meeting shall be posted in a conspicuous place within the Community at least 48 hours in advance of the meeting or provided in any other manner reasonably anticipated to provide notice to all Members, including publication in an Association newsletter with Community-wide circulation, posting on a Community cable television channel, or posting on a Community Internet or intranet page. In lieu of notice of each regular Board meeting, the Board may post or publish a schedule of upcoming Board meetings.

(c) Transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present; and (ii) either before or after the meeting each director not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the meeting's purpose. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

(d) Notice of any meeting at which assessments are to be established shall state that fact and the nature of the assessment.

3.11. Telephonic Participation in Meetings.

Members of the Board or any committee designated by the Board may participate in a Board or committee meeting by means of telephone or other electronic means, through which all persons participating in the meeting can hear each other. Participation in this manner shall constitute presence at the meeting for all purposes.

3.12. Quorum of Board.

At all Board meetings, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the Board's decision, unless these By-Laws or the Declaration specifically provide otherwise. A meeting at which a quorum is initially present may continue, notwithstanding the withdrawal of directors, if at least a majority of the required quorum for that meeting approves any action taken. If the Board cannot hold a meeting because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.13. Conduct of Meetings.

The President shall preside over all Board meetings, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings. Owners may tape record or videotape Board meetings subject to reasonable rules the Board imposes.

3.14. Open Meetings: Executive Session.

Subject to the provisions of Section 3.15, all Board meetings shall be open to all Owners. However, attendees other than directors may not participate in any discussion or deliberation unless a director requests that they be granted permission to speak, and the Board concurs. In such case, the President may limit the time any such individual may speak.

Notwithstanding the above, the President may adjourn any Board meeting and reconvene in executive session, and may exclude persons other than directors, to discuss with the Association's attorney matters relating to pending or threatened litigation which are protected by the attorney-client privileges, or to discuss among the Board any other matter of a sensitive nature, if Florida law permits.

3.15. Action Without a Formal Meeting.

Any action to be taken or which may be taken at a Board meeting may be taken without a meeting if all directors sign a consent in writing, setting forth the action so taken. Such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.16. Powers.

The Board shall have all of the powers and duties necessary for administering the Association's affairs and for performing all of the Association's responsibilities and exercising all of the Association's rights as set forth in the Governing Documents, and as provided by law. The Board may do or cause to be done on the Association's behalf all acts and things except those which the Governing Documents or Florida law require to be done and exercised exclusively by the Neighborhood Representatives or the membership generally.

3.17. Duties.

The Board's duties shall include, without limitation:

(a) adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses;

(b) providing for the operation, care, upkeep, and maintenance of the Common Maintenance Area consistent with the Community-Wide Standard;

(c) designating, hiring, and dismissing personnel necessary to carry out the Association's rights and responsibilities and where appropriate, providing for compensation of such personnel and for the purchase of necessary equipment, supplies, and materials;

(d) depositing all funds received on the Association's behalf in a bank depository which it shall approve, and using such funds to operate the Association; provided, any reserve funds may be deposited, in the Board's business judgment, in depositories other than banks;

(e) opening bank accounts on the Association's behalf and designating signatories required;

(f) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Declaration and these By-Laws;

(g) after termination of the Class "B" Control Period, submitting for bid any planned Association expenditure (whether for capital items, services, maintenance, or otherwise) anticipated to exceed \$10,000.00 in any one fiscal year; provided, the Board is not obligated to contract with or otherwise retain the services of the lowest bidder;

Subject to the provisions of Section 3.15, all Board meetings shall be open to all Owners. However, attendees other than directors may not participate in any discussion or deliberation unless a director requests that they be granted permission to speak, and the Board concurs. In such case, the President may limit the time any such individual may speak.

Notwithstanding the above, the President may adjourn any Board meeting and reconvene in executive session, and may exclude persons other than directors, to discuss with the Association's attorney matters relating to pending or threatened litigation which are protected by the attorney-client privileges, or to discuss among the Board any other matter of a sensitive nature, if Florida law permits.

3.15. Action Without a Formal Meeting.

Any action to be taken or which may be taken at a Board meeting may be taken without a meeting if all directors sign a consent in writing, setting forth the action so taken. Such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.16. Powers.

The Board shall have all of the powers and duties necessary for administering the Association's affairs and for performing all of the Association's responsibilities and exercising all of the Association's rights as set forth in the Governing Documents, and as provided by law. The Board may do or cause to be done on the Association's behalf all acts and things except those which the Governing Documents or Florida law require to be done and exercised exclusively by the Neighborhood Representatives or the membership generally.

3.17. Duties.

The Board's duties shall include, without limitation:

(a) adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses;

(b) providing for the operation, care, upkeep, and maintenance of the Common Maintenance Area consistent with the Community-Wide Standard;

(c) designating, hiring, and dismissing personnel necessary to carry out the Association's rights and responsibilities and where appropriate, providing for compensation of such personnel and for the purchase of necessary equipment, supplies, and materials;

(d) depositing all funds received on the Association's behalf in a bank depository which it shall approve, and using such funds to operate the Association; provided, any reserve funds may be deposited, in the Board's business judgment, in depositories other than banks;

(e) opening bank accounts on the Association's behalf and designating signatories required;

(f) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Declaration and these By-Laws;

(g) after termination of the Class "B" Control Period, submitting for bid any planned Association expenditure (whether for capital items, services, maintenance, or otherwise) anticipated to exceed \$10,000.00 in any one fiscal year; provided, the Board is not obligated to contract with or otherwise retain the services of the lowest bidder;

(h) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association's obligation in this regard shall be conditioned in the manner provided in the Declaration;

(i) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(j) paying the cost of all services rendered to the Association;

(k) keeping books with detailed accounts of the Association's receipts and expenditures;

(l) making available to any Owner, the holders, insurers, and guarantors of any Mortgage on any Lot, and any prospective purchaser of a Lot, current copies of the Governing Documents and all other Association books, records, and financial statements as provided in Section 6.4;

(m) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of Forest Lakes;

(n) indemnifying an Association director, officer, or committee member, or former Association director, officer, or committee member to the extent such indemnity is required by Florida law, the Articles of Incorporation, or the Declaration; and

(o) maintaining, and retaining for the time periods required, the "official records" of the Association, as provided in §720.303(4) of the Florida Homeowners Association Act.

3.18. Compensation.

The Association shall not compensate a director for acting as such, unless a majority of the directors otherwise approves. The Association may reimburse any director for expenses incurred on the Association's behalf if approved by a majority of the other directors. In addition, subject to Section 3.27, nothing herein shall prohibit the Association from compensating a director for services or supplies he or she furnishes to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association. The foregoing also applies to any entity with which a director is affiliated.

3.19. Right of Class "B" Member to Disapprove Actions.

During the period of Class "B" membership, the Class "B" Member shall have a right to disapprove any action, policy, or program of the Association, the Board, and any committee which, in the Class "B" Member's sole and absolute judgment, would tend to impair rights or interests of Declarant, interfere with development or construction of any portion of the Community, or diminish the level of services the Association provides.

(a) Notice. The Association, the Board, and each committee shall give the Class "B" Member written notice of their meetings and proposed actions to be approved at their meetings (or by written consent in lieu of a meeting). The notice shall comply with Section 3.10 and shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth with reasonable particularity the agenda to be followed at such meeting.

(b) Opportunity to be Heard. The Association, the Board, and each committee shall give the Class "B" Member the opportunity at any meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval described in this Section.

(c) Exercise of Rights. The Class "B" Member, its representatives or agents, shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee.

The Class "B" Member may exercise its right to disapprove at any time within 10 days following the meeting at which such action was proposed or, if the action is approved without a meeting, at any time within 10 days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction by the Association, the Board, or any committee. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

(d) Condition of Implementation. No action, policy, or program subject to the Class "B" Member's right of disapproval shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.

3.20. Management.

The Board may employ a professional management agent or agents, at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize and are otherwise within the scope of the Board's authority. The Board may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy-making authority or those duties set forth in Section 3.17(a) (with respect to adoption of the budget). The Board may contract with or employ Declarant or any Declarant Affiliate as managing agent or manager.

The Board may delegate to one of its members the authority to act on the Board's behalf on all matters relating to the duties of the managing agent or manager, if any, which might arise between Board meetings.

The Association shall not be bound, either directly or indirectly, by any management contract executed during the Class "B" Control Period unless such contract contains a right of termination which the Association may exercise with or without cause and without penalty at any time after termination of the Class "B" Control Period upon not more than 90 days written notice. After the Class "B" Control Period terminates, the Association may not terminate any management contract, or retain a new managing agent, without the approval of Neighborhood Representatives representing a majority of the Association's total Class "A" votes, and Declarant, for so long as Declarant owns any property described on Exhibits "A" to the Declaration.

The Class "A" Members shall have no right to terminate a management contract during the Class "B" Control Period. Unless the Board otherwise grants such right, or unless the management contract otherwise provides, the Board may act in its discretion with respect to executing and terminating management contracts during the Class "B" Control Period. Any management contract may, among other things, authorize the managing agent to act as the Association's agent with respect to the expenditure of Association funds within the scope of the approved Association budget; provided, the managing agent shall not be permitted to spend money in excess of the budget or reallocate greater than 10% of any budget line item without the Board's prior approval.

3.21. Accounts and Reports.

The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

- (a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) the Association's cash accounts shall not be commingled with any other accounts;

(d) the managing agent shall accept no remuneration from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; the Association shall benefit from anything of value received;

(e) the managing agent shall disclose promptly to the Board any financial or other interest which it may have in any firm providing goods or services to the Association;

(f) commencing at the end of the quarter in which the first Lot is sold and closed, the Board shall prepare financial reports for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date unless otherwise specified by Board resolution); and

(g) an annual report consisting of at least the following shall be prepared within 60 days after the close of the fiscal year: (i) a balance sheet showing actual receipts and expenditures; (ii) an operating (Income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines, by an independent public accountant. During the Class "B" Control Period, the annual report shall include certified financial statements.

The Association shall provide each Owner or its authorized agent a copy of the annual financial report within 10 business days following receipt of a written request for access. In addition, if Florida law requires, the Association shall send a copy of the annual report to each Member by mail or personal delivery within 90 days following the close of the fiscal year.

3.22. Borrowing.

The Association may borrow money for any legal purpose; provided, the approval of a majority of the Class "A" votes in the Association is required if the proposed borrowing is (a) for the purpose of making discretionary capital improvements; and (b) the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed 20% of the Association's budgeted gross expenses for that fiscal year.

During the Class "B" Control Period, no Mortgage lien shall be placed on any portion of the Common Area without the affirmative vote or written consent, or any combination thereof, of at least 67% of the total Class "A" votes. After the Class "B" Control Period terminates, no Mortgage lien may be placed on the Common Area, nor may assessments be pledged as security for any loan, without the approval of a majority of the total Class "A" votes in the Association and such other approval as the Declaration may require.

3.23. Right To Contract.

The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Neighborhood and other owners or residents associations, within and outside of the Community.

3.24. Enforcement.

The Association may impose sanctions for any violation of the Governing Documents. To the extent the Declaration specifically requires, the Board shall comply with the following procedures prior to imposition of sanctions:

(a) Notice. The Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation; (ii) the proposed sanction to be imposed; (iii) a period of not less than 15 days within which the alleged violator may present a written request for a hearing to the Board; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless the alleged violator challenges the violation within 15 days of the notice. If a timely request for a hearing is not made, the sanction stated in the notice shall be imposed; provided, the Board or Covenants Committee may suspend any proposed sanction if the violation is cured, or if a diligent effort is made to cure, within the 15-day period.

Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

(b) Hearing. If the alleged violator requests a hearing within the allotted 15-day period, the hearing shall be held before the Covenants Committee. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Appeal. Following a hearing before the Covenants Committee, the alleged violator shall have the right to appeal the decision to the Board. To exercise this right, the alleged violator must submit a written notice of appeal to the Association's manager, President, or Secretary within 10 days after being informed of the results of the hearing by the Association's manager or another Board officer or representative.

(d) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, if permitted under the Declaration, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, towing vehicles that violate parking rules) or, following compliance with the Declaration's dispute resolution procedures, if applicable, by suit at law or in equity to enjoin any violation or to recover monetary damages or both. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred.

3.25. Board Training Seminar.

The Board may provide or provide for seminars and continuing educational opportunities designed to educate and inform directors of their responsibilities as directors. Such programs may include instruction on applicable Florida corporate and fiduciary law principles, other issues relating to administering the Community's affairs, and upholding and enforcing the Governing Documents. The Board may retain industry professionals, which may include property managers, attorneys, and accountants, as appropriate or necessary for such purpose. The Board may require that each newly elected, and each re-elected director complete a training seminar within the first six months of assuming the director position.

3.26. Board Standards.

In performing their duties, directors and officers shall act as fiduciaries and are subject to insulation from liability as provided for directors of corporations by Florida law and as otherwise provided by the Governing Documents. Directors shall exercise the ordinary and reasonable care of directors of a corporation, subject to the business judgment rule.

A director shall act in accordance with the business judgment rule so long as the director:

- (a) acts within the expressed or implied scope of the Governing Documents and his or her actions are not *ultra vires*;
- (b) affirmatively undertakes to make decisions which are necessary for the Association's continued and successful operation and, when decisions are made, they are made on an informed basis;
- (c) acts on a disinterested basis, promptly discloses any real or potential conflict of interests (pecuniary or other), and avoids participation in such decisions and actions; and
- (d) acts in a non-fraudulent manner and without reckless indifference to the Association's affairs,

A director acting in accordance with the business judgment rule shall be protected from personal liability. Unless the Governing Documents require that specific action be taken, the failure to take such specific action shall not, without further showing that the Board acted in violation of the business judgment rule, be deemed a violation of a Board duty.

Board determinations of the meaning, scope, and application of Governing Document provisions shall be upheld and enforced so long as such determinations are reasonable. The Board shall exercise its power in a fair, nondiscriminatory manner and shall adhere to the procedures established in the Governing Documents.

3.27. Conflicts of Interest; Code of Ethics.

Unless otherwise approved by a majority of the other directors, no Class "A" Director may transact business with the Association or an Association contractor during his or her term as director or within two years after the term expires. A director shall promptly disclose in writing to the Board any actual or potential conflict of interest affecting the directors relative to his or her performance as a director. A director's failure to make such disclosure shall be grounds for removal by a majority vote of the other Board members. The Board may void any contract which creates a prohibited conflict of interest.

Notwithstanding the above, the directors appointed by the Class "B" Member may be employed by or otherwise transact business with Declarant, and Declarant may transact business with the Association and its contractors.

The initial Board shall create and adopt a written "Code of Ethics" applicable to all directors and officers. The Code of Ethics shall incorporate the above standards and other conduct rules it deems appropriate. At a minimum, the Code of Ethics shall require each officer and director to conduct himself or herself in manner consistent with the Board Standards described in Section 3.26. Each officer and director, as a pre-condition to service, shall acknowledge and agree, in writing, to abide by the Code of Ethics. The Code of Ethics may not be amended without the approval of at least a majority of the total Class "A" votes in the Association.

Article IV: Officers

4.1. Officers.

The Association's officers shall be a President, Vice President, Secretary, and Treasurer. The officers may, but need not, be Board members, Owners, or residents of the Community. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2. Election and Term of Office.

The Board shall elect the Association's officers at the first Board meeting following each Association annual meeting. Officers shall serve until their successors are elected. Officers may not hold the same office for more than two consecutive terms.

4.3. Removal and Vacancies.

Any officer may be removed by a vote of at least 2/3 of the directors. The Board shall appoint a replacement to fill any vacancy in any office for the unexpired portion of the term.

4.4. Powers and Duties.

The Association's officers each shall have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Board may specifically confer or impose. The President shall be the Association's chief executive officer. The Treasurer shall supervise the preparation of the Association's budget, but shall delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The Secretary shall prepare or supervise the preparation of meeting minutes as required by Florida law.

4.5. Resignation.

Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc.

All agreements, contracts, deeds, leases, checks, and other Association instruments shall be executed by an officer, unless the Board provides otherwise, or by such other person or persons as the Board may designate by resolution.

4.7. Compensation.

Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.18.

Article V: Committees

5.1. General.

The Board may create such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. In an effort to encourage and incorporate a broad base of Owner and resident participation in Community governance, it shall be the Association's policy that the Board create and delegate its responsibilities to committees as reasonably appropriate.

Committees shall exercise only such authority as granted by Board resolution, provided the Board may, in the exercise of its reasonable discretion, elect not to follow a committee's advice on any matter. Committees may not act without specific Board authority and may not bind the Association contractually or financially. Committee members may serve no more than two consecutive two-year terms on the same committee.

5.2. Covenants Committee.

The Board shall appoint a Covenants Committee consisting of at least three members. The Covenants Committee members shall be Members of the Association who are not directors, officers, or employees of the Association or the spouse, parent, child, brother, or sister of a director, officer, or employee. Acting in accordance with the provisions of the Declaration, these By-Laws, and any Board resolutions, the Covenants Committee shall be the Association's hearing tribunal and shall conduct all hearings held pursuant to Section 3.24. The Board may not impose a fine without a majority vote of the Covenants Committee.

5.3. Other Committees.

In addition to the above, at such time as Class "A" Members own 50% of the Lots anticipated for the Community, or whenever the Class "B" Member earlier determines,, the Board shall create the following committees, each of which shall have at least three members:

(a) Finance Committee. The Finance Committee shall actively assist the Board, the Treasurer, and the Association's managing agent, if any, in preparing the Association's budget. After termination of the Class "B" Control Period, Board approval of the Association's budget shall be subject to the Finance Committee's review and comment, which shall be advisory only and shall not bind the Board.

(b) Physical Maintenance Committee. After termination of the Class "B" Control Period, the Physical Maintenance Committee shall preside over maintenance of the Common Maintenance Areas.

(c) Dispute Resolution Committee. The Dispute Resolution Committee shall be established to mediate disputes concerning the interpretation of Use Restrictions, rules, and other Governing Document provisions and to advise the Board on initiating litigation involving the Association (as provided in the Declaration); provided, the Dispute Resolution Committee shall not preside over matters relating to the collection of assessments or other fees and charges. Each member of the Dispute Resolution Committee shall attend a Board-approved course on dispute resolution.

The Board shall establish by resolution the specific scope and limitations on the authority of the above committees.

Article VI: Miscellaneous

6.1. Fiscal Year.

The Association's fiscal year shall be the calendar year unless otherwise established by Board resolution.

6.2 Parliamentary Rules.

Except as may be modified by Board resolution, *Robert's Rules of Order* (the then current edition) shall govern the conduct of Association proceedings when not in conflict with Florida law or the Governing Documents.

6.3. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer, or guarantor of a first Mortgage on a Lot, any Member or the duly

appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Lot: the Governing Documents, the membership register, books of account, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the Association's office or at such other place within the Community as the Board shall designate.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to (i) notice to be given to the custodian of the records; (ii) hours and days of the week when such an inspection may be made; and (iii) payment of the cost of reproducing documents requested. Records shall be made available within 10 business days of the receipt of a written request by an Owner or his or her authorized agent.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all Association books, records, and documents and the physical properties the Association owns or controls. The director's right of inspection includes the right to make a copy of relevant documents at the Association's expense.

6.4. Notices.

Except as the Declaration or these By-Laws otherwise provide, all notices, demands, bills, statements, or other communications under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such Member;

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section; or

(c) if to any committee, at the principal address of the Association or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

6.5. Amendment.

(a) By Class "B" Member. During the Class "B" Control Period, the Class "B" Member unilaterally may amend these By-Laws. Thereafter, the Class "B" Member unilaterally may amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, or regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; or (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Lots. No amendment may adversely affect the title to any Lot unless the Owner shall consent thereto in writing.

(b) By the Board. Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent of at least 67% of the Association's total Class "A" votes, and the consent of the Class "B" Member, if such exists. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. The approval requirements set forth in Article XVI of the Declaration also shall be met, if applicable.

(c) Validity and Effective Date of Amendments. Amendments to these By-Laws shall become effective upon Recordation unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its Recordation, or such amendment shall be

presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of Declarant, the Class "B" Member, or the assignee of such right or privilege.

Prepared By and Record and Return To:

Dawn E. Lash
Dawn E. Lash, P.A.
11714 Emerald Coast Pkwy, Suite 1
Miramar Beach, FL 32550

(This Space Provided For Recording Information)

**SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR FOREST LAKES**

THIS SUPPLEMENTAL DECLARATION is made this 9th day of November, 2004, by Forest Lakes Developers, LLC, a Florida limited liability company (hereinafter, with its successors and assigns referred to as "Declarant").

WITNESSETH:

WHEREAS, on July 27, 2004, Declarant filed that certain Declaration of Covenants, Conditions and Restrictions for Forest Lakes (the "Declaration"), which was recorded in Official Records Book 2623 at Page 953, et. Seq., of the Public Records of Walton County, Florida; and

WHEREAS, pursuant to Article III, Section 3.2 of the Declaration, the Declarant may annex additional lands and subject them to the provisions of the Declaration; and

WHEREAS, Declarant is the owner of the real property described on Exhibit "A" attached hereto (Forest Lakes, Phase II); and

WHEREAS, Declarant desires to submit the Forest Lakes, Phase II Property to the provisions of the Declaration, and

NOW THEREFORE, pursuant to the powers retained by Declarant under the Declaration, Declarant hereby subjects the real property described in Exhibit "A" attached hereto to the provisions of said Declaration. Such property shall be sold, transferred, used, conveyed, occupied and mortgaged or otherwise encumbered pursuant to the provisions of said Declaration, which shall run with the title to such property and shall be binding upon all persons having any right, title, or any other interest in such property, their respective heirs, legal representatives, successors, successors-in-title, and assigns. The provisions of this Supplemental Declaration shall be binding upon the Forest Lakes Community Owners Association, Inc. (the "Association") in accordance with the terms of the Declaration.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Supplemental Declaration this 9th day of November, 2004.

(Signatures appear on following page)

Signed Sealed and Delivered
In the presence of:

Patty Queen
Printed Name: Patty Queen
Rene Hamell
Printed Name: Rene Hamell

FOREST LAKES DEVELOPERS, LLC

By: [Signature]
Richard J. Rookis
Its Manager

STATE OF FLORIDA
COUNTY OF WALTON

The foregoing instrument was acknowledged before me this 19th day of November, 2004,
by Richard J. Rookis, as Manager of Forest Lakes Developers, LLC, a Florida limited
liability company, on behalf of said company, who is personally known to me or has
produced FL D/L as identification.

[Signature]
Notary Public



Exhibit A

DESCRIPTION:

COMMENCE AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 3 SOUTH, RANGE 20 WEST, WALTON COUNTY, FLORIDA; THENCE PROCEED NORTH 87 DEGREES 55 MINUTES 30 SECONDS WEST, ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 5.70 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH 87 DEGREES 55 MINUTES 30 SECONDS WEST, ALONG SAID NORTH LINE, A DISTANCE OF 374.91 FEET; THENCE LEAVING SAID NORTH LINE, PROCEED SOUTH 43 DEGREES 04 MINUTES 30 SECONDS WEST, A DISTANCE OF 589.22 FEET TO A POINT ON THE NORTHERLY BOUNDARY OF "FOREST LAKES PHASE I", AS RECORDED IN PLAT BOOK 16, PAGE 6, OF THE PUBLIC RECORDS OF WALTON COUNTY, FLORIDA; THENCE PROCEED ALONG SAID BOUNDARY OF "FOREST LAKES PHASE I, THE FOLLOWING TWELVE (12) COURSES: (1) SOUTH 46 DEGREES 55 MINUTES 30 SECONDS EAST, A DISTANCE OF 40.00 FEET; (2) SOUTH 43 DEGREES 04 MINUTES 30 SECONDS WEST, A DISTANCE OF 196.52 FEET; (3) SOUTH 46 DEGREES 55 MINUTES 30 SECONDS EAST, A DISTANCE OF 616.20 FEET; (4) NORTH 76 DEGREES 20 MINUTES 26 SECONDS EAST, A DISTANCE OF 72.01 FEET; (5) NORTH 01 DEGREES 03 MINUTES 23 SECONDS EAST, A DISTANCE OF 155.68 FEET; (6) NORTH 88 DEGREES 58 MINUTES 01 SECONDS EAST, A DISTANCE OF 84.76 FEET; (7) NORTH 01 DEGREES 01 MINUTES 59 SECONDS WEST, A DISTANCE OF 14.41 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 30.00 FEET; (8) ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 52 DEGREES 15 MINUTES 57 SECONDS, AN ARC DISTANCE OF 27.37 FEET, (CHORD BEARING AND DISTANCE = NORTH 25 DEGREES 06 MINUTES 00 SECONDS EAST, A DISTANCE OF 26.43 FEET); (9) NORTH 51 DEGREES 14 MINUTES 27 SECONDS EAST, A DISTANCE OF 99.19 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 30.00 FEET; (10) ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 86 DEGREES 09 MINUTES 40 SECONDS, AN ARC DISTANCE OF 45.11 FEET, (CHORD BEARING AND DISTANCE = SOUTH 85 DEGREES 40 MINUTES 42 SECONDS EAST, A DISTANCE OF 40.98 FEET); (11) NORTH 18 DEGREES 05 MINUTES 50 SECONDS EAST, A DISTANCE OF 338.99 FEET; (12) SOUTH 88 DEGREES 15 MINUTES 35 SECONDS EAST, A DISTANCE OF 27.86 FEET; THENCE LEAVING SAID BOUNDARY OF "FOREST LAKES PHASE I", PROCEED NORTH 01 DEGREES 44 MINUTES 25 SECONDS EAST, A DISTANCE OF 417.71 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED.

SAID PARCEL CONTAINING 12.39 ACRES, MORE OR LESS. [539775.05 SQUARE FEET]

Prepared By and Return To:

Dawn E. Larrh
Dawn E. Larrh, P.A.
11714 Emerald Coast Pkwy, Suite 5
Miramar Beach, FL 32550

(This Space Provided for Recording Information)

**SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR FOREST LAKES**

THIS SUPPLEMENTAL DECLARATION is made this 31st day of March, 2005, by Forest Lakes Developers, LLC, a Florida limited liability company (hereinafter, with its successors and assigns referred to as "Declarant").

WITNESSETH:

WHEREAS, on July 27, 2004, Declarant filed that certain Declaration of Covenants, Conditions, and Restrictions for Forest Lakes (the "Declaration"), which was recorded in Official Records Book 2623 at Page 953, et. Seq. of the Public Records of Walton County, Florida; and

WHEREAS, on November 19, 2004, Declarant filed that certain Supplemental Declaration of Covenants, Conditions, and Restrictions for Forest Lakes, adding Phase II to the development, which was recorded in Official Records Book 2641 at Page 4907, of the Public Records of Walton County, Florida; and

WHEREAS, pursuant to Article III, Section 3.2 of the Declaration, the Declarant may annex additional lands and subject them to the provisions of the Declaration; and

WHEREAS, Declarant is the owner the real property described in Exhibit "A", attached hereto (Forest Lakes, Phase III); and

WHEREAS, Declarant desires to submit the Forest Lakes, Phase III property to the provision of the Declaration; and

NOW THEREFORE, pursuant to the powers retained by Declarant under the Declaration, Declarant hereby subjects the real property described in Exhibit "A" attached hereto to the provisions of said Declaration. Such property shall be sold, transferred, used, conveyed, occupied and mortgaged or otherwise encumbered pursuant to the provisions of said Declaration, which shall run with the title to such property and shall be binding upon all persons having any right, title, or any other interest in such property, their respective heirs, legal representatives, successors, successors-in-title, and assigns. The provisions of this Supplemental Declaration shall be binding upon the Forest Lakes Community Owners Association, Inc., (the "Association") in accordance with the terms of the Declaration.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Supplemental Declaration this 31st day of March 2005.

Signed, sealed and delivered
In the presence of:

Suzanne Martinez
Printed Name: Suzanne Martinez

Forest Lakes Developers, LLC

Richard J. Rookis
Printed Name: Richard J. Rookis

By: BRS Joint Venture, a Florida
general Partnership
Its Managing Member

By: Rookis Development Company,
a Florida corporation
Its Managing Partner

By: JJR
Richard J. Rookis, President

STATE OF FLORIDA
COUNTY OF WALTON

The foregoing instrument was acknowledged before me this 31st day of March 2005 by Richard J. Rookis, President of Rookis Development Company, as Managing Partner of BRS Joint Venture, as Managing Member of Forest Lakes Developers, LLC, who is personally known to me or has provided _____ as identification.



Suzanne Martinez
My Commission 00067278
Expires October 08, 2007

Suzanne Martinez
Notary Public

INSTR # 1051227
OR BK 2800 Pages 1369 - 1371
RECORDED 08/25/08 13:45:20
MARTHA INGLE, WALTON COUNTY
CLERK OF COURT
DEPUTY CLERK S BARBER
#1

Prepared By and Return To:

David L. Koche, Esq.
Barnett, Bolt, Kirkwood, Long
& McBride
601 Bayshore Blvd, Ste. 700
Tampa, FL 33606

(This Space Provided for Recording Information)

**SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR FOREST LAKES**

THIS SUPPLEMENTAL DECLARATION is made this 25th day of August, 2008, by Forest Lakes Developers, LLC, a Florida limited liability company (hereinafter, with its successors and assigns referred to as "Declarant").

WITNESSETH:

WHEREAS, on July 27, 2004, Declarant filed that certain Declaration of Covenants, Conditions, and Restrictions for Forest Lakes (the "Declaration"), which was recorded in Official Records Book 2623 at Page 953, et. Seq. of the Public Records of Walton County, Florida; and

WHEREAS, on November 19, 2004, Declarant filed that certain Supplemental Declaration of Covenants, Conditions, and Restrictions for Forest Lakes, adding Phase II to the development, which was recorded in Official Records Book 2641 at Page 4907, of the Public Records of Walton County, Florida; and

WHEREAS, on May 26, 2005, Declarant filed that certain Supplemental Declaration of Covenants, Conditions, and Restrictions for Forest Lakes, adding Phase III to the development, which was recorded in Official Records Book 2671 at Page 1559, of the Public Records of Walton County, Florida; and

WHEREAS, pursuant to Article III, Section 3.2 of the Declaration, the Declarant may annex additional lands and subject them to the provisions of the Declaration; and

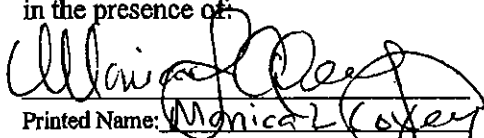
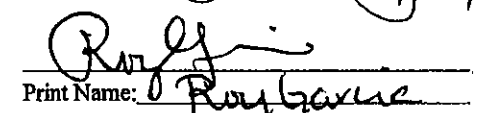
WHEREAS, Declarant is the owner of the real property described in Exhibit "A", attached hereto (Forest Lakes, Phase IV); and

WHEREAS, Declarant desires to submit the Forest Lakes, Phase IV property to the provisions of the Declaration; and

NOW THEREFORE, pursuant to the powers retained by Declarant under the Declaration, Declarant hereby subjects the real property described in Exhibit "A" attached hereto to the provisions of said Declaration. Such property shall be sold, transferred, used, conveyed, occupied and mortgaged or otherwise encumbered pursuant to the provisions of said Declaration, which shall run with the title to such property and shall be binding upon all persons having any right, title, or any other interest in such property, their respective heirs, legal representatives, successors, successors-in-title, and assigns. The provisions of this Supplemental Declaration shall be binding upon the Forest Lakes Community Owners Association, Inc. (the "Association") in accordance with the terms of the Declaration.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Supplemental Declaration this 25th day of August, 2008.

Signed, sealed and delivered
in the presence of:


Printed Name: Monica L. Coxey

Print Name: Ray Gaxie

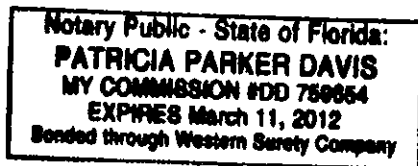
FOREST LAKES DEVELOPERS, LLC

By: Rookis Development Company,
Manager

By: 
Richard J. Rookis, President

STATE OF FLORIDA
COUNTY OF WALTON

The foregoing instrument was acknowledged before me this 25th day of Aug, 2008 by Richard J. Rookis, President of Rookis Development Company, the Manager of Forest Lakes Developers, LLC, who is personally known to me or has provided _____ as identification.



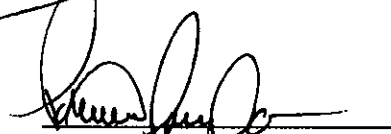

Notary Public

EXHIBIT A

DESCRIPTION:

A PARCEL OF LAND LYING IN SECTION 2, TOWNSHIP 3 SOUTH, RANGE 20 WEST, WALTON COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTHEAST CORNER OF FOREST LAKES - PHASE I, A SUBDIVISION, AS RECORDED IN PLAT BOOK 16, AT PAGE 15, OF THE PUBLIC RECORDS OF WALTON COUNTY, FLORIDA; THENCE PROCEED SOUTH 01 DEGREES 44 MINUTES 25 SECONDS WEST, A DISTANCE OF 102.00 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF WALTON COUNTY ROAD C-30A (66.00' R/W); THENCE PROCEED SOUTH 84 DEGREES 30 MINUTES 31 SECONDS WEST ALONG SAID NORTHERLY RIGHT OF WAY LINE, A DISTANCE OF 283.07 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 1943.08 FEET; THENCE PROCEED ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 09 DEGREES 51 MINUTES 48 SECONDS, AN ARC DISTANCE OF 334.50 FEET, (CHORD BEARING AND DISTANCE = SOUTH 79 DEGREES 34 MINUTES 37 SECONDS WEST, A DISTANCE OF 334.09 FEET) TO A POINT ON THE EAST RIGHT OF WAY LINE OF TALQUIN (PRIVATE R/W VARIES); THENCE DEPARTING SAID NORTHERLY RIGHT OF WAY LINE, PROCEED NORTH 13 DEGREES 39 MINUTES 34 SECONDS WEST ALONG SAID EAST RIGHT OF WAY LINE OF TALQUIN, A DISTANCE OF 98.75 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF OKEECHOBEE EAST (PRIVATE R/W VARIES); THENCE PROCEED NORTH 76 DEGREES 20 MINUTES 26 SECONDS EAST ALONG SAID SOUTHERLY RIGHT OF WAY, A DISTANCE OF 334.79 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 89.00 FEET; THENCE PROCEED ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 47 DEGREES 08 MINUTES 16 SECONDS, AN ARC DISTANCE OF 56.73 FEET, (CHORD BEARING AND DISTANCE = SOUTH 80 DEGREES 08 MINUTES 28 SECONDS EAST, A DISTANCE OF 55.14 FEET), TO A POINT OF REVERSE CURVATURE WITH A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 44.00 FEET; THENCE PROCEED ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 38 DEGREES 56 MINUTES 11 SECONDS, AN ARC DISTANCE OF 29.90 FEET, (CHORD BEARING AND DISTANCE = SOUTH 78 DEGREES 01 MINUTES 24 SECONDS EAST, A DISTANCE OF 29.33 FEET), TO THE POINT OF TANGENCY OF SAID CURVE; THENCE PROCEED NORTH 84 DEGREES 30 MINUTES 31 SECONDS EAST, A DISTANCE OF 140.40 FEET; THENCE PROCEED NORTH 05 DEGREES 02 MINUTES 28 SECONDS WEST, A DISTANCE OF 9.00 FEET; THENCE PROCEED NORTH 84 DEGREES 30 MINUTES 31 SECONDS EAST, A DISTANCE OF 70.10 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED.

SAID PARCEL CONTAINING 1.42 ACRES.

AND ALSO THE FOLLOWING DESCRIBED PARCEL:

A PARCEL OF LAND LYING IN SECTION 2, TOWNSHIP 3 SOUTH, RANGE 20 WEST, WALTON COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF FOREST LAKES - PHASE I, A SUBDIVISION, AS RECORDED IN PLAT BOOK 16, AT PAGE 15, OF THE PUBLIC RECORDS OF WALTON COUNTY, FLORIDA; THENCE PROCEED SOUTH 01 DEGREES 44 MINUTES 25 SECONDS WEST, A DISTANCE OF 102.00 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF WALTON COUNTY ROAD C-30A (66.00' R/W); THENCE PROCEED SOUTH 84 DEGREES 30 MINUTES 31 SECONDS WEST ALONG SAID NORTHERLY RIGHT OF WAY LINE, A DISTANCE OF 283.07 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 1943.08 FEET; THENCE PROCEED ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 11 DEGREES 02 MINUTES 37 SECONDS, AN ARC DISTANCE OF 374.53 FEET, (CHORD BEARING AND DISTANCE = SOUTH 78 DEGREES 59 MINUTES 12 SECONDS WEST, A DISTANCE OF 374.59 FEET) TO A POINT ON THE WEST RIGHT OF WAY LINE OF TALQUIN (PRIVATE R/W VARIES) AND THE POINT OF BEGINNING; THENCE CONTINUING ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 08 DEGREES 42 MINUTES 24 SECONDS, AND HAVING A RADIUS OF 1943.08 FEET, AN ARC DISTANCE OF 227.44 FEET, (CHORD BEARING AND DISTANCE = SOUTH 70°08'41" WEST, A DISTANCE OF 227.31 FEET) TO THE SOUTHEAST CORNER OF LOT 1, FOREST LAKES-PHASE I, A SUBDIVISION, AS RECORDED IN PLAT BOOK 16, AT PAGE 15, OF THE PUBLIC RECORDS OF WALTON COUNTY, FLORIDA; THENCE DEPARTING SAID NORTHERLY RIGHT OF WAY LINE, PROCEED NORTH 13 DEGREES 39 MINUTES 34 SECONDS WEST ALONG THE EAST BOUNDARY OF SAID LOT 1, A DISTANCE OF 125.01 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF OKEECHOBEE EAST (PRIVATE R/W VARIES), ALSO BEING THE NORTHEAST CORNER OF SAID LOT 1; THENCE DEPARTING SAID EAST LINE OF LOT 1, PROCEED NORTH 76 DEGREES 20 MINUTES 26 SECONDS EAST ALONG SAID SOUTH RIGHT OF WAY LINE, A DISTANCE OF 225.97 FEET TO THE AFORESAID WEST RIGHT OF WAY LINE OF TALQUIN (PRIVATE R/W VARIES); THENCE PROCEED SOUTH 13 DEGREES 39 MINUTES 34 SECONDS EAST ALONG SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 100.35 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED.

SAID PARCEL CONTAINING 0.57 ACRES.