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DECLARATION OF COVENANTS AND RESTRICTIONS

FOR

PEBBLE CREEK

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AND RESTRICTIONS FOR PEBBLE CREEK**

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DECLARATION OF COVENANTS AND RESTRICTIONS
FOR PEBBLE CREEK

THIS DECLARATION is made this 23rd day of May, 1997,
by LANDSTAR DEVELOPMENT CORPORATION, a Florida corporation
(hereinafter called "Developer").

W I T N E S S E T H :

WHEREAS, Developer is the owner of the property more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"); and

WHEREAS, Developer desires to create on the Property a community of single family homes and Common Area for the benefit of the owners of the Property; and

WHEREAS, Developer desires to provide for the preservation and enhancement of the Property, amenities and improvements thereon, and to this end desires to subject the Property to the covenants, restrictions, easements, charges and liens hereafter set forth, all of which are for the benefit of the Property and each Owner, as hereafter defined, thereof; and

WHEREAS, to achieve these purposes, Developer deems it desirable to create an agency to which shall be delegated and assigned the powers of owning, maintaining and administering common properties and facilities as well as administering and enforcing these covenants and restrictions and collecting and disbursing the assessments and charges hereafter created, along with promoting the health, safety and welfare of all Owners; and

WHEREAS, Developer has incorporated under the laws of the State of Florida the PEBBLE CREEK AT MEADOW WOODS HOMEOWNERS' ASSOCIATION, INC. as a corporation not for profit for the purpose of exercising all of the functions stated herein.

NOW, THEREFORE, the Developer declares that the Property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereafter set forth which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I - DEFINITIONS

Section 1: "Articles" shall mean and refer to the Articles of Incorporation of the Association as set forth in Exhibit "B" attached hereto and made a part hereof.

Section 2: "Association" shall mean and refer to PEBBLE CREEK AT MEADOW WOODS HOMEOWNERS' ASSOCIATION, INC., a not for profit corporation, its successors and assigns and shall be a homeowner association, not a Condominium formed pursuant to Chapter 718 of the Florida Statutes.

Section 3: "Board" shall mean and refer to the Board of Directors of the Association, its successors and assigns.

Section 4: "Book of Resolutions" shall mean and refer to the document containing the rules and regulations and policies adopted by the Board of Directors of the Association as the same may from time to time be supplemented or amended.

Section 5: "Bylaws" shall mean and refer to the Bylaws of the Association as set forth in Exhibit "C" attached hereto and made a part hereof.

Section 6: "Common Area" shall mean and refer to those areas of land, together with any improvements thereon, other than the Living Units, to be conveyed to the Association and which are intended to be devoted to the common use and enjoyment of the Owners, and which shall include, by way of example, but not by way of limitation, all internal roadways, a perimeter wall and landscaping, the drainage/retention system, wetlands, entrance feature and recreation tract.

Section 7: "Declaration" shall mean the covenants, conditions and restrictions and all other provisions hereinafter set forth in this document, as the same may from time to time be amended.

Section 8: "Developer" shall mean and refer to Landstar Development Corporation, its successors or assigns, but only to the extent specifically so identified by an instrument in writing executed and recorded by Developer and excluding a Class A Owner who has purchased a Living Unit from the Developer.

Section 9: "General Plan of Development" shall mean the plan for development of the Property as approved by appropriate governmental agencies, and as the same may be amended with amendments approved by the governmental agencies involved.

Section 10: "Household Pet" shall mean dog, cat, fish or other domestic animal.

Section 11: "HUD/VA" shall mean the Federal Housing Authority and the Veterans Administration.

Section 12: "Improvements" shall mean internal roadways, entrance feature, security gate, drainage tracts, pool, cabana, tot lot, the wall and other private facilities that may be provided in the development of the Property.

Section 13: "Living Unit" shall mean and refer to each residential unit comprised of improvements and land as the same shall be more particularly described in each deed from the Developer to each Owner.

Section 14: "Lot" shall mean any parcel of land shown upon any recorded subdivision map or plat of the Property upon which in the future will be located a home.

Section 15: "Maintenance" shall mean, but not be limited to, cleanup, landscaping and grounds care, repair and structural upkeep of the Common Area.

Section 16: "Master Association" shall mean the Oakshire at Meadow Woods Homeowners' Association, Inc., a Florida not for profit corporation.

Section 17: "Master Declaration" shall mean the Master Declaration of Covenants and Restrictions for Oakshire at Meadow Woods recorded in Official Records Book 5331, at Page 4568, Public Records of Orange County, Florida, as it may be amended from time to time.

Section 18: "Master Association Representative" shall mean the senior elected officer of the Association who shall be the person responsible for casting all votes attributable to Living Units in Pebble Creek. The next senior officer of the Association shall be the alternate Master Association Representative.

Section 19: "Orange County" shall mean and refer to Orange County, Florida.

Section 20: "Plat" shall mean the recorded plat of the Property.

Section 21: "Owner" shall mean and refer to the owner of the fee simple title to any Living Unit, its successors or assigns, whether one or more persons or entities, as shown by the records of the Association or the Public Records of Orange County. Owner shall not mean or refer to the holder of a mortgage or security deed, its successors or assigns, unless and until such holder has acquired title pursuant to a foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

Section 22: "Property" shall mean and refer to all real property which becomes subject to the Declaration but shall not refer to Oakshire Boulevard.

Section 23: "SunTrust Bank" and "SunTrust Mortgage" shall mean and refer to SunTrust Bank, Central Florida, N.A., a national banking association, and to the mortgage between Landstar Development Corporation and SunTrust Bank, Central Florida, N.A.

recorded in Official Records Book 5281, at Page 1330, of the Public Records of Orange County, Florida.

Section 24: "Surface Water or Stormwater Management System" shall mean and refer to a system which is designed and constructed to control the discharge of water caused by rainfall, and which shall incorporate methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution which would otherwise affect the quantity and quality of discharges of water from the system.

Section 25: "Rental" shall mean rental of Living Units under the terms and conditions contained in Orange County resolutions and ordinances regulating the rental of real property in Orange County, Florida and the rules and regulations of any other governmental agency regulating the rental of real property. Short Term Rental (as that term is defined by Orange County) of any portion of the Property is prohibited.

ARTICLE II - PROPERTY SUBJECT TO THIS
DECLARATION

Section 1: Property.

The Property subject to this Declaration constitutes a portion of the Meadow Woods Subdivision located in Orange County, Florida and is commonly known as Pebble Creek. The Developer intends to develop Pebble Creek in accordance with the Development Order, as amended, for the Meadow Woods Subdivision ("Development Order"). Additional real property shown or encompassed by the Development Order may, but is not required to, be added to the Property subject to this Declaration by an amendment hereto and shall include the description of such additional real property, and shall subject the additional lands to the provisions of this Declaration.

Section 2. Additions to Existing Property.

(a) Additional lands may become subject to this Declaration in the following manner:

(i) Additions by the Developer. Additions shall occur within thirty (30) years from the date that this Declaration is recorded. Such additions may be annexed by the Developer provided the annexation is in accord with the Development Order and this Declaration, as the same shall have been modified and approved from time to time by applicable governmental authorities. The amendment shall be executed by the Developer without requiring the joinder and consent of any Owner. The Amendment, when recorded in the Public Records of Orange County, shall bring the additional property under the provisions of this Declaration.

(ii) Additions by Merger. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property together with the covenants and restrictions established upon any other property as one scheme.

Section 3. Site Plan Changes. Developer reserves the right to make such changes and/or modifications to any plat or site plan as are required by appropriate governmental authorities or as Developer deems necessary.

ARTICLE III - MEMBERSHIP AND VOTING RIGHTS

Section 1: Members.

Every Owner, including the Developer, of a Living Unit shall be a mandatory member of the Association and of the Master Association and by acceptance of a deed or other instrument evidencing ownership interest, each Owner accepts membership in the Association and the Master Association and agrees to abide by and be bound by the provisions of this Declaration, the Master Association and other rules and regulations of the Association and the Master Association. Membership shall be appurtenant to, and may not be separated from, the ownership of any Living Unit. Transfer of Living Unit ownership either voluntarily or by operation of law shall terminate membership in the Association and the Master Association and said membership shall be vested in the transferee.

Section 2: Membership Classification and Voting Rights.

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

Class A - Class A member(s) shall be all Owners of Living Units with the exception of Developer (provided that Class B membership continues to exist), and each Class A member shall be entitled to one (1) vote for each Living Unit or Lot owned. There shall be no cumulative voting. At such time as Developer's Class B membership is converted to Class A membership in accordance with the provisions hereafter contained, Developer shall likewise be a Class A member and entitled to one (1) vote for each Living Unit or Lot owned.

Class B - Class B member(s) shall be the Developer who shall be entitled to three (3) votes for each Living Unit or Lot owned. The Class B membership shall cease and be converted to Class A membership, unless terminated earlier by the Developer, on the happening of either of the following events, whichever shall first occur:

1) when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership; or

2) on December 31, 2005.

Section 3: In addition to the foregoing, all Members of the Association are directed to the Master Declaration for provisions explaining voting rights in the Master Association. At Master Association meetings, the Master Association Representative shall be the person responsible for casting all votes attributable to Living Units in the Association and for acting for and on behalf of all Members of the Association.

Section 4: Multiple Owners.

When any Living Unit or Lot entitling the Owner to membership in the Association is owned of record in the name of two or more persons or entities, or if two or more persons or entities have the same fiduciary relationship respecting the same property, such Owner shall select one official representative to qualify for voting in the Association and shall notify in writing the Secretary of the Association of the name of such individual. The vote of each individual shall be considered to represent the will of all the Owners of that Living Unit or Lot. In the circumstance of such common ownership, if the Owners fail to designate their voting representative then the Association may accept the person asserting the right to vote as the voting Owner until notified to the contrary by the other member(s). Upon such notification the Owner may not vote until the Owner(s) appoint their representative pursuant to this paragraph.

Unless otherwise specifically defined herein, any reference in this Declaration to the vote or consent of members shall mean the required number or percentage of Living Units and not the required number or percentage of members or Owners.

Section 5: Record Date.

For purposes of determining voting rights hereunder the membership roster of record Owners shall be set as of three (3) days prior to the commencement of the meeting at which the vote shall take place.

ARTICLE IV - COMMON AREA

Section 1: Obligations of the Association.

The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management, maintenance and control of the Common Area and all improvements thereon (including furnishings and equipment related thereto), and the Association shall keep the same in good, clean, attractive order and repair.

The Association shall be responsible for the maintenance, operation and repair of the Surface Water or Stormwater Management System. Maintenance of the Surface Water or Stormwater Management System shall mean the exercise of practices which allow the system to provide drainage, water storage, conveyance or other capabilities as permitted by the South Florida Water Management District. Any repair or reconstruction of the Surface Water or Stormwater Management System shall be as permitted, or if modified, as approved by the South Florida Water Management District.

Section 2: Easements.

Subject to the provisions herein, every Owner shall have a right and easement of enjoyment in and to the Common Area which right and easement shall be appurtenant, and shall pass with the title, to every Living Unit or Lot.

The Owners' easements of enjoyment created hereby shall be subject to the following:

A. With respect to the use and enjoyment of the portion of the Common Area which comprises the private roadways running through and around the Property providing access to each Living Unit, the use of the said easement shall be unrestricted and each Owner's rights shall be co-extensive with the rights of all other Owners.

B. With respect to all other property comprising the Common Area, the Owners' easements of enjoyment shall be subject to the rights of the Association as follows:

1) To establish reasonable rules and regulations for usage of Common Area facilities;

2) To suspend the right of an Owner to use Common Area facilities for any period during which any assessment levied against his Living Unit remains unpaid for more than thirty (30) days after notice, and for a period not to exceed sixty (60) days for any infraction of the Book of Resolutions, it being understood that any suspension for either non-payment of any assessment or

infraction of any rules or regulations of the Association shall not constitute a waiver or discharge of the Owner's obligation to pay the assessment.

3) To mortgage any or all of said facilities for the purposes of funding maintenance of or improvement to the Common Area and convey any portion of the Common Area with approval of two-thirds (2/3) of the votes of the Owners who are voting in person or by proxy at a regular meeting of the Association or at a meeting duly called for such special purpose.

C. Developer hereby grants to the present and future Owners and their guests, invitees, licensees and domestic help, and to delivery, pickup and fire protection services, police protection and other authorities of the law, United States Postal Service mail carriers and representatives of utilities authorized by the Owners to serve the Property, holders of mortgage liens or such other persons as the Owners from time to time may designate, the nonexclusive perpetual right of ingress and egress over and across the private roadways and utility easements. Regardless of the preceding provisions, the Developer and the Association reserve the unrestricted and absolute right to deny the right of ingress to any person who, in the opinion of the Developer or the Association, may create or participate in a disturbance or a nuisance on any part of the Property.

D. An emergency access easement to the private storm drainage system over the internal roadways and over all drainage easements shown on the plat of the Property is hereby dedicated to Orange County for emergency maintenance purposes in the event inadequate maintenance of the storm drainage system creates a hazard to the public health, safety and general welfare. The emergency easement granted hereby does not impose any obligation, burden, responsibility or liability upon Orange County to enter upon the Property and take any action to repair or maintain the private drainage system.

Section 3: Delegation of Use.

Any Owner may delegate his rights of enjoyment to the Common Area and facilities located thereon to the members of his family, his guests and lessees, subject to such general regulations as may be established from time to time by the Association, but may not transfer said rights apart from the Living Unit.

Section 4: Damage or Destruction of Common Area by Owner.

In the event any portion of the Common Area is damaged or destroyed by an Owner or any guests, tenants, licensees, agents or members of Owner's family, such Owner does hereby authorize the Association to repair said damaged area. The Association shall

repair such damaged area in a good and workmanlike manner in conformity with the original plans and specifications of the area involved, or as the area may have been modified or altered subsequently by the Association. At the discretion of the Association, the amount necessary for such repair shall become an individual assessment upon the Lot of the said Owner.

Section 5: Title to Common Area.

The Developer may retain legal title to the Common Area or any portion thereof until such time as it has completed Improvements to the Property. Notwithstanding any provision contained herein to the contrary, the Developer hereby covenants that it shall convey the Common Area to the Association, free and clear of all unapproved liens and financial encumbrances, no later than six (6) months from the termination of the Class B membership. While title to all or a portion of the Common Area is retained by the Developer, the Owners shall have all of the rights and obligations imposed by the Declaration with respect to the Common Area.

ARTICLE V - ASSESSMENTS

Section 1: Creation of the Lien and Personal Obligation of Assessments.

A. Each Owner of a Living Unit or Lot, 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 the Association the following:

- 1) Annual general assessments or charges;
- 2) Special assessments;
- 3) Individual Living Unit assessments;
- 4) Reserve Fund Assessment for Private Roadways and Drainage System.

All such assessments to be established and collected as provided herein.

All such assessments, together with interest or delinquency fees thereon, reasonable attorneys' fees, whether suit be brought or not, and costs at both trial and appellate levels, incurred by the Association in connection with the collection thereof, shall be a charge and continuing lien upon the Living Unit against which each such assessment is made. The lien shall be evidenced by an instrument executed by the Association and recorded among the Public Records of Orange County, Florida, and shall be enforced in the manner provided by law for the enforcement of mechanics' and

materialmen's liens. Each such assessment, together with interest thereon, costs, and reasonable attorneys' fees as described above, shall also be the personal obligation of the person or entity who was the Owner of the Living Unit at the time the assessment first became due and payable. In the case of co-ownership of a Living Unit, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment.

All Owners are additionally subject to the assessments provided for in the Master Declaration to be levied by the Master Association in accordance with the terms and conditions of the Master Declaration.

B. Subject to the alternate provisions available to the Developer in Section 6 of this Article and notwithstanding any other provisions of this Declaration, the Articles of Incorporation or the Bylaws to the contrary, the Developer shall be obligated to pay the assessments described only with respect to Living Units upon which it has completed construction as evidenced by the issuance of a Certificate of Occupancy by Orange County, Florida, and Developer retains title thereto for a period of six (6) months after the issuance of said Certificate of Occupancy. If Developer so elects, it may provide services and/or materials and receive credit for the value of same toward any assessments due from it rather than making such contributions as might be due from it in cash.

Section 2: Annual General Assessment

A. Purpose of Assessment. The annual general assessment levied by the Association shall be used for: (i) insurance, the maintenance, operation, improvement, repair and replacement of the Common Area and facilities, and for the promotion of the recreation, safety, health and welfare of all residents of the Living Units.

B. Basis for Assessment. Each Living Unit which is certified for occupancy and which has been conveyed to an Owner shall be assessed at a uniform rate. The first annual general assessment shall be based upon an estimate of the operating expenses for the year plus an adequate reserve for anticipated expenses, if the Board elects to provide for such reserve. In the event this assessment proves insufficient to satisfy such expenses, the Board shall levy a supplementary assessment in the amount of the deficit. Notwithstanding any other provision herein, the supplementary assessment shall not require the assent of the members of the Association.

Thereafter, by vote of a majority of the Directors, the Board shall adopt an annual budget for the subsequent fiscal year which shall provide for allocation for expenses in such a manner that the obligations imposed by this Declaration will be met.

C. Maximum Annual General Assessment. Until after December 31, 1997, the maximum annual general assessment shall not exceed Three Hundred Fifteen and 00/100 Dollars (\$315.00) per Living Unit. After December 31, 1997, the maximum general assessment shall not increase by more than fifteen percent (15%) of the prior year's assessment without a vote of two-thirds (2/3) of the members of the Association.

D. Method of Assessment. The Board, by a majority of the Directors, shall fix the annual general assessments upon the basis provided herein. The Board shall set the date such assessments shall become due. The Board may provide for collection of assessments annually or in monthly, quarterly or semi-annual installments; provided, however, that upon default in the payment of any one (1) or more installments by any Owner, the entire balance of said annual assessment may be accelerated, as to the said Owner and Living Unit, at the option of the Board, with the same being declared immediately due and payable in full.

E. Individual Assessments. The Association may impose an individual assessment upon any Owner whose use or treatment of Common Areas is not in conformity with the standards as adopted by the Association and which lack of conformity increases the maintenance cost to the Association. Said individual assessment shall be treated in all other respects as an annual general assessment.

Section 3: Special Assessments for Capital Improvements.

In addition to the annual general assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year and not more than the next succeeding year, for the purpose of defraying, in whole or in part, the costs of any acquisition, maintenance, construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a special meeting duly called for said purpose.

Section 4: Reserve Fund Assessment for Private Roadways and Drainage System; Maintenance and Disclosure Requirements.

A. The Association shall establish a fund for reserves for periodic major maintenance of the private roadways and drainage system, including ponds, with a minimum level of reserves to be maintained in perpetuity and replenished from time to time, as necessary, by assessment (the "Reserve Fund"). Such minimum level of reserves shall be in such amount or amounts approved by Orange County.

B. The Reserve Fund shall be held in an account separate and apart from other Association funds.

C. An annual statement or other financial report confirming existence of the Reserve Fund shall be available for inspection by Orange County.

D. Three years after the certificate of completion for the roadways and drainage system has been issued, the roadways and drainage system shall be inspected by a registered civil engineer. This inspection shall, using good engineering practice, determine the level of maintenance and identify any needed repairs. The inspection shall be written into a report format. Thereafter, periodic inspections shall be conducted as needed but not less than once every three years.

E. If any remedial work is recommended by the engineer in any engineering report specified in subparagraph "D" above, it shall be completed by the Association within 60 days following receipt by the Association of such engineering report unless the recommended remedial work is of such a nature or character as not to be able to be completed within said 60 day period, in which event, the Association shall be required to commence within the 60 day period all actions and measures reasonably necessary to effect completion of the recommended remedial work and to diligently and continuously prosecute such actions and measures to completion so that, in any event, the recommended remedial work is completed no later than 180 days following receipt by the Association of the inspection report. The term "remedial work" shall include, but is not limited to, street resurfacing.

F. The engineering reports required by this Section shall be available for inspection by the Orange County Engineer upon request.

G. The private roadways shall be resurfaced every fifteen (15) years unless the annual engineering report referenced in subsection D. above makes a recommendation to either shorten or lengthen that timeframe based on the documentation of conditions as contained in the report.

H. All sale contracts in which the Developer is involved shall expressly disclose the foregoing requirements (directly, not by reference), including contracts for resale. When the Developer is not involved in the transaction, this provision shall be complied with to the greatest extent practicable.

I. No Owner shall receive a credit on the real property tax bill applicable to his or her Living Unit because of the private roadways and drainage system provided for herein.

J. Upon any default in any of these requirements,

Orange County, at its option and after due notice of its declaration of a default and the stated time to cure, may remove the gates and upon dedication of the private roadways as public rights-of-way, assume responsibility for maintenance, using those Association funds dedicated to private roadways and/or drainage system maintenance and repair or, if none, or insufficient funds exist, or create a temporary Municipal Service Taxing Unit in an amount necessary to accomplish the task.

Section 5: Date of Commencement of Annual Assessments.

The annual assessments provided for herein shall commence with respect to assessable Living Units on the date of the conveyance of the first Living Unit from the Developer to an Owner. The initial periodic assessment on any assessable Living Unit shall be collected at the time of closing on the conveyance to said Owner, and shall be adjusted according to the number of days remaining in the calendar year of said conveyance. Nothing contained herein shall in any way infringe upon the Developer's rights to be excused from all assessments in exchange for its guaranty to pay operating deficits of the Association in accordance with the provisions of Section 6 of this Article.

Section 6: Developer's Guaranty.

Notwithstanding anything herein to the contrary, the Developer, or its successors or assigns, will be excused from payment of the annual and special assessments for Living Units owned by it provided that the Developer guarantees to each Owner that the maximum annual assessment as above determined will not increase until after December 31, 1997. During such period as this guaranty shall be in force, the Developer obligates itself to pay to the Association any amount for expenses incurred during that period not produced by the Association from assessments against other Living Unit Owners at an amount not less than specified above, subject, nevertheless, to the other provisions hereof. Said guaranty does not pertain to or include such portions of assessments, annual or special, or installments thereunder, required to meet the cost of improvements or betterment to the Common Area, the funding of reserves, if any, or the payment of ad valorem taxes assessed against the Property as a whole. Notwithstanding this guaranty, Developer shall have the right, in its sole discretion, to pay the regular amount of annual assessments for each Living Unit owned by it, and if there is a deficit, said deficit shall be shared and paid equally by all Living Units. Further, notwithstanding anything herein to the contrary, the above guaranty shall expire and be of no further force and effect upon the Developer's electing to relinquish control of the Association through its designee-directors, as provided in the Bylaws. Developer may extend this guaranty for four (4), six (6) month intervals by notice to the Association at least thirty (30) days prior to the end of the preceding period of

guaranty.

Notwithstanding anything in this paragraph to the contrary, if the sale or transfer of any portion of the Property occurs pursuant to foreclosure, or deed in lieu thereof, of the SunTrust Mortgage, neither SunTrust nor any successor in interest to SunTrust shall be deemed guarantors under this paragraph.

Section 7: Effect of Nonpayment of Assessments; Remedies of the Association.

Any assessment not paid within ten (10) days after the due date shall be delinquent, and the Owner owing said assessment shall pay to the Association a late charge of Ten Dollars (\$10.00) per month on each such delinquent assessment. The Association may bring an action at law against the Owner personally obligated to pay the assessment or foreclose the lien described in Section 1 of this Article. No Owner may waive or otherwise avoid liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Living Unit. In addition, should the Association find it necessary to employ an attorney or institute legal action against any Owner in order to collect unpaid assessments, the Owner shall be obligated for the payment of all of the Association's costs in connection with said action, including, but not limited to, reasonable attorneys' fees, whether suit be brought or not, and court costs at all trial and appellate levels.

Section 8: Subordination of the Lien to Mortgages.

A. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage representing a first lien on any Living Unit.

B. Sale or transfer of any Living Unit shall not affect the assessment lien; provided, however, the sale or transfer of any Living Unit pursuant to foreclosure shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer of any type shall relieve such Living Unit from liability for any assessments thereafter becoming due or from the lien thereof.

C. It is the express intent of this Section, notwithstanding any other provisions hereof, to subordinate the assessment lien referred to above only to first mortgages executed in favor of institutional mortgagees which shall include banks, savings and loan associations, insurance companies and mortgage bankers. In no event shall any second mortgage or other junior mortgage take priority over the assessment lien.

Section 9: Exempt Property.

All Common Area as described herein and as shown on the plat

of Pebble Creek shall be exempt from the assessments, charges and liens created herein.

ARTICLE VI - INSURANCE

Section 1: Insurance.

The Association shall use its best efforts to obtain and maintain adequate insurance to protect the Association and the Common Area required to be maintained by the Association.

A. The premiums to be paid for all insurance acquired by the Association shall be common expenses of the Association and shall be included in the general assessment provided for herein. The policies may contain a reasonable deductible and, in the case of casualty insurance, the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance equals the full replacement cost. The deductible shall be a common expense of the Association.

B. All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the respective benefitted parties.

C. All policies shall be written with a company authorized to do business in Florida which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A.M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating which is available.

D. All policies on the Common Area shall be for the benefit of the Association and its Owners.

E. Exclusive authority to adjust losses under policies obtained by the Association on the properties shall be vested in the Association's Board of Directors; provided, however, no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

F. In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees.

G. All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Orange County, Florida area.

H. The Association's Board of Directors shall be required to use reasonable efforts to secure insurance policies that will provide the following:

1) A waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents and guests.

2) A waiver by the insurer of its rights to repair and reconstruct, instead of paying cash.

3) A statement that no policy may be canceled, invalidated, suspended or subject to non-renewal on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its managers, any Owner or Mortgagee.

4) A statement that any "other insurance" clause in any policy excludes individual Owners' policies from consideration.

5) A statement that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

I. In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, worker's compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds, if reasonably available, and flood insurance, if required. The amount of fidelity coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than one-sixth (1/6) of the annual common assessments on all Lots, plus funds on hand for deferred maintenance, repairs, and replacements. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

J. Damage and Destruction.

1) Any damage or destruction to the Common Area shall be repaired or reconstructed unless at least seventy five percent (75%) of the total Class "A" vote of the Association, if Common Area, shall decide within sixty (60) days after the casualty not to repair or reconstruct or unless such repair or

reconstruction is prohibited by law. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost or repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such funds or information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right or participate in the determination of whether the damage or destruction to Common Area shall be repaired or reconstructed.

2) In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in the event the affected portion of the Common Areas shall be restored to their natural state and maintained by the Association in a neat and attractive condition consistent with community standards.

3) Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies held by the Association are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their mortgagee(s) as their interest may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account.

4) Repair and Reconstruction. If the damage or destruction to the Common Area for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Owners, levy a special assessment. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

K. None of the provisions contained herein shall apply to Living Units encumbered by the SunTrust Mortgage.

ARTICLE VII - USE OF PROPERTY

Section 1: Protective Covenants.

A. Residential Use. All property designated as a

Living Unit shall be used, improved and devoted exclusively to residential use. No business, profession or trade of any type, other than rental of a Living Unit, shall be conducted on any portion of the Property, but this prohibition shall not be applicable to Developer with respect to its development of the Property, construction and sale of Living Units, and the use of Living Units as model units.

B. Common Area. The Common area shall be maintained and operated by the Association as private property for the benefit of the parties described herein and on the terms and conditions set forth herein. Developer has agreed with the local governmental authorities that no part of the Common Area shall be or can be dedicated or conveyed to the governmental authorities with the intent that, thereafter, the same should be maintained by and at the expense of said governmental authorities, the maintenance of same being the obligation of the Association as more particularly set forth herein.

Section 2: Indemnification.

A. The Developer shall indemnify Orange County against and hold Orange County harmless from all losses, damages, costs, claims, suits, liabilities, expenses and attorneys' fees (including those for legal services rendered at the appellate court level), resulting from or relating to (i) maintenance, repair and/or reconstruction of the private roadways and/or drainage systems, or (ii) tort liability related to or stemming from the private roadways and/or drainage system. The duty to so indemnify, defend and hold the County harmless shall be that of the Association and the Developer, jointly and severally, but (i) the duty of the Developer shall exist only for the period the Developer controls the Association and (ii) the recourse of the County as respects the liability of the Developer shall extend only to the right, title, interest and/or estate of the Developer in or to any of the platted lots. Once the responsibility for maintaining the Common Area has shifted to the Association, then the Association shall indemnify and hold Orange County harmless from all losses, damages, costs, claims, suits, liabilities, expenses and attorneys' fees (including those for legal services rendered at the appellate court level), resulting from or relating to the use, construction, or maintenance of the Common Area.

B. Orange County shall be a third party beneficiary of the maintenance and indemnification obligations required hereunder and shall have the legal right to enforce said maintenance and indemnification obligations in a court of competent jurisdiction. Neither the Developer nor the Association may amend this Declaration to remove any of the foregoing language pertaining to the maintenance and indemnification obligations provided for herein without the written joinder and consent of Orange County attached to such amendment.

Section 3: Rentals.

A. Short term rental of Living Units is prohibited by Orange County. All lessees of a Living Unit shall comply with all requirements of the Declaration, Articles of Incorporation and Bylaws of the Association. Notwithstanding the rental of his/her Living Unit, the liability of the Owner under the Declaration shall continue.

Section 4: Maintenance of Living Units and Lots.

A. Each Living Unit, and all improvements therein, shall be maintained by each respective Owner in good order and repair and free of debris. In the event an Owner of any Living Unit shall fail to maintain the said Living Unit as provided herein, the Association, after notice to the Owner, shall have the right to enter upon the Living Unit to correct, repair, maintain and restore the Living Unit. All costs related to such correction, repair or restoration shall be the personal obligation of the Living Unit Owner and shall become a lien against the subject Living Unit with the same force and effect of a lien created by the said Owner's failure to pay assessments when due.

Section 5: Architectural Control.

A. No building, fence, wall, antennas, pools, screened enclosures or other structures, or landscaping alterations or additions, shall be commenced, erected or maintained upon any Living Unit, nor shall any exterior addition to, change or alteration, including the changing of the existing color of paint or of roofing materials thereon, be made or undertaken unless approved in writing by the Board of Directors of the Association, or its designated review committee composed of three (3) or more representatives appointed by the Board (the "Committee"), and all appropriate governmental authorities having jurisdiction thereover. The Committee shall have absolute and complete discretion in approving or disapproving any request submitted to it and may base its decision on any ground it, in its sole discretion, deems sufficient.

B. All requests for approval of such plans and specifications shall be mailed or delivered to:

PEBBLE CREEK AT MEADOW WOODS HOMEOWNERS' ASSOCIATION, INC.
120 Fairway Woods Boulevard
Orlando, Florida 32824

or such other address as shall from time to time be designated by the Association.

C. Notwithstanding anything herein to the contrary, Developer shall have the right to appoint the members of the

Committee until the first to occur of the events specified in Article III - Section 2 hereof.

Section 6: Environmental Swale Easement.

Developer hereby grants to the Association a 15' wide environmental swale easement ("Environmental Swale Easement") across the rear of Lots 42 and 43 of the Property. There can be no modification of any kind to the Environmental Swale Easement without the prior approval of the Association or Orange County.

ARTICLE VIII - GENERAL PROVISIONS

Section 1: Duration.

A. The covenant, conditions and restrictions of this Declaration shall run with and bind the Property for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically renewed for successive periods of ten (10) years each. The number of ten (10) year renewal periods hereunder shall be unlimited, provided, however, that there shall be no renewal of this Declaration if during the last year of the initial thirty (30) year period, or during the last year of any subsequent ten (10) year renewal period, seventy-five percent (75%) of the voting members vote to terminate the Declaration at the end of its then current term.

B. This Declaration may be terminated prior to the expiration of the initial thirty (30) year term or prior to the expiration of any ten (10) year extension period, only by the affirmative vote of seventy five percent (75%) of the members entitled to vote by person or by proxy.

Section 2: Modifications.

Developer reserves the right to alter, amend, modify, change, revoke, or rescind or cancel any or all of the restrictive covenants contained in the Declaration, or hereinafter included in any subsequent Declaration. Any such subsequent or modified Declaration shall conform to the General Plan of Development as approved by the Orange County Planning Commission and the Board of County Commissioners of Orange County, Florida, which relate to the portions of the Subdivision covered by this Declaration and shall conform to all HUD/VA requirements.

Section 3: Amendment.

A. Subject to the provisions of Paragraphs B, C, D, E and F of this Section, the provisions of Article VII - Section 2:B, and HUD/VA approval as provided for in Article IX hereof, this Declaration may be amended by an instrument first approved by a majority of the Board of Directors and subsequently approved and signed by persons or entities representing sixty-six percent (66%)

of the total votes outstanding at said time. To be effective, all amendments must be filed in the Public Records of Orange County, Florida. Unless otherwise specifically recited in said amendment, the effective date thereof shall be the date same is filed in the Public Records of Orange County, Florida.

B. Notwithstanding anything herein to the contrary, until the first to occur of the events specified in Article III, Section 2, this Declaration may only be amended with the written consent of Developer, unless said requirement is waived in writing by Developer prior thereto.

C. Notwithstanding anything herein to the contrary, until such time as the deeds to fifty-one percent (51%) of the Living Units are recorded among the Public Records of Orange County, Florida, Developer shall have the absolute and unconditional right to amend or modify this Declaration by recordation of an instrument containing such amendment or modification without the joinder of any Owner or the holder of any mortgage on any Living Unit, provided that no such amendment or modification by Developer shall materially affect any Living Unit or the rights of any Owner or mortgagee.

D. For so long as the Property is encumbered by the SunTrust Mortgage, this Declaration shall not be amended without the written joinder and consent of SunTrust attached to such amendment.

E. In addition to the foregoing, any amendment which shall have the effect of altering the permitted Surface Water or Stormwater Management System, beyond the maintenance of the system in its original condition, must have the prior approval of the South Florida Water Management District.

F. Any amendment which affects the rights of Orange County provided for herein shall require the prior written approval of Orange County.

Section 4: Enforcement

The Association, any Owner or the Developer, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, as the same may be amended. The Association or any Owner may recover sums due for damages, injunctive relief, or any combination thereof, including attorneys' fees, whether suit be brought or not, and court costs at trial and appellate level. The Association shall have the right to suspend voting rights and use of Common Areas for any Owner violating these covenants and restrictions for a period not to exceed sixty (60) days after cessation of violations. Failure of the Association, any Owner or

the Developer to enforce any covenants, restrictions or provisions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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In addition to the foregoing rights of enforcement, the South Florida Water Management District shall have the right to enforce, by a proceeding in law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Surface Water or Stormwater Management System.

Section 5: Severability.

Invalidation of any one (1) or more of the covenants, conditions or restrictions contained in this Declaration, any amendments hereto, by judgment or court order shall in no way effect any other provision hereof, all of which shall remain in full force and effect as if said invalidated provision had never existed.

Section 6: Notice.

Any notice required to be sent to any person pursuant to any provision of these covenants, conditions or restrictions, will be effective if such notice has been deposited in the United States mail, postage prepaid, addressed to the person for whom it is intended at his last known place of residence, or such other address as may be furnished to the Secretary of the Association. The effective date of the notice shall be the date of mailing.

Section 7: Special Exceptions and Variations.

Unless the written consent of the Association is first obtained no Owner shall file a request for a zoning variation, special exceptions or zoning changes affecting or relating to the Property.

Section 8: Singular, Plural and Gender.

Whenever the context so permits, the use of the singular shall include the plural and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

Section 9: Captions.

The captions, if any, for each Article or Section of this Declaration are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Declaration or the intent of any provision hereof.

Section 10: Effective Date.

This Declaration shall become effective upon recordation in

the Public Records of Orange County, Florida.

Section 11: Construction.

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Property.

Section 12: Fines.

In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of the Board of Directors of the Association, a fine, not to exceed \$50.00 for each violation, may be imposed upon an Owner for failure of an Owner to comply with this Declaration or with any rule or regulation, provided the following procedures are adhered to:

A. Notice: The Association shall notify the Owner of the infraction or infractions. Included in the notice shall be the date and time of a special meeting of the Board of Directors at which time the Owner shall present reasons why fines should not be imposed. At least fourteen (14) days' notice of such meeting shall be given.

B. Hearing: The noncompliance shall be presented to the Board of Directors after which the Board of Directors shall hear reasons why a fine should not be imposed. A written decision of the Board of Directors shall be submitted to the Owner not later than twenty-one (21) days after the Board of Directors' meeting. If the impartiality of the Board is questioned by the Owner, the Board shall appoint three (3) impartial Members to a special hearing panel which shall perform the functions described in this paragraph.

C. Payment of Fines: Fines shall be paid not later than five (5) days after notice of the imposition or Assessment of the penalties.

D. Collection of Fines: Fines shall be treated as a Special Assessment subject to the provisions for the collection of Assessments as set forth herein.

E. Application of Fines: All monies received from fines shall be allocated as directed by the Board of Directors.

F. Remedies: These fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; however, any fine paid by the offending Owner shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner.

Section 13. Liens.

All liens against a Living Unit, other than for permitted mortgages, taxes or special assessments, shall be satisfied or otherwise removed within thirty (30) days of the date the lien attaches. All taxes and special assessments upon a Living Unit shall be paid before becoming delinquent.

A. Notice of Lien: A Living Unit Owner shall give notice to the Association of every lien upon his Living Unit, other than for permitted mortgages, taxes and special assessments, within five (5) days after the attaching of the lien.

B. Notice of Suit: Living Unit Owners shall give notice to the Association of every suit or other proceeding which will or may affect title to his Living Unit or any part of the Property; such notice to be given within five (5) days after the Living Unit Owner receives notice thereof.

C. Failure to Comply: Failure to comply with this Article concerning liens will not affect the validity of any judicial sale.

ARTICLE IX - SPECIFIC PROVISIONS

Section 1: Temporary Structures.

No structure of a temporary character, trailer, basement, tent, shack, barn or other outbuilding shall be placed, erected or used at any time, temporarily or permanently, on the Property, except for the use of construction trailers, sales offices and storage facilities by Developer during any construction on the Property.

Section 2: Windows and Glass Doors.

No Owner shall be permitted to place tin foil or other covering (except for draperies, blinds, or other window treatment as same are conventionally defined by decorators) upon any windows or sliding glass doors in his Living Unit, nor shall said Owner be permitted to tint any windows or sliding glass doors in his Living Unit without first receiving the written approval of the Board of Directors.

Section 3: Oil and Mining Operations.

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

Section 4: Livestock and Poultry.

No animals, livestock or any other animal not commonly considered Household Pets shall be raised, bred or kept in or on any Living Unit or Lot. No more than three (3) Household Pets shall be kept in or on any Living Unit or Lot at any one time, except that more than three (3) fish will be permitted. Under no circumstances shall any commercial or business enterprises involving the use, care or treatment of animals be conducted on the Property or in a Living Unit. All permitted Household Pets shall be kept on a leash when not on or in the Living Unit and no Household Pets shall be allowed to roam unattended.

Section 5: Waste and Rubbish Disposal.

No Living Unit shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall not be kept except in sanitary containers or as required by the Association or the applicable ordinances of Orange County, Florida. Building materials during the course of construction of any approved structure by Developer will be permitted to be kept on the Lot. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition and stored so as to not be seen from the street or from surrounding property.

Section 6: Nuisances.

No noxious or offensive activity shall be carried on, in or upon any Living Unit, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No flammable, combustible or explosive fluid or chemical substance shall be kept in or upon any Living Unit except such as are required for normal household use and same shall be kept within the Living Unit. No Owner shall permit or suffer anything to be done or kept in or upon his Living Unit which will increase the rates of insurance as to other Owners, other Living Units and the Common Area.

Section 7: Commercial Trucks, Trailers and Boats.

In order to maintain the high standards of the subdivision with respect to residential appearance, no trucks or commercial vehicles, boats, house trailers, unlicensed or inoperable vehicles, boat trailers or trailers of every other description, including campers or any vehicle registered RV, shall be permitted to be parked or stored at any place on the Property except during the period of construction by the Developer, nor shall any motor vehicles be parked on any portion of the Property for the purpose of repairing or maintaining the same. The prohibitions in this Section shall not apply to the temporary parking of trucks and commercial vehicles for pick-up, delivery and other commercial services, or to pick-up trucks for personal use of any Owner to a

maximum of three-quarter (3/4) ton capacity.

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Section 8: Antennae.

Without prior approval of its location on the structure or Lot by the Board or the Committee, no television or radio antenna, satellite dish or similar device, or tower shall be constructed on or be attached or connected in any manner to any portion of any structure constructed on the Property.

Section 9: Real Estate Offices.

No Living Unit shall be used for a real estate office unless written approval of the Developer or the Committee has been received, except that Developer shall be able to build and maintain sales models and offices.

Section 10: Painting.

No Living Unit or portion thereof, whether now or hereafter constructed, shall be painted except in the same color as selected by the Developer, unless a different color is approved by the Board.

Section 11: Signs.

In order to insure a harmonious effect as to the overall appearance of the Property, no signs of any type shall be displayed on any Living Unit where same is visible to the outside thereof, or on any portion of the Property. This shall include, but not be limited to advertisements and solicitations. "For Sale" or "For Rent" signs will be permitted provided they do not exceed two (2) feet by two (2) feet and are placed in windows or on doors of Living Units. No free standing signs are allowed. Notwithstanding anything to the contrary contained herein, this prohibition shall not apply to the Developer, its successors or assigns, so long as the Developer retains title to any Living Unit.

Section 12: Outdoor Clothes Drying.

Outdoor clothes drying activities are hereby prohibited and no such activities shall be conducted on any portion of any Living Unit or the Common Area.

Section 13: Change of Elevation.

No sod or topsoil shall be removed from any portion of a Lot or Living Unit without permission from the Developer, the Board of Directors or the Committee. No change in elevation of any Lot shall be made without protecting adjoining Lots from surface water drainage caused by the change.

Section 14: Drainage and Utility Easements. OR Bk 5333 Pg 2551
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Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot.

Section 15: Access Easements.

Developer hereby grants to the Association, its successors and assigns, a perpetual exclusive access easement to the landscape and utility easement at the rear of each Living Unit that abuts Oakshire Boulevard to install, replace, maintain and repair the Common Area.

Section 16: Casualty.

In the event any dwelling shall be partially destroyed by fire, an act of God or other casualty to the extent that repairs can be made to the dwelling thereby restoring it to substantially the same condition prior to such loss, the Owner shall, with diligence, after any such loss take the necessary measures to restore the dwelling unit.

In the event any dwelling unit shall be destroyed beyond repair by fire, act of God or other casualty, the Owner shall, with due diligence, either restore the dwelling unit to substantially the same condition prior to such loss or clear the lot of all rubble and debris and, thereafter, until such time as a dwelling unit is erected thereon, provide for the monthly maintenance of said lot to ensure proper landscaping, maintenance and upkeep. Restoration or reconstruction must begin within six (6) months of the partial or complete destruction.

Section 17: Parking.

All vehicles of any Owner must be parked in the driveway and garage of the Owner's Lot. Owner's vehicles shall not be parked on the lawns of any Lot nor shall any Owner's vehicles be parked on the streets of the Property.

Section 18: Maintenance of Landscaped Areas.

All landscaped areas, including without limitation, lawns (to the paved public roadway), shall be maintained in live, healthy and growing condition, properly watered and trimmed. Any planting of grass, shrubs or trees which become dead or badly damaged shall be

replaced with similar, sound, healthy plant materials.

Section 19: Air Conditioners.

No window air conditioning units shall be permitted.

Section 20: Lighting.

No exterior lighting fixtures shall be installed on any Living Unit without adequate and proper shielding of fixtures. No lighting fixture shall be installed that may be or become an annoyance or a nuisance to the residents of surrounding Living Units.

Section 21: Skate Board Ramp.

No skate board ramp shall be allowed on the Property.

Section 22: Basketball Hoops.

All basketball hoops shall be erected at the rear of the Living Unit.

Section 23: Fences.

No chain link fences may be installed on any Lot in the Property.

Section 24: Tract A.

Tract A as shown on the Plat is dedicated as Recreation Area and is to be owned and maintained by the Association.

Section 25: Tract B.

Tract B as shown on the Plat is dedicated for Utilities and Drainage Retention and is to be owned and maintained by the Association.

Section 26: Tract C.

Tract C as shown on the Plat is dedicated as a Conservation Area and is to be owned and maintained by the Association. Development rights to Tract C are hereby dedicated to Orange County. No construction, clearing or alterations are allowed within Tract C unless approved by Orange County and other jurisdictional agencies.

Section 27: Tract D.

Tract D as shown on the Plat is dedicated for Ingress/ Egress, Utilities and Drainage facilities and is to be owned and maintained by the Association.

Section 28: HUD/VA.

For so long as there is a Class B membership, the following actions will require the approval of either the Federal Housing Administration or the Veterans Administration if any mortgage encumbering a Lot within the Property is guaranteed or insured by either such agency: (a) annexation of additional properties; (b) mergers and consolidations; (c) mortgaging or dedication of Common Area and (d) dissolution or amendment of these Articles. Such approval, however, shall not be required where the amendment is made to correct errors, omissions or conflicts or is required by any institutional lender so that such lender will make, insure or guarantee mortgage loans encumbering the Lots, or is required by any governmental authority. Such approval shall be deemed given if either agency fails to deliver written notice of its disapproval of any amendment to the Developer or to the Association within twenty (20) days after a request for such approval is delivered to the agency by certified mail, return receipt requested, or equivalent delivery, and such approval shall be conclusively evidenced by a certificate of Developer or the Association that the approval was given or deemed given.

Section 29: Enforcement.

In addition to the enforcement provisions provided in Article VIII - Section 3 above, the Association is hereby granted an easement over the Living Unit of each Owner for the purpose of enforcing the provisions of this Article, and may go upon the Living Unit of said Owner to remove or repair any violation of these provisions. In the event that the Association, after notice to the Owner of any violation and the Owner's failure to cure the same, does in fact exercise its right to cure said violation, all costs incident to said action by the Association shall become the personal obligation of the Owner and shall be imposed as a lien against his Living Unit in the same manner as if said sums represented monies due for unpaid assessments.

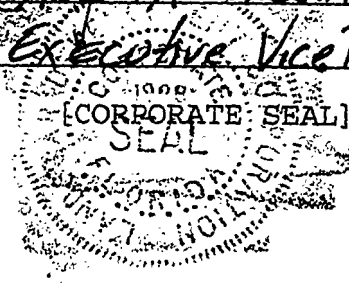
IN WITNESS WHEREOF, the undersigned Developer has hereunto set its hand and seal this 22nd day of May, 1997.

WITNESSES:

[Signature]
Charles D. O'Hara
Print or Type Name
[Signature]
CANDICE H. HAWKES
Print or Type Name

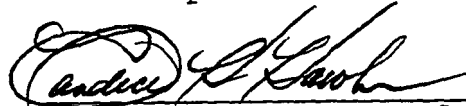
LANDSTAR DEVELOPMENT CORPORATION,
a Florida corporation
120 Fairway Woods Blvd.
Orlando, FL 32824

By: [Signature]
Name: Carl Premisciano
Title: Executive Vice President



STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing Declaration of Covenants and Restrictions was acknowledged before me this 23rd day of May, 1997, by Carl Palmisciano as Executive Vice President LANDSTAR DEVELOPMENT CORPORATION, a Florida corporation, on behalf of the corporation.



NOTARY PUBLIC, State of Florida
at Large

[NOTARIAL SEAL]



CANDICE H HAWKS
My Commission CC388353
Expires Sept 01 1998
Bonded by HAI
800-422 1555

CANDICE H. HAWKS
Print or Type Name of Notary

My Commission expires:

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

\\hoa-docs\pebble-c.dcr

JOINDER AND CONSENT

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Pebble Creek is presently encumbered by a Mortgage to SunTrust Bank, Central Florida, N.A. (the "Mortgagee") which Mortgage was recorded in Official Records Book 5281, at Page 1330, of the Public Records of Orange County, Florida (the "Mortgage").

Mortgagee hereby certifies that it is the holder of the Mortgage and hereby joins in and consents to this Declaration of Covenants and Restrictions for Pebble Creek (the "Declaration"). The Mortgagee or its successors and/or assigns in interest by virtue of foreclosure of the Mortgage or the taking of a deed in lieu thereof shall not assume any responsibility or liability under this Declaration unless specifically assumed by an instrument in writing and recorded in the Public Records of Orange County, Florida.

IN WITNESS WHEREOF, the undersigned has caused these presents to be duly executed this 23rd day of JUNE, 1997.

Signed sealed and delivered presence of:

Vicki Wiles
VICKI WILES
Print or Type Name

Roraida Benta
RORAIDA BENTA
Print or Type Name

STATE OF FLORIDA)
COUNTY OF ORANGE)

SUNTRUST BANK, CENTRAL FLORIDA, N.A., a national banking banking association

By: *John Barnaby*
Name: JOHN BARNABY
Title: VICE PRESIDENT

[CORPORATE SEAL]
200 South Orange Avenue
Tower 4
Orlando, Florida 32802

The foregoing Joinder and Consent was acknowledged before me this 23rd day of JUNE, 199 7 by JOHN BARNABY, as VICE PRESIDENT of SunTrust Bank, Central Florida, N.A., a national banking association, on behalf of the association.



VICKI LEE WILES
My Commission CC370310
Expires May. 05, 1998
Bonded by ANB
800-852-5878

Vicki Lee Wiles
NOTARY PUBLIC, State of Florida
at Large

Print or Stamp Name of Notary

My Commission Expires:

[NOTARIAL SEAL]

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

Legal Description

MEADOW WOODS PARCEL 60

OR Bk 5333 Pg 2556
Orange Co FL 1997-0349371

A portion of Section 36, Township 24 South, Range 29 East, Orange County, Florida, being more particularly described as follows:

BEGIN at the northerly corner of Tract "J", "HIDDEN LAKES - PHASE 1", according to the plat thereof, as recorded in Plat Book 37, Pages 1 through 4, Public Records of Orange County, Florida; thence run S 39°37'25" W, along the northerly boundary of said Tract "J" and the westerly boundary of said Tract "H", "HIDDEN LAKES - PHASE 1", a distance of 637.18 feet; thence run N 50°21'54" W, a distance of 503.88 feet; thence run N 58°09'33" W, a distance of 288.53 feet to a point of curvature of a curve, concave northeasterly, having a radius of 930.00 feet and a central angle of 17°12'46"; thence run northwesterly, along the arc of said curve, a distance of 279.39 feet to the point of tangency thereof; thence run N 40°56'47" W, a distance of 141.20 feet; thence run S 49°03'13" W, a distance of 111.02 feet to a point on a non-tangent curve, concave southwesterly, having a radius of 275.00 feet and a central angle of 10°12'51"; thence on a chord bearing of N 50°58'44" W, run 49.02 feet along the arc of said curve to the point of reverse curvature with a curve, concave northeasterly, having a radius of 25.00 feet and a central angle of 93°10'44"; thence run northwesterly, along the arc of said curve, a distance of 40.66 feet to the point of compound curvature with a curve, concave southeasterly, having a radius of 370.00 feet and a central angle of 11°57'38"; thence run northeasterly, along the arc of said curve, a distance of 77.24 feet to a point; thence run N 40°56'47" W, a distance of 149.12 feet to a point of curvature of a curve, concave southerly, having a radius of 35.00 feet and a central angle of 93°22'48"; thence run westerly, along the arc of said curve, a distance of 57.04 feet to a point; thence run N 43°50'16" W, a distance of 90.14 feet to a point on a non-tangent curve, concave southeasterly, having a radius of 720.00 feet and a central angle of 02°53'28"; thence on a chord bearing of N 47°36'37" E, run 36.33 feet along the arc of said curve to the point of tangency thereof; thence run N 49°03'13" E, a distance of 448.18 feet to a point of curvature of a curve, concave northwesterly, having a radius of 955.00 feet and a central angle of 45°15'22"; thence run northeasterly, along the arc of said curve, a distance of 754.33 feet to the point of compound curvature with a curve, concave southwesterly, having a radius of 35.00 feet and a central angle of 93°42'10"; thence run northwesterly, along the arc of said curve, a distance of 57.24 feet to a point; thence run S 89°54'19" E, a distance of 36.92 feet to the southwesterly corner of Rhode Island Woods Circle as shown on the plat of "GREENPOINTE", according to the plat thereof, as recorded in Plat Book 35, Pages 61 through 64, Public Records of Orange County, Florida; thence continue S 89°54'19" E along the south right-of-way line of said Rhode Island Woods Circle, a distance of 123.36 feet to a point on a non-tangent curve, concave southeasterly, having a radius of 35.00 feet and a central angle of 86°50'47"; thence on a chord bearing of S 46°40'17" W, run 53.05 feet along the arc of said curve to the point of reverse curvature with a curve, concave northwesterly, having a radius of 1045.00 feet and a central angle of 32°40'05"; thence run southerly, along the arc of said curve, a distance of 595.82 feet to a point; thence run S 60°41'16" E, a distance of 1198.38 feet to a point on the westerly boundary line of "ISLAND COVE - PHASE 2", according to the plat thereof, as recorded in Plat Book 30, Pages 111 through 113, Public Records of Orange County, Florida; thence run S 00°06'04" W along said westerly line, a distance of 339.90 feet to the POINT OF BEGINNING.

Containing 29.24 acres, more or less.

State of Florida

OR Bk 5333 Pg 2557
Orange Co FL 1997-034937



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of PEBBLE CREEK AT MEADOW WOODS HOMEOWNERS' ASSOCIATION, INC., a Florida corporation, filed on May 30, 1997, as shown by the records of this office.

The document number of this corporation is N97000003164.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Second day of June, 1997



CR2EO22 (2-95)

Sandra B. Northam
Secretary of State

Prepared by and recorded
copies should be sent to:
Mildred S. Crowder, Esq.
WEISENFELD & ASSOCIATES, P.A.
799 Brickell Plaza, Ste. 900
Miami, Florida 33131

FILED

97 MAY 30 AM 8:21

SECRETARY OF STATE
TALLAHASSEE, FLORIDAOR Bk 5333 Pg 2558
Orange Co FL 1997-0349371

Reserved

ARTICLES OF INCORPORATION OF PEBBLE CREEK
AT MEADOW WOODS HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I - NAME

The name of the corporation is PEBBLE CREEK AT MEADOW WOODS HOMEOWNERS' ASSOCIATION, INC., a Florida not for profit corporation, hereinafter referred to as the "Corporation" or "Association". The principal place of business and the mailing address of this Corporation is 120 Fairway Woods Boulevard, Orlando, Florida 32824.

ARTICLE II - EXISTENCE

This Association shall have perpetual existence unless dissolved in accordance with the terms of these Articles of Incorporation.

ARTICLE III - PURPOSES

The Association does not contemplate pecuniary gain or profit to its members. The specific purposes for which it is formed are to provide for the enforcement of the Declaration of Covenants and Restrictions for Pebble Creek (the "Declaration") and any amendments thereto which subject additional property to the Declaration, and to provide for the maintenance and preservation of the Common Properties as that term is defined in the Declaration, and to operate and maintain the Surface Water or Stormwater Management System in a manner consistent with the South Florida Water Management District Permit No. 48-00884-P and assist in the enforcement of the restrictions and covenants contained therein. The Association shall levy and collect adequate assessments from members of the Association for the cost of maintenance and operation of the Surface Water or Stormwater Management System

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which shall include, but not be limited to, the retention areas, drainage structures, and drainage easements.

ARTICLE IV - MEMBERSHIP

Every person or entity who is a record owner of a fee interest in any Lot, as that term is defined in the Declaration, which is subject to assessment by the Association and Master Association, shall automatically be a member of the Association and Master Association upon the recordation in the Public Records of Orange County, Florida, of the deed or other instrument establishing the acquisition and designating the Lot affected thereby. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Such membership shall automatically terminate when such person or entity is no longer the record Owner of a Lot.

ARTICLE V - REGISTERED OFFICE AND AGENT

The street address of the initial registered office of this corporation is 799 Brickell Plaza, Suite 900, Miami, Florida 33131, and the name of the initial Registered Agent of this corporation at such address is Joseph J. Weisenfeld.

ARTICLE VI - INCORPORATOR

The name and address of the Incorporator to these Articles of Incorporation is:

<u>NAME</u>	<u>ADDRESS</u>
Carl Palmisciano	120 Fairway Woods Boulevard Orlando, Florida 32824

ARTICLE VII - BOARD OF DIRECTORS

The names and addresses of the persons who constitute the initial Board of Directors, until the selection and qualification of their successors, are:

Carl Palmisciano	120 Fairway Woods Boulevard Orlando, Florida 32824
Charles D. O'Hara	120 Fairway Woods Boulevard Orlando, Florida 32824

Morris A. Williams, Jr.

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120 Fairway Woods Boulevard
Orlando, Florida 32824

The Directors of the Corporation shall be elected as provided in the Bylaws.

ARTICLE VIII - DISSOLUTION

The Association may be dissolved no sooner than thirty (30) years from the date of incorporation with the assent given in writing and signed by not less than three fourths (3/4) of the votes of the members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be granted, conveyed and assigned to any corporation not for profit, association, trust, public agency or other organization provided that it is to be used for purposes similar to those for which this Association was created, and the Association shall be dissolved in accordance with law. Additionally, in the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the Surface Water or Stormwater Management System must be transferred to and accepted by an entity which will comply with Section 40C-42.027 F.A.C. and which must be approved by the South Florida Water Management District prior to such termination, dissolution or liquidation.

ARTICLE IX - AMENDMENTS

Amendments to these Articles of Incorporation shall require the approval of a minimum of two thirds (2/3) of the entire membership and shall be effective when a copy thereof has been filed with the Secretary of State of Florida and all filing fees have been paid. These Articles may not be amended in any manner which shall amend, modify or affect any terms and conditions, rights or obligations set forth in the Declaration.

Amendments to the Articles of Incorporation shall be made in the following manner:

A. The Board of Directors shall adopt a resolution setting forth the proposed amendment, and, if members have been admitted to the Association, direct that it be submitted to a vote at a meeting of members, which may be either the annual or a special meeting. If no members have been admitted, the amendment shall be adopted by a vote of the majority of the Board of Directors and the provisions for adoption by members shall not apply.

B. Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given

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to each member of record entitled to vote thereon. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

C. At such meeting, a vote of the members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon an affirmative vote of two-thirds (2/3) of the votes of all members entitled to vote thereon.

The Articles of Amendment shall be executed by the corporation by its president and vice president and by its secretary or an assistant secretary and acknowledged by one of the officers signing such amendment and shall set forth:

- A. The name of the corporation.
- B. The amendments so adopted.
- C. The date of the adoption of the amendment by the members or by the Board of Directors when no members have been admitted.

The Articles of Amendment shall be delivered to the Department of State. If the Department of State finds that the Articles of Amendment conform to law, it shall, when all fees and taxes have been paid as prescribed in this chapter, file the Articles of Amendment as required by law.

ARTICLE X - HUD AND VA APPROVAL

For so long as there is a Class B membership, as that term is defined in the Declaration, the following actions will require the approval of the Department of Housing and Urban Development or the Veterans Administration if any mortgage encumbering a Lot is guaranteed or insured by either such agency: (a) annexation of additional properties; (b) mergers and consolidations; (c) mortgaging or dedication of Common Area and (d) dissolution or amendment of these Articles. Such approval, however, shall not be required where the amendment is made to correct errors, omissions or conflicts or is required by any institutional lender so that such lender will make, insure or guarantee mortgage loans encumbering the Lots, or is required by any governmental authority. Such approval shall be deemed given if either agency fails to deliver written notice of its disapproval of any amendment to Declarant or to the Association within twenty (20) days after a request for such approval is delivered to the agency by certified mail, return receipt requested, or equivalent delivery.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the Laws of the State of Florida, I, the undersigned,

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constituting the subscriber and incorporator of this Association,
have executed these Articles of Incorporation for Pebble Creek at
Meadow Woods Homeowners' Association, Inc. on this 23rd day of
May, 1997.

Signed, sealed and delivered
in the presence of:

[Signature]
Charles D. D'Hara
Print or Type Name

[Signature] (SEAL)
CARL PALMISCIANO

[Signature]
CANDICE H. HAWKS
Print or Type Name

STATE OF FLORIDA)
COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me this
23rd day of May, 1997, by CARL PALMISCIANO, who
is personally known to me ~~or who has produced~~ as
identification.



CANDICE H HAWKS
My Commission CC388353
Expires Sept 01 1998
Bonded by HAI
800-422 1555

[Signature]
NOTARY PUBLIC, State of Florida
at Large
CANDICE H. HAWKS
Type or Stamp Name of Notary

[NOTARIAL SEAL]

My Commission Expires:

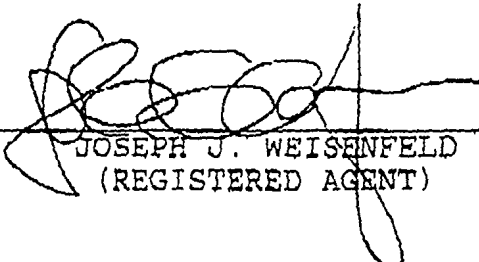
OR Bk 5333 Pg 2563
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CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE
SERVICE OF PROCESS WITHIN FLORIDA, NAMING AGENT UPON WHOM PROCESS
MAY BE SERVED

IN COMPLIANCE WITH FLORIDA LAW, THE FOLLOWING IS SUBMITTED:

THAT PEBBLE CREEK AT MEADOW WOODS HOMEOWNERS' ASSOCIATION,
INC., DESIRING TO ORGANIZE OR QUALIFY UNDER THE LAWS OF THE STATE
OF FLORIDA, WITH ITS PRINCIPAL PLACE OF BUSINESS AT 120 FAIRWAY
WOODS BOULEVARD, ORLANDO, FLORIDA 32824 HAS NAMED JOSEPH J.
WEISENFELD AS ITS AGENT TO ACCEPT SERVICE OF PROCESS WITHIN
FLORIDA.

HAVING BEEN NAMED TO ACCEPT SERVICE OF PROCESS FOR THE ABOVE
STATED CORPORATION, AT THE PLACE DESIGNATED IN THIS CERTIFICATE, I
HEREBY AGREE TO ACT IN THIS CAPACITY, AND I FURTHER AGREE TO COMPLY
WITH THE PROVISIONS OF ALL STATUTES RELATIVE TO THE PROPER AND
COMPLETE PERFORMANCE OF MY DUTIES.



JOSEPH J. WEISENFELD
(REGISTERED AGENT)

\\hoa-docs\pebble-c.art

RECORDED
INDEXED
MAY 30 AM 8:21
TALLAHASSEE, FLORIDA

EXHIBIT "C"

Prepared by and recorded
copies to:
Mildred S. Crowder, Esq.
WEISENFELD & ASSOCIATES, P.A.
799 Brickell Plaza, Suite 900
Miami, Florida 33131

OR Bk 5333 Pg 2564
Orange Co FL 1997-0349371

Reserved

BYLAWS OF PEBBLE CREEK AT MEADOW WOODS
HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I - IDENTITY

Section 1. Name. The following Bylaws shall govern the operation of PEBBLE CREEK AT MEADOW WOODS HOMEOWNERS' ASSOCIATION, INC. (the "Association").

Section 2. Principal Office. The principal office of the Association shall be 120 Fairway Woods Boulevard, Orlando, Florida 32824, but the Association may maintain offices, transact business and hold meetings of members and Directors at such places within the State of Florida as may be designated by the Board of Directors.

Section 3. Seal. The seal of the Association shall be in circular form bearing within its circumference the name of the Association, the words "a Florida Corporation not for profit", and the year of incorporation.

Section 4. Definitions. All references to "Declaration", as used herein, shall mean the Declaration of Covenants and Restrictions for Pebble Creek recorded or to be recorded in the Public Records of Orange County, Florida. All other words and phrases, as used herein, shall have the same definitions as attributed to them in the Declaration.

ARTICLE II - MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership. Membership in the Association shall be limited to Owners of the Lots which are subject to the Declaration. Transfer of Lot ownership, either voluntarily or by operation of law, shall terminate membership in the Association, and said membership is to become automatically vested in the transferee upon the recordation in the Public Records of Orange County, Florida, of the deed or other instrument establishing the acquisition and designating the Lot affected thereby. If Lot ownership is vested

in more than one (1) person, then all of the persons so owning said Lot shall be members eligible to hold office, attend meetings, etc., but, the vote of a Lot shall be cast by the "voting member". If Lot ownership is vested in a corporation or other legal entity, said corporation or other legal entity may designate an individual officer, employee or other representative of the corporation or other legal entity as its "voting member".

Section 2. Voting.

A. The Owner(s) of each Lot shall be entitled to one (1) vote for each Lot. If an Owner owns more than one (1) Lot, the Owner shall be entitled to one vote for each Lot owned. The vote of a Lot is not divisible.

B. A majority of the voting members' total votes cast shall decide any question, unless specific provisions in the Declaration, Articles of Incorporation or these Bylaws provide otherwise, in which event, the voting percentage required in the said Declaration, Bylaws or Articles of Incorporation shall control.

C. The senior elected officer of the Association shall be the person responsible for casting all votes attributable to Living Units in the Property at the Master Association meetings. The next senior officer of the Association shall be the alternate Neighborhood Representative.

Section 3. Quorum. Unless otherwise provided by these Bylaws, the Declaration or the Articles of Incorporation, the presence in person or by either general or limited proxy of a majority of the total votes held by voting members shall constitute a quorum. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such member for the purpose of determining a quorum.

Section 4. Proxies. Votes may be cast in person or by limited proxy only. No votes may be cast by general proxy except to establish a quorum at a meeting of the members. All proxies shall be in writing and signed by the person entitled to vote and shall be filed with the Secretary of the Association not less than three (3) days prior to the meeting in which they are to be used and shall be valid only for the particular meeting designated therein, and any lawfully adjourned meetings thereof, the date for which shall not exceed ninety (90) days from the date of the meeting for which they were given. When a Lot is owned jointly by a husband and wife, and if they have not designated one (1) of them as a voting member, a proxy must be signed by both husband and wife when a third person is designated.

Section 5. Designation of Voting Member. If a Lot is owned by one (1) person, the right to vote shall be established by the

recorded deed or other instrument establishing title to the Lot. If a Lot is owned by more than one (1) person, the person entitled to cast the vote for the Lot shall be designated in a Certificate, signed by all of the record owners of the Lot and filed with the Secretary of the Association. If a Lot is owned by a corporation, or other legal entity, the officer, employee or other representative thereof entitled to cast the vote of the corporation or other legal entity shall be designated in a Certificate for this purpose signed by the President, Vice President, or other authorized signatory and filed with the Secretary of the Association. The person designated in such Certificate who is entitled to cast the vote for a Lot shall be known as the "voting member". If such a Certificate is not on file with the Secretary of the Association for a Lot owned by more than one (1) person, by a corporation or other legal entity, the vote of the Lot concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person entitled to cast the vote for the Lot, unless the Lot is owned by a husband and wife. Such Certificates shall be valid until revoked, superseded by a subsequent Certificate, or a change in the ownership of the Lot takes place.

If a Lot is owned jointly by a husband and wife, the following three (3) provisions are applicable thereto:

A. They may, but they shall not be required to, designate a voting member.

B. If they do not designate a voting member, and if both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.

C. When they do not designate a voting member and only one (1) is present at a meeting, the person present may cast the Lot vote just as though he or she owned the Lot individually and without establishing the concurrence of the absent person.

No cumulative voting is permitted.

ARTICLE III - MEETING OF THE MEMBERSHIP

Section 1. Who May Attend. All Owners of Lots may attend any meeting of the members. In the event any Lot is owned by a corporation, any Director or officer of the corporation may attend any meeting of the members; any partner of a partnership owned Lot may attend any meeting of the members, however, the vote for any Lot shall be cast in accordance with the provisions of these Bylaws. All members may attend meetings notwithstanding that a proxy for said member's vote has been given to a third party.

Section 2. Notices. It shall be the duty of the Secretary to mail or deliver a notice of each annual or special meeting, stating the time and place thereof to each Lot Owner of record. All notices shall be mailed to or served at the address of the Lot Owner as it appears on the books of the Association as hereinafter set forth. Notices of annual meetings shall be furnished to each member, and, except in the event of an emergency, notices of special meetings shall be furnished to each member at least ten (10) days prior to such meeting. Notice of a special meeting may be waived either before or after the meeting, in writing.

Section 3. Annual Meeting. The annual meeting for the purposes of electing Directors and transacting any other business authorized to be transacted by the members shall be held once in each calendar year at such time and on such date in each calendar year as the Board of Directors shall determine. At the annual meeting, the members shall elect by plurality vote a Board of Directors and shall transact such other business as may properly be brought before the meeting.

Section 4. Special Meeting. Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, and shall be called by the President or Secretary at the request, in writing, of a majority of the Board of Directors, or at the request, in writing, of voting members representing twenty-five percent (25%) of the members, and shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the matters stated in the notice thereof.

Section 5. Waiver and Consent. Whenever the vote of members at a meeting is required or permitted by any provision of these Bylaws to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with if not less than two-thirds (2/3rds) of the total votes of the members who would have been entitled to vote upon the action if such meeting were held shall consent in writing to such action being taken; however, notice of such action shall be given to all members unless all members approve such action.

Section 6. Adjourned Meeting. If any meeting of members cannot be organized because a quorum of the total votes held by members is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

ARTICLE IV - DIRECTORS

Section 1. Number. The affairs of this Association shall be managed by the Board of Directors who shall be members of the Association, except that Directors elected or appointed by the Developer need not be members of the Association.

Section 2. Term of Office. At the first annual meeting held by the Association, and at subsequent annual meetings thereafter, the members shall elect, in person or by written ballot delivered at the meeting, a minimum of three (3) Directors who shall each serve for a term of one (1) year, unless he/she shall earlier resign, or shall be removed, or otherwise be disqualified to serve.

Section 3. First Board of Directors.

A. The initial Board of Directors of the Association who shall hold office and serve until the first annual meeting of members, and until their successors have been elected and qualified, shall be:

Carl Palmisciano
Charles D. O'Hara
Morris A. Williams, Jr.

B. The meeting of a newly elected Board of Directors of the Association shall be held within ten (10) days after their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the meeting shall be necessary, provided a quorum shall be present.

Section 4. Appointment of Directors by Developer.

A. As provided in the Declaration, until the Class B membership ceases to exist, the Developer shall have the right to appoint all of the Directors of the Association. Thereafter, the Developer shall have the right to appoint one (1) Director for so long as the Developer owns any Lot in Pebble Creek. The Developer may waive its right to appoint one or more Directors by written notice to the Association, and thereafter Directors shall be elected by the members.

B. While the Developer is entitled to representation on the Board, whether the Developer exercises that right or not, the Board shall have no authority to, and shall not, without the consent of the Developer which shall be exercised by its appointee on the Board or other person designated to so act by the Developer, and which may be withheld at Developer's sole discretion, undertake any action which shall:

1. prohibit or restrict in any manner the sales and marketing program of the Developer;

2. make any special or individual assessment against or impose any fine upon the Developer's property or the Developer;

3. authorize or undertake any litigation against the Developer;

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4. alter or amend the Declaration, any subsequent amendment thereto, the Articles or Bylaws;

5. restrict the Developer's right to use of, access to and enjoyment of any of the Common Property.

C. Notwithstanding anything contained herein to the contrary, the Developer shall have the right to appoint the maximum number of Directors in accordance with the privileges granted to the Developer in the Declaration. All Directors appointed by the Developer shall serve at the pleasure of the Developer, and the Developer shall have the absolute right at any time and in its sole discretion to remove any Director appointed by it and to replace such Director with another person to serve on the Board. Replacement of any Director appointed by the Developer shall be made by written instrument delivered to any officer or any other Director, which instrument shall specify the name of the person designated as successor Director. The removal of a Director and the designation of successor by the Developer shall become effective immediately upon delivery of such written instrument by the Developer.

Section 5. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the total votes held by members of the Association.

Section 6. Vacancies. If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor or successors who shall hold office for the balance of the unexpired term in respect to which such vacancy occurred. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board of Directors. If the Association fails to fill vacancies on the Board of Directors which are sufficient to constitute a quorum in accordance with the Bylaws, any Owner may apply to the circuit court that has jurisdiction over the community served by the Association for the appointment of a receiver to manage the affairs of the Association. At least 30 days before applying to the circuit court, the Owner shall mail to the Association and post, in a conspicuous place on the property of the community served by the Association, a notice describing the intended action, giving the Association the opportunity to fill the vacancies. If during such time the Association fails to fill the vacancies, the Owner may proceed with the petition. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs, and attorney's fees. The receiver shall have all powers and duties of a duly constituted Board of Directors and

shall serve until the Association fills vacancies on the Board sufficient to constitute a quorum.

Section 7. Disqualification and Resignation. Any Director may resign at any time by sending a written notice of such resignation to the office of the Association, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. Commencing with the first meeting of the newly elected Board of Directors following the first annual meeting of the members of the Association, more than three (3) consecutive absences from regular meetings of the Board of Directors, unless excused by resolution of the Board of Directors, shall automatically constitute a resignation effective when such resignation is accepted by the Board of Directors. Commencing with the Directors elected at such first annual meeting of the membership, the transfer of title to that Director's Lot shall automatically constitute a resignation, effective upon the recordation in the Public Records of Orange County, Florida, of the deed or other instrument establishing the transfer. No member shall continue to serve on the Board should he/she be more than thirty (30) days delinquent in the payment of an assessment, and said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors.

Section 8. Compensation. No Director shall receive compensation for any service rendered to the Association; however, any Director may be reimbursed for the actual expenses incurred in the performance of his/her duties.

Section 9. Notice of Board of Directors' Meetings. Notices of all meetings of the Board of Directors shall be posted in a conspicuous place on the Association property at least 48 hours in advance, except in an emergency. Notice of any meeting in which assessments against parcels are to be established shall specifically contain a statement that assessments shall be considered and a statement of the nature of such assessment. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 10. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and hour as may be fixed from time to time by resolution of the Board and shall be open to all members of the Association.

Section 11. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President and, in his/her absence, by the Vice President of the Association, or by any two (2) directors, after not less than three (3) days notice in writing to each director of the time and place of said meeting,

except in the event of an emergency. All notices of special meetings shall state the purpose of the meeting.

Section 12. Directors' Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice to members of the Board shall be required and any business may be transacted at such meeting.

Section 13. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at such meetings at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum shall be present. At each such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice to the Board. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

Section 14. Nomination. 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 (2) 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 close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 15. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members may cast their ballots, for each vacancy, using as many votes as they are entitled to cast. The persons receiving the largest number of votes shall be elected.

Section 16. Powers. The Board of Directors of the Association shall have the powers necessary for the administration of the affairs of the Association. The powers shall specifically include, but shall not be limited to, the following:

A. To suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment for more than thirty (30) days after notice.

B. To exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

C. To declare the office of 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;

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

E. To further improve the Common Property, both real and personal property, subject to the provisions of these Bylaws, the Articles of Incorporation, or the Declaration; and

F. To further designate one (1) or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management, affairs and business of the Association. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors, and said committee(s) shall keep regular Minutes of their proceedings and report the same to the Board of Directors. The foregoing powers shall be exercised by the Board of Directors or its designee or employees, subject only to approval by Lot Owners when such is specifically required.

G. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the "Declaration". The Declaration is incorporated by this reference as if more fully set forth herein.

H. To fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration, and 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 or the Association.

I. With the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a duly called meeting at which a quorum is present, acquire (by gift, purchase or otherwise), improve, build upon, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real property in connection with the affairs of the Association.

J. To own, hold, operate and maintain the real and personal property of the Association.

K. With the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a duly called meeting at which a quorum is present, borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; provided, however, that the Association shall not need the approval of the members to borrow any amount less than \$25,000.00 or to secure said loan with property of the Association.

L. To participate in mergers and consolidations with other corporations not for profit organized for the same purposes so long as any such merger or consolidation does not broaden the duties and obligations of the Association required by the terms of the Declaration and provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of the members.

M. To have and to exercise all of the common law and statutory powers, rights and privileges which a corporation organized under the Corporation Not for Profit Law of the State of Florida may now or hereafter have or exercise, which are not in conflict with the terms of these Articles, the Declaration and the Bylaws.

Section 17. Duties. The Board of Directors shall have the following duties:

A. To cause to be kept a complete record of all of the Association's acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4th) of the Class A members who are entitled to vote. The records required to be kept shall include the following:

1. A copy of the plans, permits, warranties, and other items provided by the Developer.

2. A copy of the bylaws of the Association and of each amendment to the bylaws.

3. A certified copy of the articles of incorporation of the Association, or other documents creating the Association, and of each amendment thereto.

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

5. A book or books that contain the minutes of all meetings of the Association, of the board of directors, and of

members, which minutes shall be retained for a period of not less than seven (7) years.

6. A current roster of all members and their mailing addresses, parcel identifications, and, if known, telephone numbers.

7. All current insurance policies of the Association or a copy thereof.

8. A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the parcel owners have an obligation or responsibility.

9. Accounting records of the Association and separate accounting records for each parcel, according to generally accepted accounting principles. All accounting records shall be maintained for a period of not less than 7 years. The accounting records shall be open to inspection by parcel owners or their authorized representatives at reasonable times. The failure of the Association to permit inspection of its accounting records by parcel owners or their authorized representatives entitles any person prevailing in an enforcement action to recover reasonable attorney's fees from the person in control of the books and records who, directly or indirectly, knowingly denied access to the books and records for inspections. The accounting records shall include, but are not limited to:

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 of the Association, designating the name of the member, the due date and amount of each assessment, the amount paid upon the account, and the balance due.

iii. All audits, reviews, accounting statements, and financial reports of the Association.

iv. All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one (1) year.

B. To supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

C. As more fully provided in the Declaration; to:

1. fix the amount of the annual general assessment;

2. send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

3. file and foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner.

D. To 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. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

E. To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate, for which the Association shall bear the cost;

F. To procure and maintain adequate liability and hazard insurance or other insurance as needed on property to be owned or maintained by the Association; and

G. To cause the Common Property to be maintained. The Association shall not be responsible for the maintenance of any property not designated as Common Property in the Declaration.

ARTICLE V - OFFICERS

Section 1. Enumeration of Officers. The officers of the Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, and a Secretary, a Treasurer, and such other officers as the Board may from time to time by resolution create, who shall be from among the members, except that officers elected or appointed by the Developer need not be members of the Association.

Section 2. Election. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

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

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

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time, 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. The acceptance of such resignation shall not be necessary to make it effective.

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

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No other person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created by the Board of Directors.

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

A. President. The President shall be the chief executive officer of the Association; shall preside at all meetings of the members and of the Board of Directors; shall have executive powers and general supervision over the affairs of the Association and other officers; shall sign all written contracts to perform all of the duties incident to the office of President and which may be required by the Board of Directors.

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

C. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; shall have charge of all of the Association's books, records and papers, except those kept by the Treasurer, and shall perform such other duties as required by the Board.

D. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all funds 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; shall keep proper books of account, shall cause an annual review of the Association's books to be made by a certified public accountant at the completion of each taxable year; shall prepare an annual budget and a statement of income and expenditures

to be presented to the members at the regular annual meeting, and deliver a copy of each to the members; and shall collect the assessments and promptly report to the Board of Directors the status of collections and of all delinquencies.

ARTICLE VI - BOOKS AND RECORDS OF MEMBER

Section 1. Owner Register. The Association shall maintain a register of the name and mailing address of all Owners. In the event that the address of an Owner is different from the property address and the Association has not been provided with the different address, the property address shall be deemed to be same, and any notice sent to the said property address shall comply with the requirements of these Bylaws, the Declaration, and the Articles of Incorporation. If a Lot is owned by more than one (1) person, they shall provide the Association with one (1) mailing address for said Lot, and, in the event same is not provided to the Association, it shall be deemed to be the property address. Any change of address shall be effective only as to future notices, and shall not affect any notices previously provided to the members, even in the event that the meeting or other occurrence in the said notice has not occurred as of the time of giving of said address change.

Section 2. Inspection by Members. The books, records and papers of the Association shall, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association.

ARTICLE VII - FINANCES AND ASSESSMENTS

Section 1. Depositories. The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time upon resolutions approved by the Board, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association as may be designated by the Board of Directors. Obligations of the Association shall be signed by at least two (2) officers of the Association.

Section 2. Fidelity Bonds. The Treasurer and all officers who are authorized to sign checks, and all officers and employees of the Association, and any contractor handling or responsible for Association funds, shall be bonded in such amount as may be determined by the Board of Directors. The premiums on such bonds shall be paid by the Association. The bond shall be in an amount sufficient to equal the monies an individual handles or has control of via a signatory or a bank account or other depository account.

Section 3. Taxable Year. The taxable year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first taxable year shall begin on the date of incorporation.

Section 4. Determination of Assessments.

A. The Board of Directors of the Association shall fix and determine from time to time the sum or sums necessary and adequate to pay for the expenses of the Association. Association expenses shall include those expenses set forth in the Declaration, including the costs of carrying out the powers and duties of the Association, and such other expenses as are determined by the Board. The Board is specifically empowered, on behalf of the Association, to make and collect assessments and to maintain and repair areas as provided in the Declaration. Funds for the payment of Association expenses shall be assessed against the Lot Owners on an equal basis as provided in the Declaration. Said assessments shall be payable in advance as determined by the Board of Directors, and shall be due when ordered by the Board. Special assessments, should such be required by the Board of Directors, shall be levied in the same manner as hereinbefore provided for regular assessments and shall be payable in the manner determined by the Board.

B. When the Board of Directors has determined the amount of any assessment, the Treasurer of the Association shall mail or present to each Owner a statement of said Owner's assessment. All assessments shall be payable to the Treasurer of the Association, and upon request said Treasurer shall give a receipt for each payment made to him.

C. The Board of Directors shall adopt an operating budget for each fiscal year pursuant to Article V of the Declaration.

Section 5. Application of Payments and Commingling of Funds. All sums collected by the Association from assessments may be commingled in a single fund or divided into more than one (1) fund as determined by the Board of Directors. All assessment payments by an Owner shall be applied as to interest, delinquencies, costs and attorneys' fees, other charges, expenses and advances, as provided herein and in the Declaration, and general or special assessments in such manner and amounts as the Board of Directors determines, in its sole discretion.

Section 6. Acceleration of Assessment Installments Upon Default. If an Owner shall be in default in the payment of an installment upon any assessment, the Board of Directors may accelerate the remaining monthly installments for the fiscal year upon notice thereof to the Owner and, thereupon, the unpaid balance of the assessment shall become due upon the date stated in the

notice, but not less than ten (10) days after delivery of or mailing of such notice to the Owner.

ARTICLE VIII - AMENDMENTS

Section 1. Amendments. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of sixty seven percent (67%) of the total votes held by members who are present in person or by proxy at such meeting.

Section 2. Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall prevail. If any unreconciled conflict should exist or hereafter arise with respect to the interpretation of these Bylaws, as between these Bylaws and the Declaration, the Declaration shall prevail. No amendment of these Bylaws shall change the rights and privileges of the Developer without the Developer's prior written approval.

ARTICLE IX - INDEMNIFICATION

Section 1. Indemnification. The Association shall indemnify any Director or officer made a party or threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, brought to impose a liability or penalty on such person for an act alleged to have been committed by such person in his/her capacity as Director or officer of the Association, or in his/her capacity as Director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he/she serves at the request of the Association, against judgments, fines, amounts paid in settlement, and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action, suit, or proceeding or any appeal thereof, if such person acted in good faith in the reasonable belief that such action was in the best interests of the Association, and in criminal actions or proceedings, without reasonable grounds for belief that such action was unlawful. The termination of any such action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not in itself create a presumption that any such Director or officer did not act in good faith in the reasonable belief that such action was in the best interests of the Association or that he/she had reasonable grounds for belief that such action was unlawful. Such person shall not be entitled to indemnification in relation to matters as to which such person has been adjudged to have been guilty of negligence or misconduct in the performance of his/her duty to the Association unless and only to the extent that the court, administrative agency, or investigative body before which such

action, suit, or proceeding is held shall determine upon application that, despite the adjudication of liability, but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for such expenses which such tribunal shall deem proper.

Section 2. Determination of Amounts. The Board of Directors shall determine whether amounts for which a Director or officer seeks indemnification were properly incurred, and whether such Director or officer acted in good faith and in a manner he/she reasonably believed to be in the best interests of the Association, and whether, with respect to any criminal action or proceeding, he/she had no reasonable ground for belief that such action was unlawful. Such determination shall be made 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. In the event that all the Directors were parties to such action, suit or proceeding, such determination shall be made by the members of the Association by a majority vote of a quorum.

Section 3. No Limitation. The foregoing rights of indemnification shall not be deemed to limit in any way the powers of the Association to indemnify under applicable law.

ARTICLE X - TRANSACTION IN WHICH
DIRECTORS OR OFFICERS ARE INTERESTED

A. No contract or transaction between the Association and one (1) or more of its directors or officers, or between the Association and any other corporation, partnership, association, or other organization in which one (1) or more of its directors or officers are directors or officers, or have a financial interest, shall be invalid, void, voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof which authorized the contract or transaction, or solely because said officer's or director's votes are counted for such purpose. No director or officer of the Association shall incur liability by reason of the fact that said director or officer may be interested in any such contract or transaction.

B. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

ARTICLE XI - HUD AND VA APPROVAL

For so long as there is a Class B membership, the following actions will require the approval of either the Department of Housing and Urban Development or the Veterans Administration if any

mortgage encumbering a Lot is guaranteed or insured by either such agency: (a) annexation of additional properties; (b) mergers and consolidations; (c) mortgaging or dedication of Common Property and (d) dissolution or amendment of these Articles. Such approval, however, shall not be required where the amendment is made to correct errors, omissions or conflicts or is required by any institutional lender so that such lender will make, insure or guarantee mortgage loans encumbering the lots, or is required by any governmental authority. Such approval shall be deemed given if either agency fails to deliver written notice of its disapproval of any amendment to Developer or to the Association within twenty (20) days after a request for such approval is delivered to the agency by certified mail, return receipt requested, or equivalent delivery, and such approval shall be conclusively evidenced by a certificate of Developer or the Association that the approval was given or deemed given.

ARTICLE XII - LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Association shall not relieve or release any such former Owner or member from any liability or obligations incurred under or in any way connected with the Association during the period of such ownership of a Lot and membership in the Association, or impair any rights or remedies which the Association may have against such former Owner and member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto.

ARTICLE XIII - LIMITATION OF LIABILITY

Notwithstanding the duty of the Association to maintain and repair areas as provided in the Declaration, the Association shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements or by other persons.

ARTICLE XIV - ACQUISITION OF LOTS

Section 1. Acquisition on Foreclosure. At any foreclosure sale of a Lot, the Board of Directors may, with the authorization and approval by the affirmative vote of a majority of the total voting members' votes present at any regular or special meeting of the members wherein said matter is voted upon, acquire in the name of the Association, or its designee, a Lot being foreclosed. The term "foreclosure" as used in this section, shall mean and include any foreclosure of any lien, excluding the Association's lien for assessments. The power of the Board of Directors to acquire a Lot at any foreclosure sale shall never be interpreted as any requirement or obligation on the part of the said Board of

Directors or of the Association to do so at any foreclosure sale, the provisions hereof being permissive in nature and for the purposes of setting forth the power in the Board of Directors to do so should the requisite approval of the voting members be obtained. The Board of Directors shall not be required to obtain the approval of Lot Owners at the foreclosure sale of the Lot due to the foreclosure of the Association's lien for assessments under the provisions of the Declaration, notwithstanding the sum the Board of Directors determines to bid at such foreclosure sale.

Recorded - Martha O. Haynie

ARTICLE XV - PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration, or these Bylaws.

ARTICLE XVI - PARAMOUNT RIGHTS OF DEVELOPER

All of the applicable terms and provisions of the Articles or these Bylaws shall be subject to the Declaration of Covenants and Restrictions as to the rights and powers of the Developer, which rights and powers shall be deemed paramount to the applicable provisions of the Articles or these Bylaws.

The foregoing Bylaws for the Association were adopted this _____ day of _____, 199____, by the Initial Board of Directors of the Association.

CARL PALMISCIANO

CHARLES D. O'HARA

MORRIS A. WILLIAMS, JR.