



DOCUMENT BOOK FOR

CAMBRIDGE NEIGHBORHOOD

AT

KINGS RIDGE AT CLERMONT

LENNAR HOMES, INC.
700 N.W. 107TH AVENUE
MIAMI, FLORIDA 33172

EXHIBIT 1
STATEMENT OF DISCLOSURE
CAMBRIDGE



STATEMENT OF DISCLOSURE OF CAMBRIDGE

This statement of disclosure is provided to acquaint prospective purchasers with the basic plan of the development of the master planned community known as Kings Ridge (the "Community") as well as the neighborhood known as Cambridge. This statement of disclosure outlines the documents contained in this Booklet. The outline is intended to assist you in understanding the documents, but is neither intended, nor should it be considered a substitute for the reading of each document or for obtaining legal counsel, if required.

PLAN OF DEVELOPMENT

Lennar Homes, Inc., a Florida corporation ("Lennar") is the owner of a tract of land within the Community upon which Lennar intends to build the neighborhood known as Cambridge (the "Neighborhood"). As presently planned, the Neighborhood will consist of up to 135 Single Family Homes. Lennar reserves the right to change the number of homes and annex additional homesites into this Neighborhood to accommodate the master plan as it may evolve from time to time. Cambridge at Kings Ridge is NOT a condominium development.

Lennar presently intends, but is not obligated, to build up to an additional 1,500 homes in the balance of the Community. Lennar has the right, but not the obligation, to expand the Community to up to 1,000 acres or more. Subject to applicable zoning ordinances, Lennar may wish and has the right to develop the 1,000 acres or more into 4,000 or more residences, comprised of homes, villas, townhomes, multi-family homes, condominiums, rental apartments, and other forms of residential dwellings, as well as commercial development which may include shopping centers, stores and professional offices. The planning process for Kings Ridge is an ever-evolving one and must remain flexible in order to be responsive to and accommodate the needs of Lennar's home buyers. The overall Community will be developed in a series of Neighborhoods, of which Cambridge is one.

STRUCTURE OF ASSOCIATIONS

In order to enable the Community and each Neighborhood to function and perform their duties, Lennar has or will record three documents for each association. They will consist

of (i) the Declaration of Covenants, Restrictions and Easements; (ii) the Articles of Incorporation; and (iii) the By-Laws of each Association. The Community Association and Neighborhood Association will maintain, operate, administer and manage the Common Areas owned by each Association. In order to carry out its purposes, each Association shall have lien rights, powers of enforcement and rule making authority to carry out the provisions of these documents. Each Purchaser, upon closing of title to a home, automatically becomes a member of each Association and thereby acquires, as an incident to the ownership of a home, all rights of use in the Community Common Areas and Neighborhood Common Areas reserved to the Members under the documents, Lennar will initially control each Association and will retain control during the period described in the Articles of Incorporation for the Association.

The Articles of Incorporation of each Association have been or will be filed with the Secretary of State of Florida and set forth the purposes and powers of the Association. The Articles also provide for the qualification and members of the Association's Board of Directors during the period described in the Articles.

The By-Laws of the Association detail the everyday working features of each Association, such as how and when the meetings of the members and Directors shall be held. The By-Laws also contain provisions relating to the preparation of the annual Association expense budget.

Although the owner of a home (the "Owner") acquires the home subject to the provisions of the Declaration and other documents, Lennar has made every effort to preserve the independence and privacy of every Owner. Each Owner owns a tract of land and the home thereon in fee simple (the "Homesite").

CLUB MEMBERSHIP

There is a voluntary Club Membership associated with this Community. Membership in the Club and payment of the required fees will entitle the members, their guests, and subsequent owners of the member's home to enjoy the recreational and social activities occurring in the Club. These include movies, live entertainment, seminars, physical fitness classes, arts and crafts classes, social clubs and activities, and the use of the swimming pool, Health Club, tennis courts, and shuffleboard courts. Membership in the Club is elective, on a voluntary basis, at the time of the initial purchase of the home. **If the initial purchaser elects to be a Club Member, then that election and Club Membership is, thereafter, irrevocable and the rights and obligations associated therewith run with the home as provided in the Community Declaration.**

If the initial purchaser does not choose to become a Club Member, then that home and its owners/residents shall not at any time have the right to request Club Membership. It is a one time election and binds the purchaser, and purchaser's successors and the home. By so doing, Purchaser agrees to be entitled to the benefits and

subject to the obligations set forth under the Club Covenants. If a purchaser elects not to become a Club Member, then the Purchaser shall not be required to make payments under the Club Covenants and does not have the privilege of using any of the recreational facilities and other commonly used facilities covered under the Club Covenants. This restriction will be enforced.

The Club Facilities are initially contemplated to consist of the following three phases: (a) Phase I - Phase I is contemplated to consist of a multi-purpose clubhouse building and associated amenities, an outdoor heated pool, two (2) tennis courts, garden area, sales facility and administrative offices (The sales facility and administrative offices may be utilized by Lennar, without charge, for so long as Lennar owns any portion of the Properties.); (b) Phase II - Phase II is contemplated to consist of two (2) tennis courts, a spa facility, an outdoor pavilion, barbecue, and four (4) bocci courts; (c) Phase III - Phase III is contemplated to consist of two (2) tennis courts and four (4) shuffle board courts.

Until the Club Owner, at its sole option and with no obligation to so do, delegates the right and duty to operate, manage and maintain the Club to the Community Association as hereinafter provided, the Club shall be under the complete supervision and control of the Club Owner. The Club Owner has several rights with respect to the Club Facilities including, but not limited to, the right to own, operate, manage, maintain, and insure the Club Facilities, as it determines, in its sole discretion.

A Club Member shall be required to pay the Club Charges, which consist of the Club Facilities Fee and a pro-rata share of the Club Operating Costs. Each Club Member shall pay as a Club Facilities Fee the sum of 44.00 per month. The monthly Club Facilities Fee shall increase \$4.00 every three years from the date the Club is available for membership. See the Estimated Operating Budget for the Clubhouse Operations (Exhibit 12 to this Statement of Disclosure), for a Club Member's share of the Club Operating Costs. For the first year of operation, the pro-rata share is \$26.85 monthly or \$322.20 annually.

The Club Owner reserves the right, at any time prior to the closing of title to the last home, to provide additional or expand any of the existing recreational facilities that comprise the Club Facilities, all as the Club Owner deems appropriate. The consent of the Owners or the Associations shall not be required for any such provisions or expansion. The cost of any such provisions or expansion shall be borne exclusively by the Club Owner. The Club Owner is not obligated, however, to so expand the facilities or provide additional facilities. The Club Owner shall be the sole judge as to the size, contents, design, style, plans and specifications of all such additional facilities or improvements and the equipment and personnel contained therein; and Club Owner shall also have the right in its sole discretion to add additional lands to the Club Facilities. All such additional lands and improvements shall, upon the designation by the Club Owner, be deemed part of the Club Facilities and subject to all of the terms and provisions of the club Covenants. If the Club Owner decides to construct such additional improvements,

the Club Owner shall also have the right to record such instruments in the Public Records of Lake County, Florida, as are necessary for the construction.

The Club Owner has the right at any and all times to provide and make the Club Facilities available to other individuals, persons, firms or corporations, as it deems appropriate. For further information, see the club Covenants, which also provide for certain use restrictions, default remedies and rights in favor of the Club Owner.

THE GOLF CLUB

The Golf Owner proposes to construct certain privately owned Golf Facilities, which are not part of the Common Area, within the properties, as may be designated on the Plat thereof, or otherwise, which is, and subject to the provisions hereof, will remain the property of the Golf Owner. The Golf Facilities are not part of the Common Area and no rights of use or otherwise are covered. The Golf Facilities will, or may be, made available to certain owners within the Community on a "first come, first served" basis. Memberships may be offered and, if so, will be governed by the terms of the memberships granted and policies adopted by the Golf Owner. Each Golf Member shall have the right to utilize the Golf Facilities on a non-exclusive basis in common with such other persons, entities and corporations entitled to utilize the Golf Facilities pursuant to the terms of its membership or play policies. The Golf "Owner has the right, at any and all times, and from time to time, to provide and make the Golf Facilities available to other individuals, persons, firms or corporations, at it deems appropriate, including persons who may not be Owners or members of the Community Association and operate the Golf Facilities on a private, semi-private, or public course basis. The Golf Owner makes no representations as to the availability of memberships or the capacity of the Golf Course to accommodate all Owners in the Community.

PROPOSED OPERATING EXPENSE BUDGETS

See Article VI of the Declaration for information concerning the Neighborhood Association budget and the method of assessing Home Owners.

The Neighborhood Association's budget for the first year of operation includes items for lawn and landscape maintenance, provided such landscaping was included by Lennar and the lawn areas to be maintained are not screened or fenced in by the Owner. So long as Lennar is in control of the Association, Lennar intends to have the Neighborhood Association's budget cover these items for lawn maintenance and landscaping. However, future Neighborhood Association budgets may not contain a provision for these services. Additionally, the Neighborhood Association budget provides for public liability insurance for the Neighborhood Common Areas. In addition, the Neighborhood Association shall include reserves for exterior painting every four (4) years. Such repainting does not relieve the Homeowners from their responsibility for normal exterior maintenance and repairs which may become necessary between repainting schedules. These are just a portion of the items covered by the Neighborhood Association budget.

The budget for the Neighborhood does not provide for any charges to particular homes for individual home real estate taxes or for electricity, telephone, water and sewer, or irrigation water, nor do they include any insurance premium required for coverage of the home by any "Institutional Mortgagee". It is assumed that these charges will be billed directly to each particular Owner who will be responsible individually for the payments.

Each Owner shall be responsible for maintaining all portions of the Homesite and the home thereon, including the floor slab and utility lines located upon the Homesite, except during such periods as the Neighborhood Association assumes lawn and landscaping maintenance obligations. In addition, each Owner shall be responsible for the cost of the utilities and insurance on the home for its full replacement value against loss by fire, flood or other hazards.

The Neighborhood Association expenses and the Community Association expenses are collected by the Community Association from all Owners of homes in the Neighborhood.

All assessments are payable monthly in advance. At the time of closing, the first month's assessment will be collected along with a one-time working capital contribution equal to two month's assessments for the Neighborhood Association and four month's for the Community Association. The working capital contributions are needed to give both Associations funds to cover start-up expenses, and other expenses of each association.

PROPERTY RESTRICTIONS

There are specific restrictions in the Declarations concerning the use of homes and the Common Areas. These include those restrictions required by Federal law in order to have an age restricted Community. These requirements are spelled out in detail in the Declarations and the Purchase Agreement. Additional restrictions deal with the occupancy, sale and short-term lease of your home, pets and parking.

Until Lennar shall have completed development, promotion and sale of all homes to be located in the Community, Lennar shall have the right to use and occupy, without cost or charge, portions of the Neighborhood Common Areas and Community Common Areas for sales, rentals and promotional purposes. See the Declarations for additional property restrictions and rights for Lennar.

COMPLETENESS OF THIS STATEMENT

As stated previously, the purpose of this Statement of Disclosure is to set forth a summary of the Cambridge documents. However, this Statement describes only in summary form the material terms and provisions of such documents. Since the terms and provisions of such documents will govern the development and operation of the Neighborhood and the Community, each prospective purchaser should refer to the actual documents for the complete and specific terms and provisions contained therein.

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KINGS RIDGE

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DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR CAMBRIDGE NEIGHBORHOOD

LENNAR HOMES, INC.
1900 Kings Ridge Boulevard
Clermont, Florida 34711

R- City of Clermont

DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS
FOR
CAMBRIDGE NEIGHBORHOOD

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DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS
FOR CAMBRIDGE NEIGHBORHOOD

THIS DECLARATION OF COVENANTS AND RESTRICTIONS, is made on this 11th day of DECEMBER, 1998, by LENNAR HOMES, INC., a Florida corporation, hereinafter referred to as "Developer" or "Declarant" and joined in by Cambridge at Kings Ridge Neighborhood Association, Inc., a Florida not-for-profit corporation.

Developer owns the property described in this Declaration, and intends to develop the property as a residential community within the Kings Ridge Development to be known as Cambridge. The purpose of this Declaration is to provide various use and maintenance requirements and restrictions in the best interest of the Owners of Homes within Cambridge Neighborhood, to preserve and protect the values of the property. This Declaration will also establish an Association which will own, operate and/or maintain various portions of the property and the improvements constructed on the property, will have the right to enforce the provisions of this Declaration, and will be given various other rights and responsibilities. The expenses of the Association will be shared by the Owners of Homes constructed on the property, who, along with the Developer, will be Members of the Association.

Now, therefore, Developer hereby declares that the Neighborhood Lands, as hereinafter defined, and such additions as may, in the future, be made subject to the terms of the Declaration, shall be held, sold, conveyed, leased, mortgaged and otherwise dealt with subject to the terms and conditions of this Declaration, all of which are created in the best interest of the Owners and residents of the Neighborhood Lands, and which will run with the Neighborhood Lands and shall be binding upon all persons having and/or acquiring any right, title or interest in the Neighborhood Lands or any portion thereof, and shall inure to the benefit of each and every person, from time to time, owning or holding an interest in the Neighborhood Lands, or any portion thereof.

ARTICLE I DEFINITIONS

The terms used in this Declaration and in the Articles and Bylaws of the Association, shall have the following meanings, unless the context otherwise requires:

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

1.2. "Assessments" shall mean the charge against each Owner and his Home, representing a portion of the total costs to the Association of owning, maintaining, improving, repairing, replacing, managing and operating the Common Areas and collection of Club charges and Community Association Assessments, if requested to do so by Developer, Club Owner or the Community Association.

1.3. "Association" shall mean and refer to Cambridge at Kings Ridge Neighborhood Association, Inc., a Florida corporation not for profit.

1.4. "Board" shall mean the Board of Directors of the Association, elected in accordance with the By-Laws of the Association.

1.5. "By-Laws" shall mean the By-Laws of the Association, which have been or shall be adopted by the Board substantially in the form of Exhibit "C" attached hereto and incorporated herein by this reference, as such By-Laws may be amended from time to time.

1.6. "Club" shall mean and refer to the private club located in the Kings Ridge Development, the members of which are, on a voluntary basis, Owner of Homes in the Kings Ridge Development.

1.7. "Club Owner" shall mean and refer to the Kings Ridge Recreation Corp.

1.8. "Club Charges" shall mean and refer to the Club Facilities Fee and Club Operating Costs as defined in the Community Declaration of Restrictive Covenants.

1.9. "Common Areas" shall mean and refer to that part of the Neighborhood Lands now or hereafter actually used and designated for the use and benefit of the residents in the Neighborhood; which may include, but are not limited to, Common Driveways, Parking Areas, if any, Green Areas, and entry features, if any, and which may sometimes be referred to herein as "Neighborhood Property"

1.10. "Common Driveways" and Parking Area, if any" shall mean and refer to that part of the Common Areas now or hereafter actually used and paved for vehicular access and striped and designated for parking for the Owners of Homes in the Neighborhood.

1.11. "Common Expenses" shall mean all expenses incurred and Assessments (and Special Assessments levied against each Owner and his Home within the Neighborhood) and the actual and estimated costs of maintenance, management, operation, repair and replacement of the Common Areas, including, without limitation: the costs of any and all utility charges for the Common Areas; costs of management and administration of the Association (including, without limitation, compensation paid by the Association to Managers, accountants, attorneys and other employees); the cost of all gardening and landscaping of the Common Areas and maintenance of the lawns and landscaping, the painting of the exterior of each single family attached or detached Home on each Homesite; the cost of cable television for each Home; the cost of maintenance, operation, repair and replacement of equipment furnishing lighting for the Common Areas and the cost of leasing lights for the Common Driveways; the cost of fire, casualty and liability insurance, workers' compensation insurance, and other insurance covering the Common Areas; the cost of bonding persons who handle monies of the Association; taxes paid by the Association (including real property taxes for the Common Areas); amounts paid by the Association for discharge of any lien or encumbrance levied against the Common Areas, or portions thereof and the costs of any other item or items incurred by the Association for any reason whatsoever in connection with the Common Areas or for the benefit of the Owners.

1.12. "Community Association" shall mean the Kings Ridge Community Association, Inc., the association created to administer the Kings Ridge Development pursuant to the Community Declaration of Restrictive Covenants Kings Ridge recorded in O.R. 1417, pages 225 – 288, recorded in the Public Records of Lake County, Florida.

1.13. "Community Declaration" shall mean and refer to the Community Declaration of Restrictive Covenants Kings Ridge recorded or to be recorded in the Public Records of Lake County, Florida.

1.14. "Developer" shall mean and refer to Lennar Homes, Inc., and its successors and such of its assigns as to which the rights of Developer hereunder are specifically assigned. Developer may assign only a portion of its rights hereunder, or all or a portion of such rights in connection with appropriate portions of the Neighborhood. In the event of such a partial assignment, the assignee shall not be deemed the Developer, but may exercise such rights of the Developer specifically assigned to it. Any such assignment may be made on a non-exclusive basis.

1.15. "Declaration" shall mean this instrument as it may be amended from time to time.

1.16. "Neighborhood Lands" means and refers to the land described on Exhibit "A" attached hereto and any other lands made subject to this Declaration by annexation.

1.17. "Home" shall mean a completely constructed attached or detached or single or multi-family family housing residence or a unit in a condominium which is designated and intended for use and occupancy as a residence and which is subject to Assessments and Special Assessments under this Declaration or any Supplemental Declaration made by the Developer. Said term includes any interest in land, improvements and other property appurtenant to the Home.

1.18. "Kings Ridge Development" or "Development" shall mean that certain tract of land legally described on Exhibit A of the Community Declaration and in the additions thereto, as are brought within the provisions and applicability of the Community Declaration and/or deletions therefrom.

1.19. "Homesite" shall mean and refer to those lots shown upon the recorded subdivision plat or plats of the Neighborhood Lands on which shall be built Homes.

1.20. "Management Company" shall mean the person, firm or corporation appointed by the Association hereunder as its agent and delegated certain duties, powers or functions of the Association.

1.21. "Member" shall mean all owners of Homes in the Neighborhood, and the Developer holding a membership in the Association as provided herein.

1.22. "Mortgage" shall mean any mortgage encumbering a Home. The term "Mortgagee" shall mean the holder of such mortgage.

1.23. "Owner" shall mean and refer to the person or persons or other legal entity or entities, including Developer, holding fee simple interest of record to any Home, including sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation. For purposes of Article I only, unless the context otherwise requires, Owner shall include the family, invitees, licensees and lessees of any Owner.

1.24. "Person" shall mean a natural individual or any other entity with the legal right to hold title to real property.

1.25. "Neighborhood" or "Cambridge Neighborhood" shall mean the Homes, Homesites and common areas within the Neighborhood Lands.

1.26. "Record, Recorded, Filed and Recordation" shall mean, with respect to any document, the recordation of such document in the office of the Clerk of Circuit Court of Lake County, Florida.

1.27. "Residential Property" shall mean and include that portion or portions of the Neighborhood Lands on which is built Homes.

1.28. "Special Assessments" shall mean and include the following: (i) a charge against a particular Owner (and his Home) directly attributable to the Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration, plus interest thereon as provided for in this Declaration; or (ii) a charge against each Owner (and his Home) directly attributable to the Owner equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration; or (iii) a charge against each Owner (and his Home) representing a portion of the costs to the Association for installation or construction of any improvements on any portion of the Common Areas which the Association may from time to time authorize.

1.29. "Supplemental Declaration" shall mean any Declaration which may be recorded by Developer for the purpose of supplementing this Declaration or for the purpose of withdrawing portions of the Neighborhood Lands or annexing additional property.

The foregoing definitions shall be applicable to this Declaration and also to any Supplemental Declaration, unless otherwise expressly provided, recorded pursuant to the provisions of this Declaration.

ARTICLE II. PROPERTY SUBJECT TO THIS DECLARATION

2.1. Legal Description. The real property which is and shall be held, transferred, sold, conveyed and occupied, subject to this Declaration, is described in Exhibit "A" hereto.

2.2. Restrictions and Amendments. The Developer shall be entitled, at any time and from time to time, to plat and/or replat and/or to submit to condominium or subject to a declaration of covenants and restrictions or other similar instrument on all or any part of the Neighborhood Lands and to file restrictions and/or Amendments thereto with respect to any portion or portions of the Neighborhood Lands.

2.3. Withdrawal of Land. The Developer shall have the absolute right, but shall have no obligation, to withdraw at any time, or from time to time from the effect of this Declaration any or all of that portion of the Neighborhood Lands on which there is no construction of improvements. The withdrawal of lands as aforesaid shall be made and evidenced by the recording in the Public Records of Lake County, Florida of a Supplemental Declaration unilaterally executed by the Developer, describing the lands to be withdrawn. Developer reserves the right to so amend and supplement this Declaration without the consent or joinder of the Association, or of any Member and/or Mortgagee of a Home (of any other property) in the Development. Upon the filing of such a Supplemental Declaration, all such land described therein shall be relieved from the effect of this Declaration and any restrictions, obligations or lien rights hereunder. Notwithstanding anything to the contrary set forth in this Declaration, if the Neighborhood Lands to be withdrawn are Common Areas previously conveyed or dedicated to the Association, the Association shall convey the withdrawn Neighborhood Lands back to the Developer and the approval or consent of Owners shall not be required for the Association to convey the withdrawn Neighborhood Lands back to the Developer.

2.4. Annexation of Additional Property. Additional real property may be annexed by the Developer in whole or in part without the consent of Members, the Association or any mortgagees within ten (10) years of the date of this Declaration. Such annexations, if they are made will subject the annexed real property to the terms and conditions of this Declaration. Annexations will become effective upon the recording of a Supplemental Declaration in the Public Records of Lake County, Florida.

2.5. Conveyance of Common Areas to the Association. At such time as Developer closes title to ninety (90%) percent of the Homes to be constructed in the Neighborhood by Developer (and subject to the provisions hereof), or such earlier time as Developer elects, Developer shall convey title to the Common Areas to the Association, which shall be obligated to accept such conveyance.

ARTICLE III. PROPERTY RIGHTS OF DECLARANT, ASSOCIATION, AND OWNERS

3.1. Owner's Easements of Access and Enjoyment. Subject to the provisions below, every Owner shall have a non-exclusive right to use and an easement of enjoyment in and to the Common Areas, together with an easement of access to and from and over and across the Common Areas which shall be appurtenant to and shall pass with the title to the Home owned by such Owner, subject to the following:

- 3.1.1 The right of the Association to take such steps as is reasonably necessary to protect the Common Areas against foreclosure;
- 3.1.2 All provisions of this Declaration and the Articles and By-Laws of the Association;
- 3.1.3 Rules and Regulations governing the use and enjoyment of the Common Areas adopted by the Association;
- 3.1.4 Restrictions contained on any and all plats of all or any part of the Common Areas or filed separately with respect to all or any part or parts of the Common Areas.
- 3.1.5 The right of the Association to suspend voting rights for a period not to exceed 60 days.

3.2. Developer's Easements of Access. The Developer reserves for itself and its officers, employees, agents, invitees, contractors and subcontractors, and successors and assigns, including the construction and sale of Homes and other improvements upon the Neighborhood Lands, the sale of Homes and other residential Homes within the Neighborhood, easements of ingress and egress over and across the Common Areas.

3.3. Rights of the Association. The easements granted herein shall be subject to the right of the Association to maintain, manage, operate, repair, and to establish uniform and reasonable Rules and Regulations covering the use of the Common Areas; provided, however, that the Association may not restrict the persons described in Section 3.2 of this Article from the reasonable use of the Common Areas in connection with the construction and sale of Homes and other improvements upon the real property of the Neighborhood Lands.

3.4. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of ingress and egress over and across the Common Areas to his guests, invitees and family members, and to tenants and contract purchasers of his Home, and their respective guests, invitees and family members.

3.5. Easement to Public Rights-of-Way. Notwithstanding anything to the contrary set forth in this Declaration, each Owner of a Home shall have an easement for access to and from his Home to a public right-of-way over a paved common driveway. Developer has an absolute obligation to construct all portions of the common driveway necessary to afford all Home Owners such access.

3.6. Easement for Public Service Use and Public Utilities. In addition to the foregoing easements, there shall be and Developer hereby reserves and covenants for itself and all Owners, easements of ingress and egress over and across the Common Areas for public services (including, without limitation, the right of the police and fire department to enter upon any part of the Common Areas for the purpose of rendering their respective services) and for agents and employees of utility companies servicing the Neighborhood.

3.7. Waiver of Use. No Owner may exempt himself from personal liability for Assessments or Special Assessments duly levied by the Association against a Member, or release the Home owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Areas or by abandonment of his Home.

ARTICLE IV. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

4.1. Membership. Every person or entity who is an Owner of a Home and the Developer shall be a Member of the Association. Notwithstanding the foregoing, any such person or entity who merely holds record ownership as security for the performance of an obligation shall not be a Member of the Association. Membership in the Association shall not be assignable, except to the successor-in-interest of the Member.

4.2. Voting Membership. The Association shall have two classes of voting membership:

Class A. Class "A" members shall be all Owners with the exception of the Developer, and shall be entitled to one vote for each home owned. When more than one (1) person holds an interest in any home, all such persons shall be members. The vote for such homes shall be exercised as they themselves determine, but in no event shall more than one vote be cast with respect to any home.

Class B. The Class "B" Voting Member shall be the Developer (as defined in the Declaration). The Class "B" Voting Member shall be entitled to one (1) singular vote, plus two (2) votes for each vote to which the Class "A" Members are entitled to cast from time to time, provided that the Class "B" Membership shall cease and terminate one (1) year after the last home within the Project has been sold and conveyed or at any time prior to that date at the election of the Developer.

4.3. Community Association. Each Member of the Association shall be a Member of the Community Association. The Association shall elect three (3) Voting Members who shall represent the interests of all Members of the Association at meetings of the Community Association. The Voting Members shall cast as may votes at Community Association meetings as there are Homes subject to the jurisdiction of the Association. The Association shall elect Voting Members to the Community Association in the same manner, and subject to

the same terms as to duration in office, removal, and qualifications, as apply to the directors of the Association. Each Voting Member to the Community Association shall be a member of the board of Directors of the Association.

4.4. Selection of Voting Members. The Association shall give written notice to the Community Association of the persons elected or designated as its Voting Members, such notice to be given at or before the first meeting of the Community Association which the Voting Member is to attend. The Community Association shall be entitled to rely on such notices as constituting the authorization of the Association (and its members) to the designated Voting Members to cast all votes of the Association (and its members) and to bind same in all Community Association matters until such notice is changed, superseded or revoked.

ARTICLE V. DUTIES AND POWERS OF ASSOCIATION

The Association, acting through the Board of Directors, shall also have the power and duty to:

- (a) Maintain, repair and replace the improvements, paving and landscaping included in the Common Areas;
- (b) Provide for, maintain and administer Community Services for the benefit of the Members of the Association.
- (c) Obtain water, electric and such other utility services as may be required for the operation of the Common Areas;
- (d) Grant easements, rights-of-way, or strips of land, where necessary, for utility and sewer facilities over the Common Areas to serve the Common Areas and other portions of the Neighborhood.
- (e) Maintain such policy or policies of liability and fire insurance with respect to the Common Areas, improvements therein and personal property, if any, owned by the Association or the Developer and providing such other insurance as directed by this Declaration and the By-Laws of the Association;
- (f) Employ or contract with a Management Company to perform all or any part of the duties and responsibilities of the Association, and shall have the power to delegate its powers to committees, officers and employees.
- (g) To elect three (3) individuals as delegates (Neighborhood Voting Members) to the Community Association.

ARTICLE VI. COVENANT FOR MAINTENANCE ASSESSMENTS

6.1. Creation of the Lien and Personal Obligation of Assessments. Developer, for each Home now or hereafter owned by it, hereby covenants, and each Owner of any Home by acceptance of a deed therefor whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (i) annual Assessments and (ii) Special Assessments and such assessments for Common Expenses to be established and collected as hereinafter provided. The obligation of each Home for its respective assessments shall commence on the date a certificate of occupancy is issued to the Home. Such assessments, together with interest, costs and reasonable attorneys' fees for the collection thereof, shall be a charge on the land and shall be a continuing lien upon the Home against which such assessment is made. The aforesaid lien shall also include any sums advanced on behalf of a Homeowner in payment of his Community Association assessments or Club Charges. A pro rata share of such assessment, together with a pro rata share of interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such Home at the time when the assessment fell due. Subject to the provisions of this Declaration protecting first Mortgagees, the personal obligation for delinquent assessments shall pass to the successors-in-title of such Owner.

6.2. Developer's Liability for Assessments.

6.2.1 The Developer shall be excused from the payment of the share of the Common Expenses and Assessments relating to Homes it is offering for sale, for a period beginning with the recording of this Declaration and ending one (1) year from the date of the recording of the Declaration, (the "Guarantee Expiration Date").

6.2.2. During said period the Developer shall not be obligated to pay the share of the Common Expenses and Assessments attributable to Homes it is offering for sale for which a Certificate of Occupancy has been issued, provided that the regular annual Assessments for Common Expenses imposed on each Home Owner other than the Developer shall not increase during such period more than 15% annually over the amount set opposite such Home's designation (model type) in the Estimated Operating Budget for the first twelve months of operation for the Association contained in the budget delivered to such Home Owner when such Owner contracted to purchase the Home, if applicable; and provided further that the Developer shall be obligated to pay any amount of Common Expenses actually incurred, excluding reserves and management fees, during such period and not produced by the Assessments at the guaranteed level receivable from Home Owners. Developer may, at its sole option, extend the Guarantee Expiration Date from time to time.

6.2.3. Purpose of Assessments. The Assessments levied by the Association shall be used for the benefit of the Common Areas, to maintain the lawns and landscaping and sprinkler systems on each Homesite, to paint the exterior of each Home, to pay for cable television to each Home, to maintain any other landscaping not part of the Common Areas deemed necessary by the association and to pay all costs incurred by the Association in the carrying out of its duties as set forth herein and in the Articles and By-Laws of the Association.

6.2.4. Damage to Common Areas by Owners. The foregoing maintenance, repairs or replacements within the Common Areas arising out of or caused by the willful or negligent act of the Owner, his family, guests or invitees shall be done at the said Owner's expense or a Special Assessment therefor shall be made against his Home.

6.2.5. Special Assessments for Capital Improvements and Major Repairs. In addition to any annual Assessments, the Association may levy in any assessment year a Special Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of a capital improvement or such other addition upon the Common Areas, including the necessary fixtures and personal property related thereto, provided that any such assessment in excess of \$10,000.00 shall have the vote or written assent of a majority of the votes of the Owner-Members, excluding therefrom the votes of Developer.

6.2.6. Rate of Assessment. The cost of maintaining the Common Areas and the cost of other Common Expenses are shared by the Owners of all Homes within the Neighborhood. Until Developer's Guarantee Expiration Date, each Home shall be responsible for its respective share of the total amount of assessments based on a fraction, the numerator of which shall be one (1) and the denominator of which shall be 143 based on the present estimate of the total number of Homes to be built in the Neighborhood. Subsequent to Developer's Guarantee Expiration Date and any extension thereof, if applicable, each Home shall be responsible for its respective share of the total amount of assessments, based on a fraction, the numerator of which shall be one (1) and the denominator of which shall be the actual number of Homes subject to Assessments.

6.2.7. Assessments. The Association's Board of Directors shall, from time to time, but at least annually, fix and determine a budget representing the sum or sums necessary and adequate for the continued operation of the Association and shall send a copy of the budgets and any supplement to the budgets to each Member or a written notice that a copy of the budget is available without charge to the Owner upon request. The Board shall determine the total amount required, including the operational items such as insurance, repairs, replacements, reserves, maintenance and other operating expenses, as well as charges to cover any deficits from prior budgets subsequent to expiration of the guarantee period and capital improvements and reserves approved by the Board. Each Home shall commence paying its share of the Association assessments commencing on the date a certificate of occupancy is issued for the Home.

6.2.8. Date of Commencement of Assessments: Due Date. The first annual Assessment for Common Expenses shall be adjusted according to the number of months remaining in the fiscal year as set forth in the By-Laws. The Board of Directors shall fix the amount of the annual Assessment against each Home subject to assessment at least thirty (30) days in advance of each Assessment period. Written notice of any change in the amount of the annual Assessment shall be sent to every Owner subject thereto, at least thirty (30) days prior to the effective date of such change. The Board of Directors shall establish the due dates. Annual Assessments shall be collected monthly, quarterly, semi-annually or annually at the option of the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer or agent of the Association setting forth whether the assessments on a specified Home have been paid. A properly executed certificate of the Association as to the status of the assessments against a Home is binding upon the Association as of the date of its issuance.

If possible, at least thirty (30) days prior to the beginning of each fiscal year, the Board of Directors shall prepare and distribute to the Membership of the Association a written, itemized estimate (budget) of the expenses to be incurred by the Association during such year in performing its functions under this Declaration (which may include reasonable provision for contingencies and reserves, if any).

6.2.9. Exempt Property. Assessments shall be assessed only against the Homes which are, from time to time, subject to assessment under the provisions hereof; all other property, whether or not owned by Developer shall be exempt therefrom.

6.2.10. Maintenance of Exterior of Owners Property. In the event an Owner of any Homesite in the Neighborhood shall fail to maintain the exterior of his Home or the Homesite, other than those portions of the Homesite to be maintained by the Association, in a manner satisfactory to the Association, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees to enter upon said Homesite and to repair, maintain and restore the Homesite and the exterior of the buildings and any other improvements erected thereon.

The cost of such exterior maintenance shall be assessed against the subject Homesite and such assessment shall be a charge on the land and shall be a continuing lien upon the Homesite. Non-payment of such assessment within thirty (30) days from the due date may result in foreclosure of the lien or an action at law against the owner(s) of the Homesite.

ARTICLE VII. ARCHITECTURAL CONTROL AND MAINTENANCE STANDARDS COMMITTEE

7.1. Establishment of Committee and Acceptance by the Association. The Association, by virtue of its execution of this Declaration, acknowledges the necessity of maintaining the physical appearance and image of the Neighborhood as a quality residential Development and additionally, that the success of the Developer in developing and selling the remaining portions of the Kings Ridge Development is closely related to the physical appearance and image of this Neighborhood and other communities within the Development.

Accordingly, there is established a Committee known as the "Architectural Control and Maintenance Standards Committee" hereinafter referred to as "Committee". The Committee shall be empowered to adopt and promulgate from time to time minimum standards for architectural control and maintenance of the physical appearance of the Neighborhood.

The Community Declaration establishes for the entire Kings Ridge Development, an Architectural Control Committee ("ACC") which imposes architectural control over the entire Kings Ridge Development. In addition to obtaining approval from the Committee, the owner must obtain approval from the ACC.

7.2. Members of Committee. The Committee shall consist of three (3) individuals designated by the Developer. Each member of the Committee shall be appointed by the Developer and shall hold office until such time as he has resigned or has been removed and Developer has appointed his successor. The membership may include building and landscape architects, contractors, subcontractors and other persons that the Developer may deem sufficiently qualified to render an opinion as to architectural control and minimum standards of maintenance. Members of the Committee need not be Members of the Association.

7.3. Review of Proposed Construction. With respect to the Neighborhood Lands, no building, exterior wall or other exterior structure, or entry sign shall be commenced, erected or maintained, nor shall any exterior painted surfaces be repainted, nor shall any exterior addition or change or alteration be made to the exterior of any building, nor shall there be any material modification of the landscaping until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing, as to harmony of external design and color and location in relation to surrounding structures and topography, by the Committee. The Committee shall approve proposals or plans and specifications only if submitted for its approval by the Association and only if it deems that the construction, alterations or additions contemplated thereby in the locations indicated will not be detrimental to the appearance of the Neighborhood and the entire Kings Ridge Development, and that the appearance of any structure affected thereby will be in harmony with the surrounding structures. The Committee may condition its approval of proposals or plans and specifications on such changes therein as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Committee may also issue rules or guidelines setting forth procedures for the submissions of plans for approval. The Committee may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitations, floor plans, site plans, drainage plans, elevations drawings and descriptions or samples of exterior materials and colors. Until receipt by the Committee of any required plans and specifications, the Committee may postpone review of any plans submitted for approval. Notwithstanding any provision of this Article, approval of the Committee shall not be required with respect to constructions performed or caused to be performed by the Developer. In the event construction of the improvements proceeds without submitting plans to the Committee or plans are submitted to the Committee by the Association and construction proceeds without the approval of the Committee, the Committee shall have the right but not the duty to take such action as is set forth in Section 7.6 of this Article VII and any other remedies as may be prescribed by law.

7.4. Maintenance and Repair Obligations. In the event that any improvements to the Neighborhood Lands fall into disrepair or are not maintained so as to create a dangerous, unsafe, unsightly or unattractive condition, or to otherwise violate this Declaration, the Committee has the right, but not the duty to take such action as is set forth in Section 7.6 of this Article VII and any other remedies prescribed by law. The obligations to maintain shall include but not be limited to exterior paint on any building, landscaping, paving, trash removal, repair of exterior building surfaces and vending machine maintenance.

7.5. Inspections. The Committee shall have the right to inspect from time to time the Neighborhood Lands in order to determine whether the maintenance of same meet the minimum standards and any improvements constructed thereon meet the architectural standards.

7.6. Remedies in the Event of Non-Compliance. If the Committee shall find that any portion of the Neighborhood Lands are not being maintained in accordance with the minimum standards, or improvements to the Neighborhood Lands are not in compliance with the architectural standards of the Committee, the Committee shall issue a report to the Developer particularizing the deficiencies and the Developer shall thereafter submit the report to the Board of the Association. Within thirty (30) days of receipt of the report, the Association shall, if pertaining to Common Areas, commence with the repair, maintenance, or restoration specified in the report and diligently pursue completion of same in an expeditious manner. The cost of all work on the Common Areas shall be the responsibility of the Association and shall be a Common Expense of the Association. If the deficiencies are in a particular Home, the Association shall notify the Owner of the deficiencies and the Owner shall commence with the repair, maintenance or restoration within 30 days of said notice and diligently pursue completion of same in an expeditious manner. The Association and each Home Owner in the Neighborhood does hereby authorize and vest in the Developer the following power should the Association or Home Owner, whichever is applicable, fail or refuse to commence and complete the maintenance work required by the report of the Committee.

7.6.1. The Developer may let out for bid the work required by the report of the Committee, negotiate and accept bids and authorize contractors or subcontractors to enter upon the Neighborhood Lands, and the recreational facilities for the purpose of performing the specified work in which case the Developer shall be acting as the agent for the Association or Home Owner, whichever is applicable and the entrance upon the Neighborhood Lands and recreational facilities of those performing the work shall be a lawful entry and shall not be deemed a trespass. Developer shall have the right to pay the contractors or subcontractors performing the work and the Developer is authorized in its own name to record a lien against the Association or Home Owner, among the Public Records of

Lake County, Florida, in the amount of the costs of said work that the Developer has expended which lien shall be deemed a lien against the Common Areas or Homesite for which the work was performed, which lien shall remain in effect until such time as it is satisfied of record by the payment to the Developer of the monies expended by it together with interest at the rate of eighteen (18%) percent per annum from the date of the expenditure. The recordation of the lien is hereby deemed to constitute constructive notice to third parties of the existence of the lien and all sales, mortgages or other transfers or conveyances subsequent to the recording date shall be subject to the lien rights of the Developer. The Association and each Home Owner give and grant unto Developer the power to foreclose its lien in the event that it remains unpaid and agrees that the procedures to be utilized in said foreclosure proceeding shall be those set forth in the Statutes of the State of Florida relating to the foreclosure of a mechanic's lien and any and all defenses or rights to contest are hereby waived.

7.6.2. Alternatively, upon receiving the bids of contractors and subcontractors for the work required to be done by the report of the Committee, Developer may elect not to cause said work to be done, and notwithstanding that, to record the lien prescribed above in the amount of the bids of contractors and subcontractors for the work set forth in the Committee report. Upon payment of the lien to the Developer, the Developer shall then cause the work to be performed and to pay the contractors and subcontractors performing the work from the proceeds satisfying the lien. Upon payment of the contractors and subcontractors, Developer shall render to the Association or Home Owner, whichever is applicable, a report setting forth to whom and what amounts the funds were disbursed. The lien herein prescribed shall have the same priority upon recordation and shall be forecloseable in the same manner as that set forth in Section 6(a) of this Article VII.

The report of the Committee shall be conclusive as to the nature of the work required to be done and the bids accepted by Developer shall be conclusive as to price.

ARTICLE VIII. EFFECT OF NON-PAYMENT OF ASSESSMENTS (OR SPECIAL ASSESSMENTS); REMEDIES OF THE ASSOCIATION

8.1. Effect of Non-Payment of Assessments (or Special Assessments); Remedies of the Association.

Any installment of an Assessment or Special Assessment not paid within fifteen (15) days after the due date shall bear interest from the due date of such installment at the rate of eighteen (18%) percent per annum. If any installment of an Assessment or Special Assessment is not paid within fifteen (15) days after it is due, the Owner responsible therefor may be required further by the Board of Directors to pay a late charge of Twenty-Five (\$25.00) Dollars. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Home. No Owner may waive or otherwise escape liability for the Assessments or Special Assessments provided for herein by non-use of the Common Areas or abandonment of his Home. If any installment of an Assessment or Special Assessment is not paid within fifteen (15) days after its due date, the Board may mail an acceleration notice to the Owner and to each first Mortgagee of a Home which has requested a copy of the notice. The notice shall specify (i) the fact that the installment is delinquent; (ii) the action required to cure the default including the amount that can be paid by the Owner to prevent a lien being filed on that Owner's Home; (iii) a date not less than fifteen (15) days from the date the notice is mailed to the Owner, by which such default must be cured; and (iv) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the installments of the Assessment or Special Assessment for the then current fiscal year and sale of the Home pursuant to foreclosure of the lien securing the unpaid Assessment or Special Assessment. The notice shall further inform the Owner of his right to cure after acceleration and to bring a court action to assert the non-existence of a default or any other defense of the owner to acceleration and sale.

If the delinquent installments of Assessments or Special Assessments and any charges thereon are not paid in full on or before the date specified in the notice, the Board, at its option, may declare all of the unpaid balance of the annual Assessment or Special Assessment to be immediately due and payable without further demand and may enforce the collection of the full Assessment or Special Assessment and all charges thereon in any manner authorized by law and this Declaration.

8.2. Notice of Claim of Lien. No action shall be brought to enforce any Assessment or Special Assessment lien herein, unless at least thirty (30) days has expired following the date a Notice of Claim of Lien

is deposited in the United States mail, and copy thereof has been recorded by the Association in the office of the Clerk of Circuit Court of Lake County, Florida; said Notice of Claim of Lien must recite a good and sufficient legal description of any such Home, the record owner or reputed Owner thereof, the amount claimed (which may at the Association's option include interest on the unpaid Assessment or Special Assessment at eighteen (18%) percent, plus reasonable attorneys' fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the Claimant. Such Notice of Claim of Lien shall be signed and acknowledged by an officer of the Association.

8.3. Foreclosure Sale. The Assessment or Special Assessment lien set forth herein may be foreclosed in the same manner as mortgages are foreclosed under Florida law. The Association, through duly authorized agents, shall have the power to bid on the Home at foreclosure sale, and to acquire and hold, lease, mortgage and convey same.

8.4. Curing of Default. Upon the timely curing of any default for which a Notice of Claim of Lien was filed by the Association, the officers thereof shall record an appropriate Release of Lien, upon payment by the defaulting owner of a fee, to be determined by the Association, but not to exceed One Hundred Fifty (\$150.00) Dollars, to cover the cost of preparing and recording such release. A certificate executed and acknowledged by any two (2) Members of the Board or by the Management Company stating the indebtedness secured by the liens upon any Home created hereunder shall be conclusive upon the Association and the Owners as to the amount of such indebtedness as of the date of the certificate, in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Owner upon request at a reasonable fee, not to exceed Fifty (\$50.00) Dollars.

8.5. Cumulative Remedies. The Assessment or Special Assessment liens and the rights to foreclose and sale thereunder, shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid Assessments or Special Assessments, as above provided.

8.6. Subordination of the Lien to Mortgages. The lien of the Assessments or Special Assessments provided for herein shall be subordinate to the lien of any first Mortgage (meaning any recorded Mortgage with first priority or seniority over other mortgages) made in good faith and for value and recorded prior to the date on which the Notice of Claim is recorded. Sale or transfer of any Home shall not affect the Assessment or Special Assessment lien. However, the sale or transfer of any Home pursuant to the mortgage foreclosure or deed in lieu thereof, shall extinguish the lien of such Assessments or Special Assessments as to installments which become due prior to such sale or transfer. No sale or transfer shall relieve such Home from liability for any Assessments or Special Assessments thereafter becoming due or from the lien thereof. Liens for Assessments or Special Assessments under this Article shall be inferior to the liens for Club Charges charged by the Club and liens for assessments charged by the Community Association.

ARTICLE IX. MAINTENANCE AND REPAIR OBLIGATIONS

The Association shall maintain, or provide for the maintenance of all of the Common Areas (including, without limitation, paving, lighting and landscaping) and, at its option, may maintain or provide for the maintenance of other property as elsewhere provided for herein.

ARTICLE X. COMMUNITY DECLARATION

The Declaration shall be subject to and subordinate to the Community Declaration and the terms and conditions thereof, including, without limitation Article IX thereof which specifically applies to this Declaration and Association.

ARTICLE XI. INSURANCE

11.1. Common Areas. The Board of Directors shall maintain public liability insurance, to the extent obtainable, covering each Association Member, lessee and occupant, and the managing agent, if any, against liability for any negligent act of commission or omission attributable to them which occurs on or in the Common Areas. To the extent obtainable, the Board of Directors shall also be required to obtain the following insurance: (a) fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring the facilities on the Common Properties, in an amount equal to their full replacement values, and (b) worker's compensation insurance. In addition, the Board shall have the right to obtain Directors' and Officers' liability insurance, fidelity insurance and other insurance it may deem proper to protect the Association, its members and property. All insurance premiums for such coverage shall be paid for by the Association and assessed as appropriate to all Owners.

11.2. Homes.

11.2.1. Each Owner shall be required to obtain and maintain adequate insurance of his Home, which shall insure the property for its full replacement value, with no deductions for depreciation, against loss by fire, flood, if in a flood zone, or other hazards. Such insurance shall be sufficient to cover the full replacement value, or for necessary repair or reconstruction work. Such insurance shall be written in a manner acceptable to the Board of Directors of the Association, and shall contain a clause which provides ten (10) days prior written notice to the Board of Directors of the Association before the policy can be canceled. Each Owner shall be required to supply to the Board of Directors if requested by the Board of Directors, evidence of insurance coverage on his Home which complies with the provisions of this Section.

In the event of damage or destruction by fire or other casualty to any Home covered by adequate insurance written in the name of the individual Owner thereof, then such Owner shall, with the concurrence of the Owner's mortgagee, if any, within thirty (30) days of the receipt of the insurance proceeds, contract for or otherwise substantially start the repair or rebuilding of the damaged or destroyed portions of the structure and/or exterior of the Home in a good and workmanlike manner in conformance with the original plans and specifications. If such Owner refuses or fails, for any reason, to so repair or rebuild as provided, then the Association by and through its Board of Directors is hereby irrevocably authorized by such Owner to repair and rebuild such damaged or destroyed portions of the Home in a good and workmanlike manner in conformance with the original plans and specifications thereof. The Board of Directors shall levy a special assessment against the Owner in whatever amount sufficient to adequately pay for such repair or rebuilding of this type.

11.2.2. Should the Association obtain the insurance coverage on a Home pursuant to Section 11.2.1 of this Article XI, then the Association may charge and the applicable Owner shall be responsible for, as a special assessment against the Homesites, an administration fee of \$100.00.

11.2.3. Notwithstanding anything to the contrary in Section 11.2.1 of this Article XI, the Association, its Directors or Officers, shall not be liable to any person should it fail for any reason whatsoever to obtain insurance coverage on any Home.

ARTICLE XII. MORTGAGEE PROTECTION

The following provisions are added hereto (and to the extent these added provisions conflict with any other provisions of the Declaration, these added provisions shall control):

- (a) Each first mortgagee of a Mortgage encumbering any Home, at its written request, is entitled to written notification from the Association of any default by the Mortgagor of such Home in the performance of such Mortgagor's obligations under this Declaration, the Articles of Incorporation of the Association or the By-Laws of the Association, which default is not cured within thirty (30) days after the Association learns of such default.
- (b) Each first mortgagee of a Mortgage encumbering any Home which obtains title to such Home pursuant to the remedies provided in such Mortgage or by foreclosure of such Mortgage, shall take title to such Home free and clear of any claims of unpaid assessments or charges against such Home which accrued prior to the acquisition of title to such Home by the Mortgagee.
- (c) First Mortgagees shall have the right to examine the books and records of the Association during normal business hours.

ARTICLE XIII. USE RESTRICTIONS

13.1. No Trade or Business. No trade, business, profession, or commercial activity, or any other non-residential use, shall be conducted upon any portion of the Neighborhood or within any Homesite or Home.

13.2. Prohibition against Enclosure of Garages. Notwithstanding anything contained herein to the contrary, no garages shall be enclosed or converted into a living area, and must at all times be useable as a garage for car storage purposes.

13.3. Outside Storage of Personal Property. The personal property of any resident of the Neighborhood shall be kept inside the resident's Home or a fenced or a walled-in yard, except for tasteful patio furniture and other personal property commonly kept outside.

13.4. Portable Buildings or Structures. No portable, storage, temporary or accessory buildings or structures, or tents, shall be erected, constructed or located upon any Homesite for storage or otherwise, without the prior written consent of the Association.

13.5. Garbage and Trash. Each Owner shall regularly pick up all garbage, trash, refuse or rubbish on the Owner's Homesite. Garbage, trash, refuse or rubbish that is required to be placed at the front of the Homesite in order to be collected may be placed and kept at the front of the Homesite after 5:00 p.m. on the day before the scheduled day of collection, and any trash facilities must be removed on the collection day. All garbage, trash, refuse or rubbish must be placed in appropriate trash facilities or bags. All containers, dumpsters or garbage facilities shall be stored inside a Home and screened from view and kept in a clean and sanitary condition. No noxious or offensive odors shall be permitted.

13.6. Parking. The parking facilities shall be used in accordance with the regulations adopted by the Community Association. Owners automobiles shall be parked in the garage or driveway. All lawn maintenance vehicles shall park on the driveway of the Homesite and not in the roadway or swale. No vehicle which cannot operate on its own power shall remain on the Properties for more than twelve hours, except in the garage of a Home. No repair, except emergency repair, of vehicles shall be made within the Properties, except in the garage of a Home. No commercial vehicle, recreational vehicle, boat or camper, may be kept in the Community except in the garage of a Home. The term commercial vehicle shall not be deemed to include recreational vehicles (i.e. Broncos, Blazers, Explorers, etc.) up to 21'5" or clean "non-working" vehicles such as pick-up trucks, vans or cars if they are used by the Owner on a daily basis for normal transportation.

13.7. Pets. No animals of any type shall be raised, bred or kept within the Neighborhood, except that normal fish tanks and two (2) domestic pets or animals (i.e. dogs or cats) may be kept in each Home. Any pet must be carried or kept on a leash when outside of a Home or fenced-in area. Any pet must not be an unreasonable nuisance or annoyance to other residents of the Community. Any resident shall pick up and remove any solid animal waste deposited by his pet in the Neighborhood, except for designated pet-walk areas.

if any. No commercial breeding of pets is permitted within the Community. The Association may require any pet to be immediately and permanently removed from the Community due to a violation of this Use Restriction. An Owner who owns a pet should refer to the Community Declaration for additional restrictions concerning pets in the Community. In the event this Section is amended to be more restrictive in terms of weight, quantity or species of an allowed pet, any existing pet at the time of the amendment that does not meet the more restrictive amended criteria may remain until it dies.

13.8. Air Conditioning Units. Only central air conditioning units are permitted, and no window, wall, or portable air conditioning units are permitted.

13.9. Clotheslines and Outside Clothes Drying. No clothesline or clothes pole shall be erected, and no outside clothes drying is permitted, except where such activity is advised or mandated by governmental authorities for energy conservation purposes, in which event the Association shall have the right to approve the portions of any Homesite used for outdoor clothes drying purposes and the types of devices to be employed in this regard, which approval must be in writing.

13.10 Nuisances. No nuisance shall be permitted within the Neighborhood, and no use or practice which is an unreasonable source of annoyance to the residents within the Neighborhood or which shall interfere with the peaceful possession and proper use of the Neighborhood by its residents shall be permitted. No unreasonably offensive or unlawful action shall be permitted and all laws, zoning ordinances and regulations of all controlling governmental authorities shall be complied with at all times by the Owners.

13.11. Satellite Dishes and Antennae. Due to safety restrictions as imposed by applicable building, zoning, electrical and fire codes, and other safety concerns, no exterior antennae, radio masts, towers, poles, aerials, satellite dishes, or other similar equipment shall be placed on any Home or Parcel without the prior written approval thereof being first had and obtained from the ACC as required by this Declaration. The ACC may require, among other things, that all such improvements be screened so that they are not visible from adjacent Lots, or from the Common Areas. No Owner shall operate any equipment or device that will interfere with the radio or television reception of others.

13.12. Signs. No signs shall be placed in or upon any Home or Homesite that are visible from the exterior of the Home, unless prior approval is received from the Architectural Control Committee.

13.13. Window Treatments. Window treatments shall consist of drapery, blinds, decorative panels, or other tasteful window covering, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding one (1) week after an Owner or tenant first moves into a Home or when permanent window treatments are being cleaned or repaired.

13.14. Wells and Septic Tanks. No individual wells will be permitted on any Homesite within this Neighborhood, and no individual septic tanks will be permitted on any Homesite within this Neighborhood. This restriction will be enforceable as long as the water services and sewage disposal are in operation, satisfactorily servicing each Homesite on which a completed building is located in said Neighborhood in accordance with the standard requirements as provided for by the State Board of Health Regulations and the charge for said services, as set forth in the rate schedule in the third Party Beneficiary Agreement placed of record, covering said utilities, is not in excess of the amounts provided for therein or as modified and changed in accordance with legal procedure in the future.

13.15. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Homesite, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Homesite. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any Homesite.

13.16. Visibility in Corner Homesites. Notwithstanding anything to the contrary in these restrictions, no obstruction to visibility at street intersections shall be permitted and such visibility clearances shall be maintained as required by the Department of Public Works.

13.17. Barbecues. Barbecues may be located or permitted upon the back patio or yard of a Home and upon such portions of the Common Area as are, from time to time, designated by the Association; provided,

however, that barbecuing shall be subject to such rules and regulations as may be promulgated from time to time by the Board.

13.18. Removal of Sod and Shrubbery; Additional Planting. No sod, topsoil, trees or shrubbery shall be removed from the Neighborhood, no change in the elevation of such areas shall be made and no change in the condition of the soil or the level of the land of such areas shall be made which results in any permanent change in the flow and drainage of surface water which the Board, in its sole discretion, considers detrimental; provided, however, that Owners may place additional plants, shrubs or trees upon their respective Homesites subject to approval by the Board or its appointed Committee.

13.19. Increases in Insurance Rates. No Owner may take any action which will result in an increase in the rate of any insurance policy or policies covering any portion of the Neighborhood.

13.20. Casualties. In the event that a Home or any part thereof is destroyed by casualty or otherwise, or in the event any improvements upon the Common Area are damaged or destroyed by casualty or otherwise, the Owner thereof or the Association, as the case may be, shall promptly clear all debris resulting therefrom and (subject to the duties and obligations of the Association) commence either to rebuild or repair the damaged improvements in accordance with the terms and provisions of this Declaration.

13.21. Reconstruction. Any repair, rebuilding or reconstruction on account of casualty or other damage to any Common Area or any part or parts thereof, shall be substantially in accordance with the plans and specifications for such property and areas as originally constructed or with new plans and specifications approved by the Board or its appointed Committee. Any repair, rebuilding or reconstruction on account of casualty or other damage to any Home or any part or parts thereof shall be substantially in accordance with the plans and specifications for such property and areas as originally constructed or the new plans and specifications approved by the Board or its appointed Committee, and the Owner of such Home.

13.22. Rules and Regulations. The Association may adopt additional reasonable rules and regulations relating to the use and maintenance of the Neighborhood, and rules and regulations relating to the recreational facilities within the Neighborhood may be posted at such recreational facilities. Copies of such rules and regulations and amendments shall be furnished by the Association to an Owner upon request.

13.23. Waiver. The Association shall have the right to waive the application of one or more of these restrictions, or to permit a deviation from these restrictions, as to any Homesite where, in the discretion of the Board, circumstances exist which justify such waiver or deviation. In the event of any such waiver or permitted deviation, or in the event any party fails to enforce any violation of these restrictions, such action or inaction shall not be deemed to prohibit or restrict the right of the Association, or any other person having the right to enforce these restrictions, from insisting upon strict compliance with respect to all other Homesites, nor shall any such actions be deemed a waiver of any of the restrictions contained herein as same may be applied in the future. Notwithstanding the foregoing, so long as Developer owns any Homesite, if any waiver or deviation of any restriction requires the consent of the Association, such consent shall be obtained from Developer and not from the Association, unless Developer voluntarily relinquishes this right at an earlier date.

13.24. Exceptions. The foregoing use and maintenance restrictions shall not apply to Developer, or to any portion of the Neighborhood while owned by Developer, and shall not be applied in a manner which would prohibit or restrict the development of any portion of the Neighborhood and the construction of any Homes and other improvements thereon, or any activity associated with the sale of any new Homes by Developer. Specifically, and without limitation, Developer shall have the right to: (i) construct any buildings or improvements within the Neighborhood, and make any additions, alterations, improvements, or changes thereto; (ii) maintain customary and usual sales, general office and construction operations on the Neighborhood; (iii) place, erect or construct portable, temporary or accessory buildings or structures upon the Neighborhood Lands for sales, construction, storage or other purposes; (iv) temporarily deposit, dump, accumulate materials, trash, refuse and rubbish in connection with the development or construction of the Neighborhood; and (v) post, display, inscribe or affix to the exterior of a Home or upon the Neighborhood, signs and other materials used in developing, constructing, selling or promoting the Neighborhood.

13.25. Leases. No portion of a Home (other than an entire Home) may be rented. All leases shall be on forms approved by the Association and shall provide that the Association shall have the right to terminate the

lease upon default by the tenant in observing any of the provisions of this Declaration, the Articles and By-Laws of the Association, applicable rules and regulations or other applicable provisions of any agreement, document or instrument governing the Neighborhood or administered by the Association. Leasing of Homes shall also be subject to the prior written approval of the Association and the Association may reject the leasing of any Home on any grounds the Association elects. No lease shall be approved for a term of less than ninety days. Only two (2) leases shall be permitted within a 365 day period, which 365 day period shall be deemed to commence on the date of the lease. This Section 13.25 shall remain in force and effect for a period of five (5) years from the date Home Owners other than Developer elect a majority of the Board of Directors of the Association. Thereafter, this Section shall remain in effect until Home Owners owning not less than eighty (80%) percent of the voting interests represented at any meeting at which a quorum has been attained vote to change this Section in whole or in part. As a condition to the approval by the Association of a proposed lease of a Home, the Association, has the authority to require a security deposit in an amount not to exceed the equivalent of one month's rent be deposited into an escrow account maintained by the Association. The security deposit shall protect against damages to the Common Areas or Association Property. Within 15 days after a tenant vacates the Home the Association shall refund the full security deposit or give written notice to the tenant of any claim made against the security. Disputes under this Section 13.25 shall be handled in the same fashion as disputes concerning security deposits under Florida Statutes, Section 83.49. The Home Owner will be jointly and severally liable with the tenant to the Association for any amount in excess of such sum which is required by the Association to effect such repairs or to pay any claim for injury or damage to property caused by the negligence of the tenant. All leases shall also comply with and be subject to the provisions of Section 13.26 hereof.

13.26. Occupancy. Each Home shall be used as a residence only, except as otherwise herein expressly provided. A Home owned by an individual, corporation, partnership, trust or other fiduciary may only be occupied by the following persons, and such persons' families and guests: (i) the individual Home Owner, (ii) an officer, director, stockholder or employee of such corporation, (iii) a partner or employee of such partnership, (iv) the fiduciary or beneficiary of such fiduciary, or (v) permitted occupants under an approved lease or sublease of the Home (as described below), as the case may be.

Occupants of an approved leased or subleased Home must be the following persons, and such persons' families and guests: (i) an individual lessee or sublessee, (ii) an officer, director, stockholder or employee of a corporate lessee or sublessee, or (iv) a fiduciary or beneficiary of a fiduciary lessee or sublessee.

Under no circumstances may more than one family reside in a Home at one time. "Families" or words of similar import used herein shall be deemed to include spouses, parents, parents-in-law, brothers and sisters. In no event shall occupancy (except for temporary occupancy by visiting guests) exceed two (2) persons per bedroom with a maximum of 4 persons per Home. The Board of Directors shall have the power to authorize occupancy of a Home by persons in addition to those set forth above. The provisions of this Section 13.26 shall not be applicable to Homes used by the Developer for model apartments, sales offices, other offices or management services.

13.27. Age of Residents; Services and Facilities. Subject to all local ordinances, as they may be amended from time to time each Home must be permanently occupied by at least one (1) person fifty-five (55) years of age or older. Persons under the age of fifty-five (55) years and more than eighteen (18) years of age may occupy and reside in a Home as long as at least one of the occupants is fifty-five (55) years of age or older. No person under the age of eighteen (18) may be a permanent occupant of any Home, except that persons under the age of eighteen (18) may be permitted to visit and temporarily reside for periods not to exceed thirty (30) days in total in any calendar year. Notwithstanding the above, if a Home is transferred by inheritance, the requirement as to one occupant of said Home being fifty-five (55) years of age or older is waived as to occupancy by the heirs so long as no permanent occupant is under the age of eighteen (18) years and further so long as at least eighty (80%) percent of all of the Homes in the Development are occupied by one person fifty-five (55) years of age or older. It shall be the responsibility of the Board of Directors of the Community Association to determine whether eighty (80%) percent of the Homes in the Development are occupied by at least one person who is fifty-five (55) years of age or older. Subject to the terms of this Declaration, the Articles of Incorporation and By-Laws of the Association the Board shall have the authority to make any additional capital improvements upon the common areas necessary to provide facilities or services specifically designed to meet the requirements of the Fair Housing Amendments Act of 1988. Notwithstanding anything to the contrary set forth in this Declaration, the restriction that no person under the age of eighteen (18) years may be a permanent occupant of any home shall be in perpetuity and shall not be subject to amendment.

Children shall be the direct responsibility of their parents or legal guardians, including full supervision of them while within the Neighborhood and including full compliance by them of these restrictions and all rules and regulations of the Association. All children under eighteen (18) years of age must be accompanied by a responsible adult when entering and/or utilizing the Recreation Area or any other commonly used facilities.

ARTICLE XIV. GENERAL PROVISIONS

14.1. Enforcement. This Declaration, the Articles of Incorporation and By-Laws may be enforced as follows:

14.1.1. Breach of any of the covenants contained in the Declaration or the By-Laws and the continuation of any such breach may be enjoined, abated or remedied by appropriate legal proceedings by any Owner, the Developer, by the Association or the successors-in-interest of the Association. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum for attorney's fees in an amount as the Court may deem reasonable, in favor of the prevailing party, as well as the amount of any delinquent payment, interest thereon, costs of collection and Court costs.

14.1.2. The result of every act or omission whereby any of the covenants contained in this Declaration or the By-Laws are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance either public or private shall be applicable against every such result and may be exercised by any Owner, by the Association or its successors-in-interest.

14.1.3. The remedies herein provided for breach of the covenants contained in this Declaration or in the By-Laws shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

14.1.4. The failure to enforce any of the covenants contained in this Declaration or in the By-Laws shall not constitute a waiver of the right to enforce thereafter.

14.1.5. A breach of the covenants, conditions and restrictions contained in this Declaration or in the By-Laws shall not affect or impair the lien or charge of any Mortgage made in good faith and for value on any Home, provided, however, that any subsequent Owner of such Home shall be bound by said covenants, whether such Owner's title was acquired by foreclosure sale or otherwise.

14.2. Severability. Invalidation 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.

14.3. Term. The covenants and restrictions of this Declaration shall run with and bind the Neighborhood Lands covered thereby, and shall inure to the benefit of and be enforceable by the Association, the Developer or the Owner of any Home subject to this Declaration, their respective legal representatives, successors, heirs and assigns, for a term of forty (40) years from the date this Declaration is recorded, after which time said covenants, conditions, reservation of easements, equitable servitudes and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument, approved by the then Owners of a majority of the Homes, has been recorded, agreeing to change said covenants and restrictions in whole or in part.

14.4. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the maintenance of community recreational facilities and other commonly used facilities. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. Unless the context requires a contrary construction, the singular shall include the plural and the plural, the singular; and the masculine, feminine and neuter shall each include the masculine, feminine and neuter.

14.5. Amendments. The developer shall have the right, at any time until the termination of the class B membership to amend this Declaration as it, in its sole discretion, deems appropriate. After the class B member terminates, except as provided to the contrary herein or as otherwise consented to by Developer, this

Declaration may be amended at any time, and from time to time, upon the recordation of an instrument executed by the Association upon vote of: (i) seventy-five percent (75%) of the Board; and (ii) the Owners who are entitled to vote seventy-five percent (75%) of all votes of each class of voting membership in the association who are entitled to vote on the matter as set forth in the Articles and By-Laws. Until the termination of the class B membership, the Developer's written consent to any amendment must first be obtained. No amendment, whether before or after the termination of the class membership, shall affect the rights of Developer without the prior written consent of the Developer, which may be withheld at its sole discretion, or that alter the subordination provisions of this Declaration, without prior approval of any mortgagee enjoying the benefit of such provisions.

Notwithstanding anything contained herein to the contrary, if the prior written approval of any governmental entity or agency having jurisdiction is required by applicable law or governmental regulation for any amendment to this Declaration then the prior written consent of such entity or agency must also be obtained.

14.6. No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Common Areas to the public, or for any use. However, the Association shall have the right to dedicate or transfer all or any part of the Common Areas to any municipality, public agency or authority for such purposes and subject to such conditions as may be agreed upon by the Members. No such dedication or transfer shall be effective unless an instrument in writing executed by not less than Members owning two-thirds (2/3) of the Members subject to assessment and by the Developer (provided that at said time the Developer still owns any portion of the Neighborhood Lands).

14.7. Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Home or other portion of the real property in the Neighborhood does and shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which said person acquired an interest in such property.

14.8. Additions to Common Areas. Until the Developer shall have completed development, promotion and sale of all Homes to be located in the Neighborhood, Developer (or anyone claiming by, through or under Developer) shall have the right in its sole discretion to add additional facilities or improvements to the Common Areas. Developer shall be the sole judge as to the size, contents, designs, style, plans and specifications on all of such additional facilities or improvements and the equipment and personalty contained therein; and Developer shall also have the right, in its sole discretion, to add additional lands and improvements and shall, upon designation by Developer, be deemed part of the Common Areas and subject to all of the terms and provisions of this Declaration and, except as otherwise set forth herein, the Members shall be obligated to pay their proportionate share of all taxes, assessments, insurance, utilities, maintenance, management, and other expenses of operation of such additions as if they were a portion of the original Common Areas. In the event Developer decides to construct such additional improvements, Developer shall also have the right to record such instruments in the Public Records of Lake County, Florida, as are necessary for the construction, provided that title is delivered in accordance with the provisions of this Declaration.

14.9. Use of Common Areas. Until the Developer shall have completed development, promotion and sale of all housing units to be located at the Neighborhood, Developer (or anyone claiming by, through or under Developer) shall have the following rights with regard to the Common Areas (without cost or charge):

14.9.1. the right to use and occupy on a non-exclusive basis any portion of the Common Areas for sales, promotional or administrative purposes;

14.9.2. the right to use, occupy and demonstrate, on a non-exclusive basis, all of the Common Areas for the purpose of promotion and aiding in the sale or rental of the residential units on or to be constructed at the Neighborhood.

14.10. Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Association for the

purpose of service of such notice, or to the residence of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association.

14.11. Refund of Taxes, Fees and Other Charges. Unless otherwise provided herein, Association agrees that any taxes, fees or other charges paid by the Developer to any governmental authority, utility company or any other entity which at a later date are refunded in whole or in part, shall be returned to the Developer in the event said refund is received by the Association.

Developer has executed this Declaration as of the date first written above.

Signed, sealed and delivered
in the presence of:

LENNAR HOMES, INC.

Susan Souhrada
Name:

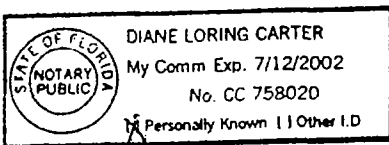
Alberta Hilday
Name:

By: Wayne Von Dreele
Wayne Von Dreele, Vice President

STATE OF FLORIDA
COUNTY OF LAKE

The foregoing Declaration of Covenants, Restrictions and Easements was acknowledged before me this 10th day of December, 1998, by Wayne Von Dreele, Vice President of Lennar Homes, Inc., a Florida corporation, on behalf of said corporation. He is personally known to me and did not take an oath.

Diane Loring Carter
Notary Public, State of Florida at Large



MEMO: Legibility of writing,
typing or printing unsatisfactory
in this document.

CAMBRIDGE AT KINGS RIDGE

A PARCEL OF LAND IN SECTIONS 4 AND 9, TOWNSHIP 23 SOUTH, RANGE 26 EAST, LAKE COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

BEGIN AT THE NORTHEAST CORNER OF TRACT "A", WELLINGTON AT KINGS RIDGE PHASE I, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 39, PAGES 66 AND 67, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; THENCE ALONG THE EASTERLY EXTENSION OF THE NORTH LINE OF TRACT "A" RUN N89°34'05"E 340.38 FEET; THENCE S81°54'04"E 101.12 FEET; THENCE N89°34'05"E 214.35 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE RUN SOUTHEASTERLY 39.84 FEET ALONG THE ARC THEREOF THROUGH A CENTRAL ANGLE OF 91°18'43" TO THE END OF SAID CURVE; SAID POINT BEING ON THE WEST RIGHT-OF-WAY LINE OF HANCOCK ROAD (BEING 80 FEET WIDE) AS DESCRIBED IN OFFICIAL RECORDS BOOK 1399, PAGE 194, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; THENCE ALONG SAID RIGHT-OF-WAY LINE RUN S00°52'48"W 2567.37 FEET TO THE NORTH RIGHT-OF-WAY LINE OF HARTWOOD MARSH ROAD; THENCE ALONG SAID RIGHT-OF-WAY LINE RUN N89°42'05"W 680.74 FEET TO THE EAST LINE OF WELLINGTON AT KINGS RIDGE PHASE III, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 40, PAGES 42 AND 43, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; THENCE ALONG SAID EAST LINE OF WELLINGTON AT KINGS RIDGE PHASE III AND ALONG THE EAST LINE OF WELLINGTON AT KINGS RIDGE PHASE I RUN N00°53'07"E 2599.28 FEET TO THE POINT OF BEGINNING;

ALSO,

ALL OF TRACT "C", WELLINGTON AT KINGS RIDGE PHASE III, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 40, PAGES 42 AND 43, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA.

State of Florida



Department of State

I certify from the records of this office that CAMBRIDGE AT KINGS RIDGE NEIGHBORHOOD ASSOCIATION, INC. is a corporation organized under the laws of the State of Florida, filed on December 4, 1998.

The document number of this corporation is N98000006922.

I further certify that said corporation has paid all fees and penalties due this office through December 31, 1998, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

Doc# 99008587
Pages 27
02/02/99 03:31:57 PM
Filed & Recorded in
Official Records of
LAKE COUNTY
JAMES C. WATKINS
CLERK OF CIRCUIT COURT
Fees \$123.00

Book 1684 Page 125

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Eighth day of December, 1998



CR2EO22 (2-95)

Sandra B. Northam

Sandra B. Northam
Secretary of State

ARTICLES OF INCORPORATION
OF
CAMBRIDGE AT KINGS RIDGE NEIGHBORHOOD ASSOCIATION, INC.

FILED
STATE
CORPORATIONS
DIVISION
98DEC-11 PM 2:05

The undersigned, for the purpose of forming a corporation not for profit pursuant to the laws of the State of Florida, does hereby adopt the following Articles of Incorporation.

ARTICLE I

NAME

The name of the corporation is Cambridge at Kings Ridge Neighborhood Association, Inc. For convenience, the corporation shall be referred to in this instrument as "Association", these Articles of Incorporation as the "Articles", and the By-Laws of the Association as the "By-Laws".

ARTICLE II

PRINCIPAL OFFICE AND MAILING ADDRESS

The principal office and mailing address of the Association shall be located at 1900 Kings Ridge Boulevard, Clermont, Florida 34711.

ARTICLE III

REGISTERED OFFICE AND REGISTERED AGENT

The initial registered office of the Association shall be at 380 W. Alfred Street, Tavares, Florida 32778, with the privilege of having its office and branch offices at other places within or without the State of Florida. The initial registered agent at that address shall be Gary L. Summers.

ARTICLE IV

PURPOSES AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, will make no distribution of income to its members, directors, or officers, and the specific purposes for which it is formed are to provide for the ownership, operation, maintenance, and preservation of the common driveways, parking areas, if applicable, green areas, and other common areas in the area to be known as the Cambridge Neighborhood in the Kings Ridge Development (the "Project") located in the City of Clermont, Lake County, Florida, more particularly described in the Declaration referred to below hereinafter referred to as the "Common Areas", and to promote the health, safety, and welfare of the Home Owners, which constitute the membership of the Association's members, and to:

- §4.1 Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Restrictions, and easements for Cambridge Neighborhood (the "Declaration"), as amended from time to time, and recorded or to be recorded in the Public Records of Lake County, Florida; said Declaration incorporated herein as if set forth at length;
- §4.2 Fix, levy, collect, and enforce payment by any lawful means, all charges or Assessments or Special Assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;
- §4.3 Acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association;
- §4.4 Borrow money, and with the assent of two-thirds (2/3) of each Class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- §4.5 Dedicate, sell, or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each Class of members, agreeing to such dedication, sale or transfer;
- §4.6 Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and common area, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of each class of the members;
- §4.7 To purchase, lease, hold, sell, mortgage or otherwise acquire or dispose of interests in, real or personal property, except to the extent restricted hereby; to contract for the management and maintenance of the Common Areas and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, Special Assessments, preparation of records, enforcement of rules and maintenance, repair, and replacement of the Common Areas with funds as shall be made available by the Association for such purposes. The Association shall, however, retain at all times the powers and duties granted by the Declaration, including but not limited to the making of Assessments, Special Assessments, promulgation of rules and the execution of contracts on behalf of the Association;

§4.8 To collect on behalf of the Kings Ridge Community Association Inc. and the Kings Ridge Recreation Corporation, (Club Owner) all assessments due the Community Association and all of the club charges due the Club Owner from the members of the Association.

§4.9 Have and to exercise any and all powers, rights, and privileges which a corporation organized under the corporation not for profit law of the State of Florida by law may now or hereafter have to exercise.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

§5.1 Membership. Every person or entity who is an Owner of a Home (as defined below) and the Developer shall be a Member of the Association. Notwithstanding the foregoing, any such person or entity that merely holds record ownership as security for the performance of an obligation shall not be a Member of the Association. Membership in the Association shall not be assignable, except to the successor-in-interest of the Member.

§5.2 Voting Rights. The Association shall have two (2) classes of Voting Members, each to be selected and to cast the numbers of votes set forth below:

Class A. Class "A" Member shall be each Owner of a Home in the Project except the Developer. Each Class "A" Member shall be entitled to one (1) vote.

Class B. The Class B Voting Member shall be Lennar Homes Inc., its successors or assigns (the "Developer"). The Class B Voting Member shall be entitled to one (1) vote, plus two (2) votes for each vote to which the Class A Members are entitled to cast from time to time, provided that the Class B Membership shall cease and terminate one (1) year after the last Lot within the Project has been sold and conveyed or at any time prior to that date at the election of the Developer.

§5.3 Community Association. Each Member of the Association shall also be a member of the Community Association. The Association shall elect three (3) voting Members who shall represent the interests of all members of the Association at meetings of the Community Association, and shall cast as many votes as there are Homes subject to the jurisdiction of the Association. The Association shall elect its Voting Members in the same manner, and subject to the same terms as to duration of office, removal and qualifications, as it elects its own directors and each Voting Member shall be a director of the Association.

§5.4 Selection of Voting Members. The Association shall give written notice to the Community Association of the persons elected or designated as its Voting Members, such

notice to be given at or before the first meeting of the Community Association which the Voting Member is to attend. The Community Association shall be entitled to rely on such notices as constituting the authorization of the Association (and its members) to the designated Voting Members to cast all votes of the Association (and its members) and to bind same in all Community Association matters until such notice is changed, superseded or revoked.

§5.5 Multiple Ownership. When more than one person or entity shall at any time be the Owner of a Home subject to a membership interest, the vote attributed to such Home shall be exercised as such Owners mutually determine and such Members cannot split or divide their Home's vote on any motion, resolution, ballot or otherwise. In the event that such Owners are unable to agree among themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question. If any one of such Owners casts a vote, it will thereafter be conclusively presumed for all purposes that such Owner was acting with the authority and consent of all other Owners of the same Home. In the event more than one vote is cast for a particular Home, none of said votes shall be counted, but rather, all such votes shall be deemed void.

§5.6 Membership. Membership shall be appurtenant to and inseparable from ownership of a Home. Transfer of Home ownership, either voluntarily or by operation of law, shall terminate membership in the Association, and said membership shall thereupon be vested in the transferee.

ARTICLE VI

INCORPORATOR

The name and address of the incorporator of these Articles is E. Bing Hacker. 1900 Kings Ridge Blvd., Clermont Florida 34711

ARTICLE VII

BOARD OF DIRECTORS

§7.1 The names and addresses of the members of the first Board of Directors who shall hold office until the annual meeting of the members and until their successors are elected or appointed and have qualified, are as follows:

E. BING HACKER

1900 Kings Ridge Boulevard
Clermont, Florida 34711

CHRISTINE SODERMARK

1900 Kings Ridge Boulevard
Clermont, Florida 34711

DONALD LUNKO

1900 Kings Ridge Boulevard
Clermont, Florida 34711

§7.2 The affairs of the Association shall be managed by a Board of Directors composed of not less than three (3) nor more than five (5) persons. The first Board of Directors shall have three (3) members, and in the future the number will be determined from time to time in accordance with the provisions of the By-Laws of the corporation. The number of Directors on the Board of Directors shall always be an odd number.

At the first annual meeting following the cessation of the Class B membership, the Members shall elect two (2) directors for a term of one (1) year, two (2) directors for a term of two (2) years, and one (1) director for a term of three (3) years. The Candidate receiving the largest number of votes shall serve as director for three (3) years; the two candidates receiving the second and third largest vote shall serve as directors for two (2) years; and the two (2) candidates receiving the fourth and fifth largest vote shall serve as directors for one (1) year. At each annual meeting thereafter, the members shall elect the appropriate number of directors for a term of three (3) years.

ARTICLE VIII

OFFICERS

The affairs of the Association will be administered by the officers designated in the By-Laws of the Association. Said Officers will be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association and will serve at the pleasure of the Board of Directors. The names and addresses of the Officers who are to manage the affairs of the Association until the annual meeting of the Board of Directors and until their successors are duly elected and qualified are:

PRESIDENT	E. BING HACKER 1900 Kings Ridge Boulevard Clermont, Florida 34711
VICE PRESIDENT	DONALD LUNKO 1900 Kings Ridge Boulevard Clermont, Florida 34711
SECRETARY/TREASURER	CHRISTINE SODERMARK 1900 Kings Ridge Boulevard Clermont, Florida 34711

ARTICLE IX

DURATION

The Association shall have perpetual existence.

ARTICLE X

AMENDMENTS

§10.1 Proposal. An amendment or amendments to these Articles may be proposed by the Board of Directors acting upon a vote of the majority of either the members or the Directors, whether at a meeting as members or Directors or by instrument in writing signed by either of them. Upon any amendment or amendments to these Articles being proposed by the Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or the acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the members of the Association not later than sixty (60) days from the receipt by him of the proposed amendment or amendments.

§10.2 Notice. It shall be the duty of the Secretary to give each member written notice of such meeting, stating the proposed amendment or amendments in reasonable detailed form, which notice shall be mailed or presented personally to each member not less than fourteen (14) days nor more than thirty (30) days before the date set for such meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the member at his Post Office address as it appears on the records of the Association, with postage thereupon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver when filed in the records of the Association, whether before, during or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member.

§10.3 Resolution. At the meeting at which the amendment is to be proposed and considered, a resolution for the adoption of the proposed amendment may be made by any Director or member of the Association, present in person or by proxy.

§10.4 Approval. Except as elsewhere provided, the approval of a resolution for the adoption of a proposed amendment to these Articles shall require the affirmative vote of not less than seventy-five (75%) percent of the total votes that may be cast by the membership of the Association. Voting Members of the Association not present in person or by proxy at the meeting at which the amendment is to be considered may express their approval (or disapproval) of the amendment in writing, provided that such approval is delivered to the Secretary of the Association prior to the commencement of the meeting.

§10.5 Limitation. Provided, however, that no amendment shall make any changes in the qualification for membership nor in the voting rights or property rights of members, nor any changes in Sections 4.3, 4.4, and 4.5 of Article IV, entitled "Purposes and Powers of the Association", without approval in writing by all members. No amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of or reserved to the Developer, or an affiliate of the Developer, unless the Developer shall join in the execution of the Amendment.

§10.6 Compliance With Governmental Regulations. Notwithstanding the above, an amendment may be made upon the approval of all of the members of the Board of Directors without the consent of the Members of the Association to bring the Articles of Incorporation in compliance with any governmental regulations including, without limitation, those of the Department of Housing and Urban Development, Federal Housing Administration and Federal National Mortgage Association.

§10.7 Recording. Such amendment or amendments of these Articles shall be transcribed and certified in such form as may be necessary to file the same in the office of the Secretary of State of the State of Florida. A certified copy of each amendment of these Articles shall be recorded in the Public Records of Lake County, Florida, within thirty (30) days from the date on which the same is filed and returned from the office of the Secretary of State.

ARTICLE XI

INDEMNIFICATION

§11.1 Indemnity. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a Director, employee, officer or agent of the Association, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceedings, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, has no reasonable cause to believe his conduct was unlawful, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence or misfeasance or malfeasance in the performance of his duty to the Association, unless and only to the extent that the Court in which such action or suit was brought shall determine upon application that despite the adjudication of liability, but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such Court shall deem proper. The

termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

§11.2 Expenses. To the extent that a Director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 11.1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.

§11.3 Approval. Any indemnification under Section 11.1 above (unless ordered by a Court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Directors, officer, employee or agent is proper under the circumstances because he has met the applicable standard of conduct set forth in Section 11.1 above. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or by a majority of the members.

§11.4 Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in any specific case upon receipt of an undertaking by or on behalf of the affected Director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article XI.

§11.5 Miscellaneous. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any of the By-Laws, agreement, vote of members or otherwise, and shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs and personal representatives of such person.

§11.6 Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Association, or is or was serving, at the request of the Association, as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

CERTIFICATE DESIGNATING PLACE OF BUSINESS FOR SERVICE OF
PROCESS WITHIN THIS STATE, NAMING AGENT UPON WHOM PROCESS
MAY BE SERVED.

Pursuant to Chapter 48.091, Florida Statutes, the following is submitted in
compliance with said Act.

That, Cambridge at Kings Ridge Neighborhood Association, Inc., desiring to
organize under the laws of the State of Florida, with its principal offices at 1900
Kings Ridge Boulevard, Clermont, County of Lake, State of Florida, has named
Gary L. Summers, whose office is located at 380 West Alfred Street, Tavares,
Florida 32778, as its agent to accept service of process within the State.

ACKNOWLEDGMENT

Having been named to accept service of process for the above stated
corporation, at the place designated in this Certificate, I hereby accept to act in this
capacity, and agree to comply with the provisions of said Act, relative to keeping
open said office.



Gary L. Summers

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
98 DEC -4 PM 2:05

**BY-LAWS
OF
CAMBRIDGE AT KINGS RIDGE NEIGHBORHOOD ASSOCIATION, INC.**

BY-LAWS
OF
CAMBRIDGE AT KINGS RIDGE NEIGHBORHOOD ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is CAMBRIDGE AT KINGS RIDGE NEIGHBORHOOD ASSOCIATION, INC., a Florida corporation not-for-profit, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 14145 KINGS RIDGE BOULEVARD, Clermont, Florida, 34711, but meetings of members and directors may be held at such places within the State of Florida, County of Orange or Lake, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Defined terms in the Declaration referred to in the Articles of Incorporation of this Association (hereinafter referred to as the "Declaration") are herein used as therein defined.

ARTICLE III
MEETING OF MEMBERS

3.1. Annual Meetings. The first annual meetings of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held in the same month of each year thereafter on a day and time to be determined by the Board. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following that which is not a legal holiday. The first meeting of the Board of Directors of the Association shall be held immediately succeeding the annual meeting of members.

3. 2. Special Meetings. Special meetings of the members may be called at any time by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership, as defined in the Articles of Incorporation. Business conducted at a special meeting is limited to the purposes described in the notice of the meeting.

3. 3. Notice of Meeting. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each member entitled to vote thereat, addressed to the members' address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

3. 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast thirty (30%) percent of the votes of the total membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws.

3. 5. Adjournment. Adjournment of an annual or special meeting to a different date, time, or place must be announced at that meeting before an adjournment is taken, or notice must be given of the new date, time or place as provided in Article VII. Any business that might have been transacted on the original date of the meeting may be transacted at the adjourned meeting.

3. 6. Proxies. At all meetings of members, the members have the right to vote in person or by proxy. To be valid, a proxy must be dated, must state the date, time and place of the meeting for which it was given, and must be signed by the authorized person who executed the proxy. A proxy is effective only for the specific meeting for which it was originally given, as the meeting may lawfully be adjourned and reconvened from time to time, and automatically expires ninety (90) days after the date of the meeting for which it was originally given. A proxy is revocable at any time at the pleasure of the person who executes it.

3. 7. Action Without a Meeting.

3.7.1. Action that can be taken at an annual or special meeting of members may be taken without a meeting, without prior notice, and without a vote if the action is taken by the members entitled to vote on such action and having not less than the minimum number of votes necessary to authorize such action at a meeting at which all members entitled to vote on such action were present and voted. In order to be effective, the action must be evidenced by one or more written consents describing the action taken, dated and signed by approving members having the requisite number of votes and entitled to vote on such action, and delivered to the Association by delivery to its principal place of business, the corporate secretary, or another officer or agent of the Association having custody of the book in which proceedings of meetings of members are recorded. Written consent shall not be effective to take the Association action referred to in the consent unless the consent is signed by members having the requisite number of votes necessary to authorize the action within sixty (60) days of the date of the earliest dated consent and is delivered in the manner required by this section.

3.7.2. Any written consent may be revoked prior to the date that the Association receives the required number of consents to authorize the proposed action. A revocation is not effective unless in writing and until received by the Association at its principal office in this state or its principal place of business, or received by the corporate secretary or other officer or agent of the Association having custody of the book in which proceedings of meetings of members are recorded.

3.7.3. Within ten (10) days after obtaining such authorization by written consent, notice must be given to those members who are entitled to vote on the action but who have not consented in writing. The notice must fairly summarize the material features of the authorized action.

3.7.4. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

3.7.5. If the action to which the members consent is such as would have required the filing of a certificate under any other section of this act if such action had been voted on by members at a meeting thereof, the certificate filed under such other section must state that written consent has been given in accordance with the provisions of this section.

3.7.6. Whenever action is taken pursuant to this section, the written consent of the members consenting to such action or the written reports of inspectors appointed to tabulate such consents must be filed with the minutes of proceedings of members.

ARTICLE IV VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class "A" members shall be all Owners with the exception of the Developer, and shall be entitled to one vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class "B" Voting Member shall be the Developer (as defined in the Declaration). The Class "B" Voting Member shall be entitled to one (1) vote, plus two (2) votes for each vote to which the Class "A" Members are entitled to cast from time to time, provided that the Class "B" Membership shall cease and terminate one (1) year after the last Lot within the Project has been sold and conveyed or at any time prior to that date at the election of the Developer.

ARTICLE V BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

5.1. Number. The affairs of the Association shall be managed by a Board of Directors composed of not less than three (3) nor more than five (5) persons. The number of Directors on the Board of Directors shall always be an odd number. The first Board of Directors shall have three (3) members, who need not be members of the Association.

5.2. Term of Office. At the first annual meeting following the cessation of the Class B membership, the Members shall elect two (2) directors for a term of one (1) year, two (2) directors for a term of two (2) years, and one (1) director for a term of three (3) years. The Candidate receiving the largest number of votes shall serve as director for three (3) years; the two candidates receiving the second and third largest vote shall serve as directors for two (2) years; and the two candidates receiving the fourth and fifth largest vote shall serve as directors for one (1) year. At each annual meeting thereafter, the members shall elect the appropriate number of directors for a term of three (3) years.

5.3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

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

5. 5. Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI NOMINATION AND ELECTION OF DIRECTORS

6. 1. Nomination. All members of the Association shall be eligible to serve on the Board of Directors, and a member may nominate himself as a candidate for the Board at the meeting where the election is to be held. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the date of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

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

6.3 Proviso. Notwithstanding the above, during the time that Developer is in control of the Association, Developer has the right to appoint a Board of Directors, who may or may not be Members of the Association.

ARTICLE VII MEETINGS OF DIRECTORS

7. 1. Meetings of the Board of Directors. A meeting of the Board of Directors occurs when a quorum of the Board gathers to conduct Association business. All meetings of the Board must be open to all members except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege. Notices of all Board meetings must be posted in a conspicuous place in the community at least 48 hours in advance of a meeting, except in an emergency. In the alternative, if notice is not posted in a conspicuous place in the community, notice of each Board meeting must be mailed or delivered to each member at least seven (7) days before the meeting, except in an emergency. An assessment may not be levied at a Board meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessments. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the election of officers. This section also applies to the meetings of any committee or other similar body, including any body vested with the power to approve or

disapprove architectural decisions with respect to a specific parcel of residential property in the community owned by a member of the Association.

7. 2. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at duly held meetings at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VIII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

8.1. Powers. The Board of Directors shall have power to:

8.1.1. adopt and publish rules and regulations governing the use of the Private Drives and Common Open Spaces, and the personal conduct of the members and their guests, thereon and to establish penalties for the infraction thereof;

8.1.2. suspend the voting rights of, and the right to use of, the common facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

8.1.3. exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by any other provisions of these By-Laws, the Articles of Incorporation or the Declaration;

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

8.1.5. employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

8.1.6. accept such other functions or duties with respect to, including architectural control, in addition to maintenance responsibilities, as are determined from time to time to be proper by the majority of the Board of Directors; and

8.1.7. delegate to, and contract with, a mortgage company or financial institution, responsibility for collection of the assessments of the Association.

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

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

8.2.2. supervise all officers, agents and employees of this Association and to see that their duties are properly performed;

8.2.3. as provided in the Declaration to:

- (i) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
- (ii) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
- (iii) foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay the same.

8.2.4. issue or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. The Board may make a reasonable charge for the issuance of these certificates. If a certificate states an assessment has been paid, such certificates shall be conclusive evidence of such payment.

8.2.5. procure and maintain adequate liability and hazard insurance on property owned or controlled by the Association, or for which, in the opinion of a majority of the directors, it may be liable and should provide coverage.

8.2.6. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

8.2.7. cause the Common Property and other property as set forth in the Declaration to be maintained.

ARTICLE IX OFFICERS AND THEIR DUTIES

9.1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors; a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

9. 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors which shall follow each annual meeting of the members.

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

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

9.5. Resignation and Removal. The Board may remove any officer from office with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice.

or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

9. 7. Multiple Offices. The same person may hold the offices of Secretary and Treasurer. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 9.4 of this Article.

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

PRESIDENT

The President shall preside at all meetings of the Board of Directors; see that resolutions and orders of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

VICE PRESIDENT

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

SECRETARY

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

TREASURER

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

ARTICLE X COMMITTEES

The Association shall appoint a Nominating Committee. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE XI OFFICIAL RECORDS OF THE ASSOCIATION

11.1. The Association shall maintain each of the following items, when applicable, which constitute the official records of the Association:

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

11.1.2. A copy of the By-Laws of the Association and of each amendment to the By-Laws.

11.1.3. A copy of the Articles of Incorporation of the Association and of each amendment thereto.

11.1.4. A copy of the Declaration of covenants and a copy of each amendment thereto.

11.1.5. A copy of the current rules of the Association.

11.1.6. The minutes of all meetings of the Board of Directors and of the Members, which minutes must be retained for at least seven (7) years.

11.1.7. A current roster of all members and their mailing addresses and parcel identifications.

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

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

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

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

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

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

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

11.2. Inspection and Copying of Records. The official records shall be maintained within the State and must be open to inspection and available for photocopying by members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access.

ARTICLE XII ASSESSMENTS

As more fully described in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made, and which are the personal obligation of the member.

ARTICLE XIII CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: CAMBRIDGE AT KINGS RIDGE NEIGHBORHOOD ASSOCIATION, INC., a Florida corporation not-for-profit 1998.

ARTICLE XIV AMENDMENTS

14.1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present, in person or by proxy, except that the Federal Housing Administration and the Veterans Administration, while either of such entities has mortgage interest against any home in the neighborhood they shall have the right to veto any of the above while there is a Class B Membership.

14.2. Notwithstanding the above, as long as Developer is in control of the Association, these By-Laws may be amended by Developer without the consent of the Members.

14.3. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XV MINUTES

Minutes of all meetings of the membership and of the Board of Directors must be maintained in written form or in another form that can be converted into written form within a reasonable time. A vote or abstention from voting on each matter voted upon for each Director present at a Board meeting must be recorded in the minutes.

ARTICLE XVI BUDGETS

owned by the Association, the Developer or another person. The Association shall provide each member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the members. The copy must be provided to the member within the time limit set forth in Article XI hereof.

ARTICLE XVII
FINANCIAL REPORTING

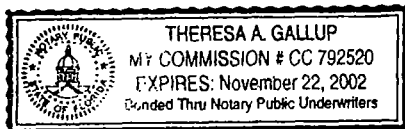
The Association shall prepare an annual financial report within sixty (60) days after the close of the fiscal year. The Association shall, within the time limits set forth in Article XI, provide each member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the member. The financial report must consist of either:

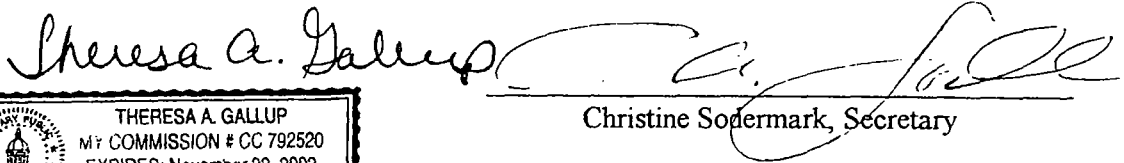
- (a) Financial statements presented in conformity with generally accepted accounting principles; or
- (b) A financial report of actual receipts and expenditures, cash basis, which report must show:
 - (i) The amount of receipts and expenditures by classification; and
 - (ii) The beginning and ending cash balances of the Association.

ARTICLE XVIII
MISCELLANEOUS

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

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 11th day of December, 1998.




Christine Sodermark, Secretary

