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DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS
AND RESTRICTIONS
FOR
LAKES ESTATES III OF SARASOTA

O.R. 1964 PG 1325

THIS DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR LAKES ESTATES III OF SARASOTA (herein referred to as the "Declaration") is made this 17 day of July, 1987, by SUNDIAL GROUP, INC., a Florida corporation, its successors and assigns ("Declarant"), and joined in by the LAKES ESTATES III OF SARASOTA HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit ("Lakes Estates III Association").

W I T N E S S E T H :

WHEREAS, Declarant is the owner of that certain real property described in Exhibit "A" attached hereto and made a part hereof, located in Sarasota County, Florida ("County"), which shall be known as "LAKES ESTATES III OF SARASOTA ("Lakes Estates III"); and

WHEREAS, Lakes Estates III comprises a portion of the larger, planned, residential community being developed by Declarant known as the "Lakes of Sarasota;" and

WHEREAS, all of the "Committed Property" (as that term is hereinafter defined) at the Lakes of Sarasota, which Committed Property includes Lakes Estates III, is subject to the General Covenants, Easements and Restrictions for the Lakes of Sarasota, dated December 19, 1983, recorded on December 20, 1983, in Official Records Book 1641, at Page 600, of the Public Records of Sarasota County, and as amended (hereinafter collectively defined as the "Maintenance Covenants"); and

WHEREAS, all or a portion of Lakes Estates III is intended to be comprised of residential "Lots" and "Common Area" serving the "Owners" (as those terms are hereinafter defined) of such Lots, as more particularly described in the Plat of Lakes Estates III, attached hereto as Exhibit "B;" and

WHEREAS, Declarant intends that "Dwelling Units" have been or will be constructed on the Lots by "Builders" (as those terms are hereinafter defined) in accordance with the provisions of this Declaration; and

WHEREAS, Declarant has reserved the right in this Declaration to subject additional portions of Lakes Estates III ("Additional Lands") to the provisions of this Declaration as "Subjected Lands" (as that term is hereinafter defined) by the execution and recordation of an "Additional Lands Declaration," all as more fully set forth in Article 2 hereof; and

WHEREAS, Declarant has reserved the further right in this Declaration to increase the size of Lakes Estates III by the execution and recordation of an instrument intended to have such effect in the public records of the County, as more fully set forth in Article 2.C hereof; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities of Lakes Estates III as are hereby or as may be hereafter established; and

WHEREAS, Declarant has caused the Lakes Estates III Association to be formed, which Lakes Estates III Association has joined in this Declaration and to which there has been and will be delegated and assigned certain powers and duties of ownership, operation, administration, maintenance and repair of portions of Lakes Estates III; the enforcement of the covenants and restrictions contained herein; and the collection and disbursement of the "Neighborhood Expenses" (as that term is hereinafter defined) all as more particularly set forth herein.

NOW, THEREFORE, in consideration of the premises and covenants herein contained, Declarant hereby declares that the Subjected Lands, and such portions of the Additional Lands, shall

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be owned, held, used, transferred, sold, conveyed, encumbered, demise and occupied subject to the covenants, conditions, restrictions, easements, reservations, regulations, burdens and liens hereinafter set forth.

ARTICLE 1

DEFINITIONS

The following words and phrases when used in this Declaration (unless the context should clearly reflect another meaning) shall have the following meanings:

1. "Articles" means the Articles of Incorporation of the Lakes Estates III Association in accordance with the provisions of this Declaration.

2. "Assessments" means the "Individual Unit Assessments" and "Special Assessments" (as those terms are hereinafter defined) and any and all other assessments which are levied by the Lakes Estates III Association in accordance with the provisions of this Declaration.

3. "Board" or "Directors" means the Board of Directors of the Lakes Estates III Association.

4. "Builder" means a "Person" owning a "Lot" (as those terms are hereinafter defined) and constructing or causing the construction of a Dwelling Unit on it, and includes Declarant for so long as it is the owner of the fee simple title to a Lot (regardless of whether Declarant is constructing a Dwelling Unit thereon).

5. "Bylaws" means the Bylaws of the Lakes Estates III Association, a copy of which is attached hereto as Exhibit "D."

6. "Committed Property" means that real property described as such in the "Maintenance Covenants" (as that term is hereinafter defined), which includes Lakes Estates III.

7. "Common Area" means the portions of Lakes Estates III which are not Lots, as more fully described in Article 3 of this Declaration.

8. "Common Maintenance Areas" means the real property described in Subparagraph 3.A of the "Maintenance Covenants."

9. "County" means Sarasota County, Florida.

10. "Declaration" means this instrument and any and all amendments hereto.

11. "Declarant" means Sundial Group, Inc., a Florida corporation, its corporate successors, grantees, and assigns. Declarant may assign all or a portion of its rights or obligations hereunder by a written instrument setting forth the rights or obligations so assigned to other Persons and, to the extent of such rights or obligations specifically so conveyed or assigned, such Person shall also be a Declarant hereunder if so stated thereunder.

12. "Dwelling Unit" means any residential dwelling unit type situated on a Lot or Lots intended as an abode for one (1) family constructed on a portion of the Subjected Lands, including, without limitation, a detached, single-family home, an attached townhouse or patio dwelling, a duplex or other multiplex dwelling, or any apartment type unit contained in any multi-unit, multi-story, residential building and whether any of the foregoing are subject to fee simple, cooperative, condominium, rental, or other form of ownership or possession, which has received a certificate of occupancy from the applicable governmental authority.

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13. "Dwelling Unit Owner" means the owner or owners of the fee simple title to a Dwelling Unit, including Declarant.

14. "Individual Unit Assessment" means the Assessment more particularly described in Subparagraph 8.A hereof.

15. "Institutional Mortgagee" shall mean and refer to any lending institution owning a first mortgage covering a Unit including any of the following institutions: (a) Any Federal or state savings and loan or a building and loan association, or commercial bank or other bank or real estate subsidiary thereof; or (b) Any "secondary mortgage market institution" including the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Association and such other secondary mortgage market institution as the Board shall hereafter approve in writing which has acquired a first mortgage upon a Unit; or (c) Any pension or profit-sharing funds qualified under the Internal Revenue Code; or (d) Any and all investing or lending institutions, or the successors and assigns of such lender ("Institutional Mortgagees") which have loaned money to the Declarant and which hold a mortgage upon any portion of Lakes Estates III securing such loans; or (e) Such other institutional lenders as the Board shall hereafter approve in writing as an Institutional Mortgagee which have acquired a mortgage upon a Dwelling Mortgagee which have acquired a mortgage upon a Dwelling Unit; or (f) Declarant, if Declarant holds a mortgage on any portion of Lakes Estates III and the transferee of any mortgage encumbering Lakes Estates III which was originally held by Declarant; or (g) Any life insurance company.

16. "Lakes of Sarasota" means the multi-staged, planned community known as the "Lakes of Sarasota" of which Lakes Estates III is a part, undergoing development as more particularly described in the Maintenance Covenants.

17. "Lakes of Sarasota Documents" means, in the aggregate, the Maintenance Covenants, any "Supplement" (as that term is defined in the Maintenance Covenants) thereto, the Articles of Incorporation and By-Laws of the Maintenance Association, and all of the instruments and documents referred to therein including, but not limited to, amendments to any of the foregoing, as applicable.

18. "Lot" means a portion of the Subjected Lands upon which a Dwelling Unit has been (or is intended to be) constructed, as currently designated by Declarant on the "Plat" (as that term is hereinafter defined).

19. "Maintenance Association" means the Lakes of Sarasota Maintenance Association, Inc., formerly known as the Lakes Maintenance Association, Inc., a Florida corporation not for profit.

20. "Maintenance Covenants" means the General Covenants, Easements and Restrictions for The Lakes of Sarasota, dated December 19, 1983, recorded on December 20, 1983, in Official Records Book 1641, at Page 600, of the Public Records of the County, and including any and all amendments and Supplements thereto, which provide for the operation, management and administration of the Lakes of Sarasota, including the establishment of Common Maintenance Areas and the assessment of "Maintenance Expenses" (as that term is hereinafter defined).

21. "Maintenance Expenses" means the expenses for which Owners are liable to the Maintenance Association as described in the Maintenance Covenants and any other of the Lakes of Sarasota Documents and includes, but is not limited to, the cost and expenses incurred by the Maintenance Association in administering, operating, reconstruction, maintaining, financing, repairing, replacing or improving the Common Maintenance Areas or any portion thereof and improvements thereon and all costs and expenses incurred by the Maintenance Association in carrying out

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its powers and duties hereunder or under any other of the Lakes of Sarasota Documents, the cost of any "Reserves" and any other expenses designated to be Maintenance Expenses by the Board.

22. "Member" means any Person entitled to membership in the Lakes Estates III Association.

23. "Neighborhood" means any portion of the "Residential Property" (as that term is defined in the Maintenance Covenants) administered by a "Neighborhood Association" (as that term is hereinafter defined). The expense of operating and maintaining the Neighborhoods shall be the obligation of the Neighborhood Association Members. Lakes Estates III is a Neighborhood.

24. "Neighborhood Association(s)" means a Florida corporation not for profit: (i) responsible for administering one or more condominiums which may be created in the Lakes of Sarasota; or (ii) responsible for operating non-condominium "Dwelling Units" or "Lots," (as those terms are defined in the Maintenance Covenants) the owners of which are members of the Neighborhood Association. The Lakes Estates III Association is a non-condominium Neighborhood Association.

25. "Neighborhood Declaration" means: (i) the declaration of condominium by which a particular condominium in the Lakes of Sarasota is submitted to the condominium form of ownership and all amendments thereto; and (ii) a land use document recorded amongst the Public Records of the County and all amendments thereto which establishes the manner of administration and maintenance of non-condominium Dwelling Units or Lots within portions of the Committed Property of which the Owners thereof are members of a Neighborhood Association and whereby certain covenants and use restrictions encumber portions of the Committed Property. This Declaration is a non-condominium Neighborhood Declaration.

26. "Neighborhood Expenses" means the expenses for which Owners are liable to the Lakes Estates III Association as described in this Declaration and in any other of the Lakes Estates III Documents, including, without limitation, the costs and expenses incurred by the Lakes Estates Association III in fulfilling its obligations hereunder and in administering, operating, owning, constructing, reconstructing, financing, maintaining, repairing and replacing Common Area or portions thereof and improvements thereon.

27. "Owner(s)" or "Unit Owner(s)" means, collectively, the Dwelling Unit Owners and the Builders, but excluding those having an interest in a Unit merely as security for the performance of an obligation.

28. "Person" means an individual, corporation, governmental agency, business trust, estate, partnership, association, two or more persons having a joint or common interest, or any other legal entity.

29. "Plat" means the Plat of Lakes Estates III recorded in Plat Book 32 at Page 224, of the Public Records of the County, a copy of which is attached hereto as Exhibit "B."

30. "Subjected Lands" means (i) the portions of Lakes Estates III described on Exhibit "B;" and (ii) that portion of the additional land, if any, which may hereafter become Subjected Lands in accordance with the provisions of Article 2.B hereof.

31. "Lakes Estates III" means, in the aggregate, the Subjected Lands and the additional lands.

32. "Lakes Estates III Association" means Lakes Estates III of Sarasota Homeowners Association, Inc., a Florida corporation not for profit. The Lakes Estates III Association is a Neighborhood Association.

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33. "Lakes Estates III Documents", means in the aggregate this Declaration, including all Exhibits and amendments thereto, the Articles, the Bylaws, and all of the instruments and documents referred to therein or referred to herein.

34. "Turnover Date" means the date described as such in Article V.C. of the Articles.

35. "Unit" means, collectively, Dwelling Unit and Lot.

ARTICLE 2

PLAN FOR DEVELOPMENT OF LAKES ESTATES III

A. General Plan for Development

Declarant is the owner of Lakes Estates III presently intends that there will be constructed a maximum number of eighty-nine (89) Dwelling Units on that portion of the Subjected Lands designated on the date hereof as Lot. That notwithstanding, Declarant shall have the right, in its sole discretion, to construct a lesser number of Dwelling Units on such Lots. The current location of each Lot on the Subjected Lands, which location is subject to change by Declarant for any Lot owned by Declarant, is shown on the Plat attached to this Declaration as Exhibit "B" and is identified thereon by an arabic numeral. It is currently intended that one (1) Dwelling Unit will be situated on each such Lot. That notwithstanding, Declarant reserves the right, so long as it owns any interest in Lakes Estates III, in its sole discretion, to alter the boundaries of Lots, convey portions of Lots, and reduce the number of Lots, all in accordance with applicable governmental regulations. In the event Declarant so modifies the boundaries or number of Lots in the Subjected Lands, Declarant shall record an amendment to this Declaration attached to which shall be a revised site plan which shows the actual location and number of each Lot at such time. By this Declaration, the Subjected Lands are subjected to the provisions hereof. All of the real property now or hereafter designated by Declarant Subjected Lands will be administered by the Lakes Estates III Association or the Maintenance Association pursuant to the terms of this Declaration.

B. Lands Not Currently Included in Lakes Estates III:

Declarant shall have the right for so long as Declarant owns any interest in Lakes Estates III, but shall in no event be obligated, to designate all or a portion of certain other real property in the Lakes of Sarasota owned by Declarant as Additional Lands or Subjected Lands by executing and recording an instrument intended to have the same effect in the public records of the County without the consent of any Person. SOME OF THE EFFECTS OF ADDING REAL PROPERTY TO THE SUBJECTED LANDS MAY BE TO INCREASE THE SIZE OF LAKES ESTATES III, THE NUMBER AND TYPE OF RESIDENTIAL DWELLING UNITS, THE NUMBER OF MEMBERS, THE NUMBER OF PERSONS USING THE LAKES ESTATES III COMMON AREA, THE SIZE OF THE ASSOCIATION BUDGET, AND THE TOTAL NUMBER OF VOTES WHICH MAY BE CAST.

C. Lakes Estates III Association

The Lakes Estates III Association has been formed primarily to maintain and operate the Common Area for the benefit of the Members. Membership in the Lakes Estates III Association is more fully discussed in Article 5 hereof. The Lakes Estates III Association shall assess the Members for Neighborhood Expenses incurred in fulfilling its obligations under this Declaration in accordance with Article 7 hereof.

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D. Maintenance Association and the Maintenance Covenants

The Committed Property in the Lakes of Sarasota which includes Lakes Estates III is owned subject to the Maintenance Covenants. The Maintenance Covenants describe the Common Maintenance Areas which serve all of the Committed Property, and sets forth the procedure for the administration, management, operation and maintenance of the Common Maintenance Areas, and that the costs and expenses thereof, which are the Maintenance Expenses, be assessed by the Maintenance Association against all the "Units" (as that term is defined therein), and grant to the Maintenance Association certain remedies for the enforcement for such assessments, including, but not limited to, lien rights against each "Lot" and "Dwelling Unit" (as those terms are defined therein). The Maintenance Covenants also set forth certain restrictions on the use of all Dwelling Units. The Terms "Dwelling Unit" and "Lot" under the Maintenance Covenants include, but are not limited to, the Dwelling Units and Lots as defined herein. Pursuant to the Maintenance Covenants and the other of the Lakes of Sarasota Documents, each Owner shall be member of the Maintenance Association.

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ARTICLE 3

USE CLASSIFICATIONS AND RESTRICTIONS

In consideration of the benefits hereinafter contained and the payment of the Neighborhood Expenses, Declarant does hereby declare that the following provisions shall be applicable to the Subjected Lands, which shall be transferred, owned, demised, sold, mortgaged, conveyed and occupied subject to the terms of this Declaration as hereinafter set forth:

A. Use Classification of Subjected Lands

1. Lots:

a. In General: Lots are those portions of the Subjected Lands shown on the Plat as Lots and shall be for "Residential Use" (as hereinafter set forth) only, which, except for facilities related to construction, development, sales and rental activities permitted on Lots as hereinafter set forth, shall include only Dwelling Units and improvements associated with residential purposes such as, but not limited to garages, drives, driveways, parking spaces, lawn areas, native habitat preserves and other amenities as an appurtenance to Dwelling Units being constructed including, but not limited to, recreational and social facilities commonly associated with the type of Dwelling Units in question. No commercial or business occupations may be carried on in the Lots except for the construction, development, marketing, sale, and rental of the Lots or portions thereof (including, but not limited to, Dwelling Units constructed thereon) and for direct accessory services to the Lots such as utilities, maintenance, and other such services.

b. Lot Boundaries; Certain Declarant's Rights: Each Dwelling Unit Owner's Lot will include approximately one-half (1/2) of the portion of the "Roadway," as defined in Subparagraph 2(a) hereof, which abuts the respective Lot, as more particularly set forth in the Plat attached hereto as Exhibit "B;" provided, however, that such portion of the Lot which is surfaced as a Roadway shall be subject to such easement and use rights as are described in Article 4 of this Declaration. Declarant shall have the right, in its sole discretion, to alter the boundaries of Lots and any easements and use rights appurtenant thereto in any manner determined appropriate by Declarant for the best interest of Lakes Estates III, without the consent of the Lakes Estates III Association, the Owners, or any other Person for so long as Declarant shall own any interest in Lakes Estates III. Declarant shall also have the right, as long as Declarant owns any interest in Lakes Estates III to designate additional Lots from areas which were previously designated as

Common Area, and vice versa, to the extent permitted by applicable law. Such rights shall be exercised by an amendment to this Declaration, which need be executed only by Declarant.

2. Common Area: Common Area is that portion of the Subjected Lands which is not a Lot. Declarant declares that the Common Area is subject to a perpetual, nonexclusive easement in favor of Declarant the Maintenance Association and its members, the Lakes Estates III Association and the Owners, their family members, guests, invitees, lessees, and licensees to use the Common Area for all proper and normal purposes including ingress and egress and for the furnishing of services and facilities for which the same are reasonably intended in accordance with the terms more particularly set forth in this Subparagraph A.2 below and Article 4 hereof. Declarant declares that the Common Area shall be subject to, and shall be owned, held, transferred, conveyed, financed, used, demised and occupied, in a manner consistent with the improvement thereof by Declarant and subject to the aforesaid easements and the following conditions, restrictions, limitations and use rights, all of which shall run with the Common Area and any part thereof.

(a) Roadway, Drainage and Utilities Areas: That portion of the Common Area designated by Declarant for use as Roadways, Drainage and Utilities (sometimes hereinafter collectively referred to as the "RDU Areas") shall always be kept and maintained by either the Lakes Estates III Association or Maintenance Association as RDU Areas in substantially the same condition and appearance as established by Declarant, subject to and in accordance with the specific provisions set forth in this subparagraph 2(a).

(i) Roadways: That portion of the RDU Areas designated on the Plat or otherwise designated by Declarant as "Roadways" or "Private Roadways," including, but not limited to, that portion of "OAKVIEW DRIVE EAST TRAILS DRIVE" and the swale immediately adjacent thereto, if any, "OAKWAY EAST TRAILS DR." and "OAK CIRCLE S. OAK CIRCLE" all as are located within the Subjected Property, shall always be kept and maintained by the Maintenance Association for roadways as a means of ingress and egress to and from, between and among, publicly dedicated streets and all portions of the Lakes of Sarasota, for the Declarant, the Lakes Estates III Association, the Maintenance Association and its members, and Dwelling Unit Owners, their family members, invitees, guests, lessees and licensees.

(ii) Drainage and Utilities Area: That portion of the RDU Areas designated on the Plat or otherwise designated by Declarant as a "Drainage and Utilities Area," "Drainage Easement," "Utility Easement" or the like now or hereafter used for drainage or utility easements shall be kept and maintained by the Lakes Estates III Association for the installment and maintenance, construction and repair of drainage and utility facilities, including, but not limited to, electric power, telephone, sewer, water, gas, drainage, irrigation, lighting and television transmission (including, but not limited to, cable television transmission). Declarant may landscape, grass, plant or construct Roadways or parking on the surface of all or portions of the Utility Easement Area, or otherwise use it in a manner not inconsistent with its intended use, and thereafter to the extent possible, such area shall be so maintained, notwithstanding the fact that other utility easements shall be located on, over or under such area or other portions of the Subjected Lands. In the event an applicable governmental agency requires that another entity maintain the Drainage and Utilities Area, then upon Declarant's or the Lakes Estates III Association's agreement therewith such other entity shall so maintain it. Declarant may landscape, grass or plant the surface of all or portions of the Drainage and Utilities Area, in which event, to the extent possible, such area shall be continued to be kept in substantially the same condition, notwithstanding that further utility or drainage may be located on, over or under such area. No portion of the approved stormwater management system may be reconfigured, modified, or altered without prior written approval

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of the Lakes Estates III Association, the Sarasota County Engineer or the appropriate agency of the County of Sarasota, and the Southwest Florida Water Management District, or other appropriate state regulatory agency.

(iii) Nonexclusive Easement: A nonexclusive easement shall exist in favor of the Declarant, the Maintenance Association, their employees or other designees, and its members, and the Lakes Estates III Association and the Dwelling Unit Owners, for the use of the RDU Areas established throughout the Common Area, and an easement for ingress, egress, and access to enter any portion of the Common Area in order to construct, maintain or repair any RDU Areas and facilities thereon and appurtenances thereto. No structure, landscaping or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities or which may obstruct or retard the flow of water through Drainage Areas or otherwise interfere with any easement or use right provided for in this Article or Article 4 hereof.

(b) Native Habitat Preserve: Those portions of the Common Area designated on the Plat or otherwise by Declarant or the County or being used as a "Native Habitat Preserve" or the like shall be kept and maintained by the Maintenance Association in its natural state, except for the planting of such indigenous vegetation, and the taking of such maintenance and other measures for the beautification and preservation of same as may be permitted by the County or such other appropriate governmental or quasi-governmental authority.

(c) Jogging Trail: Those portions of the Common Area designated on the Plat or otherwise by Declarant, or being used as a "Jogging Trail" or the like shall be kept and maintained by the Maintenance Association, free from obstruction or hindrance by the users thereof.

(d) Open Area: Those portions of the Common Area designated on the Plat or otherwise designated by Declarant or being used as "Open Area," "Access and Buffer Easement," or the like shall be improved, grassed, planted, irrigated, landscaped or paved as determined by Declarant and thereafter kept improved, grassed, planted irrigated, landscaped or paved by the Lakes Estates III Association substantially in accordance therewith for the convenience and beautification of the Subjected Lands.

3. Administration; Rules: The administration, management, operation and maintenance of the Common Area shall be the responsibility of the Lakes Estates III Association except as is specifically provided to the Maintenance Association herein. The Lakes Estates III Association, by its Board, shall have the right to promulgate and impose rules and regulations consistent with the provisions of this Declaration and thereafter modify, alter, amend, rescind and augment any of the same consistent with the terms hereof and the Lakes Estates III Documents (collectively the "Rules") with respect to the use, operation and enjoyment of the Common Area and any improvements located thereon.

4. Certain Declarant Rights: Except as may be limited in this Declaration, Declarant shall have the right to make such lawful uses of the Subjected Lands as Declarant shall, from time to time, determine. Further, in recognition of the fact that Declarant will have a continuing and substantial interest in the development and administration of the Subjected Lands, Declarant hereby reserves for itself and its successors and assigns, and the Lakes Estates III Association hereby acknowledges that Declarant and its successors and assigns shall have the complete right and privilege to use and go on all Common Area and all other portions of the Subjected Lands for all purposes required in conjunction with and as part of a program of sale, leasing, construction and development without any cost to Declarant, its successors and assigns, for such rights and privileges. In addition, Declarant shall have the right, pursuant to its program of construction, to temporarily suspend

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or interrupt the use of the Common Area. In the event Declarant damages improvements to the Common Area, it shall restore same to substantially the original condition or such other condition as it determines consistent with this Declaration. Further, Declarant shall have the right, without the consent of any Owner or the Lakes Estates III Association, by its act alone, to connect a Roadway on the Plat to a roadway on property which is not a part of the Subjected Property and to take unilaterally whatever action is necessary or appropriate to accomplish same, including, without limitation, the filing of an amended or revised Plat, the subdividing or resubdividing of any Lot or Lots, and the granting of an easement or easements over any part of Lakes Estates III. Notwithstanding the foregoing, Developer acknowledges that it may not subdivide or grant an easement over any Lot not owned by Developer in order to effectuate such connecting roadway without the consent of the respective Lot Owner. For purposes of this Article 3.A.4, the term "Declarant" shall include any Institutional Mortgagee (as defined in Article 2 hereof) which has loaned money to Declarant to acquire or construct improvements upon the Subjected Land or its successors or assigns acquires title thereto by deed in lieu of foreclosure.

Declarant's rights and privileges and obligations set forth in this Article 3.A.4, as well as Declarant's other rights and privileges and obligations under this Declaration and the other Lakes Estates III Documents may be assigned in whole or in part to another developer or such person or entity as Declarant in its sole and absolute discretion determines. These rights and privileges herein set forth, which are in addition to and in no way limit any other rights or privilege of Declarant under any of the other Lakes Estates III Documents, shall terminate upon Declarant, its successors and assigns or other designated person or entity, no longer owning any portion of the Subjected Lands or upon such earlier date as Declarant shall notify the Lakes Estates III Association in writing of Declarant's voluntary written election to relinquish the aforesaid rights and privileges of use.

5. Conveyance and Encumbrance of the Common Area: Declarant shall, no later than one hundred and twenty (120) days after the Turnover Date, convey the Common Area "AS IS" to the Lakes Estates III Association, subject to this Declaration, and any provisions of record, and any such other conditions not inconsistent herewith by quit claim deed. All costs involved in such conveyance for documentary stamps, surtaxes, recording expenses, abstracts, title insurance, survey, etc., shall be borne by the Lakes Estates III Association. Notwithstanding the above, conveyance of the Common Area may be made in whole or in part at any time prior to the aforesaid date. Except as is hereinafter provided once the Common Area is conveyed to the Lakes Estates III Association, the Common Area and improvements thereon shall not be abandoned, partitioned, subdivided, alienated, released, transferred, hypothecated, mortgaged or otherwise encumbered, without first obtaining the written approval of mortgagees owning mortgages on Dwelling Units in an aggregate amount of not less than sixty-six and two-thirds (66-2/3%) percent of the amount of all mortgages encumbering Dwelling Units (as shown by the Public Records of the County). The preceding sentence shall not be applicable to, nor prohibit the Declarant or the Lakes Estates III Association from granting all such easements as are reasonably necessary and appropriate for the development of the Common Area and use thereof in a manner consistent with the provisions of the Lakes Estates III Documents, nor shall the foregoing prohibit the Declarant or the Lakes Estates III Association from encumbering the Common Area, provided such encumbrances are subordinate to the provisions of this Declaration and the Funds so loaned are used for improving the Common Area.

B. Disputes as to Use

In the event there is any dispute as to whether the use of the Subjected Lands or any portion thereof complies with the covenants, conditions and restrictions contained in this Declaration, such dispute shall be referred to the Board, and a determi-

nation rendered by the Board with respect to such dispute shall be final and binding on all parties concerned therewith; provided, however, any use by Declarant of the Subjected Lands or any parts thereof in accordance with Paragraph A.5 of this Article 3 shall be deemed a use which complies with this Declaration and shall not be subject to a determination to the contrary by the Board.

C. Additional Provisions for the Preservation of the Values and Amenities of the Subjected Lands

In order to preserve the values and amenities of Lakes Estates III, the following provisions shall be applicable to the Subjected Lands and any provisions requiring Declarant's approval or consent shall only be applicable to the Turnover Date, at which time the approval or consent of the Lakes Estates III Association shall be required:

1. Improvements to Lots, Etc.:

(a) Except for the construction of Dwelling Units, buildings and other similar structures, improvements of any kind, including, but not limited to, any wall, fence, landscaping, planting, swimming pool, screen enclosure, driveway, sidewalk, sewer, drain, water area, or outside lighting, whether or not requiring platting and architectural, engineering, or site plan approval pertaining to such improvement, shall not be constructed, installed, placed or developed by any party on any portion of the Subjected Lands without the approval of the Declarant and the Lakes Estates III Association. Additions, alterations, modifications and changes to any of the foregoing may be constructed or installed by or with the approval of the Declarant (collectively "Declarant Improvements"), which Declarant Improvements, no platting, architectural, engineering or site plan pertaining to the development of any Dwelling Unit(s) within the Subjected Lands ("Development Plans") shall be effectuated and no addition, alteration, modification or changes to any of the foregoing (collectively "Improvements") shall be made without the prior written approval of the Lakes Estates III Association, or by an Architectural Control Committee ("ACC") composed of three (3) or more representatives appointed by the Board, for such respective terms as are determined by the Board.

(b) Method of obtaining Lakes Estates III Association Approval: In order to obtain the approval of the Lakes Estates III Association or the ACC, whichever is appropriate, two (2) complete sets of plans and specification for the proposed Improvements or Development Plans (collectively, the "Plans") shall be submitted to the Lakes Estates III Association or the ACC for its review. The Plans shall include the exact or approximate specification of such improvements, including the proposed location, grade, elevations, shape, dimensions, exterior color plans, approximate costs and nature type and color of materials to be used. The Lakes Estates III Association or the ACC may also require the submission of additional information and materials as may be reasonably necessary for the Lakes Estates III Association or the ACC to evaluate the proposed Plans. The Lakes Estates III Association or the ACC shall evaluate all Plans using standards of the highest level as to the aesthetics, materials and workmanship and as to suitability and harmony of location, structures and external design in relation to surrounding topography, structures and landscaping.

(c) Approval or Disapproval by Lakes Estates III Association: The Lakes Estates III Association or the ACC, whichever is appropriate, shall have the right to refuse to approve any Plans which, in its sole discretion, are not suitable or desirable. In approving or disapproving Plans, the Lakes Estates III Association or the ACC shall consider the suitability of the proposed Dwelling Units, building, improvements, structures or landscaping materials of which the same are to be built or planted, the Development Plans or portions thereof, the site upon which such are proposed to be erected, the harmony thereof with the surrounding area, property, Dwelling Units, and other

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improvements and the effect thereof on the adjacent or neighboring property. Any and all approvals or disapprovals of the Lakes Estates III Association or the ACC shall be in writing and shall be sent to the respective Owners. In the event the Lakes Estates III Association or the ACC fails to approve or to disapprove in writing any proposed Plans and any and all other reasonably requested information and materials related thereto, then said Plans shall be deemed to have been approved by the Lakes Estates III Association and the ACC and the appropriate written approval delivered forthwith. All construction and landscaping shall be done in accordance with the Plans approved by the Lakes Estates III Association or the ACC unless a deviation therefrom has been approved in writing by the Lakes Estates III Association or the ACC. However, if any improvement is completed and the Lakes Estates III Association or the ACC does not indicate disapproval thereof for a period of sixty (60) days after the completion of such construction, landscaping or other improvement, then such construction or landscaping shall be deemed to have been approved by the Lakes Estates III Association and the ACC. Notwithstanding the foregoing, no Dwelling Unit, improvement, structure or other item for which the Lakes Estates III Association's or the ACC's approval is required shall be deemed approved pursuant to the foregoing or allowed to remain which violates any of the provisions of this Declaration or any other of the Lakes Estates III Documents.

(d) Lakes Estates III Association to Adopt Design Rules: The Lakes Estates III Association shall have the right to promulgate such further rules and regulations as it deems necessary in order to preserve the values and appearance of the Subjected Lands and thereafter, to modify, alter, amend, rescind and augment any of same (collectively "Design Rules") provided that the Design Rules so promulgated shall not be in conflict with the provisions of any of the Lakes Estates III Documents. Such Design Rules shall not become effective until approved by Declarant in writing so long as the Declarant owns any portion of Lakes Estates III Association shall have the right to adopt a schedule of reasonable fees for the processing of applications which fees shall be subject to the approval of the Board. In such event that Design Rules are adopted, all approvals, denials, or other actions taken by the ACC, shall be in accordance with such Design Rules.

(e) Miscellaneous: The Lakes Estates III Association does not determine or assume any responsibility for the quality of construction or structural soundness of any Dwelling Units, structures or other improvements, and no obligation or liability relating to construction of any Dwelling Units, structures or other improvements shall result from the Lakes Estates III Association's or the ACC's review or approval of any Plans. Furthermore, the Lakes Estates III Association or the ACC does not evaluate Plans to determine whether the Plans satisfy applicable governmental requirements. Neither the Lakes Estates III Association, or the ACC, the Owners, nor the Directors, officers, agents or Members, shall be liable for any loss, damage, injury or expense arising out of or in any way connected with the performance of the duties hereunder, unless due to willful misconduct.

2. Antennas and Flagpoles: No outside antennas, antenna poles, antenna masts, electronic devices, antenna towers, dishes, or flagpoles shall be permitted unless approved in writing by the Board.

3. Accessory or Temporary Buildings: No tents and no accessory or temporary buildings or structures shall be permitted unless approved in writing by the Board.

4. Signs: No signs shall be erected or displayed on the property or on any structure, unless the placement and character, form, size, and time of placement of such sign be

first approved in writing by the Board. No free-standing signs shall be permitted unless approved in writing by the Board. Said signs must also conform with local regulatory ordinances.

5. Maintenance of Premises: No weeds, underbrush, or other unsightly growths shall be permitted to grow or remain upon any Subjected Lands, and no refuse or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. In the event that any Owner shall fail or refuse to keep the Subjected Lands free of weeds, underbrush or other unsightly growths or objects, then Declarant or the Lakes Estates III Association may enter upon the Subjected Lands and remove the same at the expense of such Owner, and such entry shall not be deemed a trespass. The Subjected Lands and any landscaping, buildings, improvements and appurtenances thereon shall be kept in a good, safe, clean, neat and attractive condition, and all buildings and structures shall be maintained in a finished, painted and attractive condition. Upon the failure to maintain the Subjected Lands and any landscaping, buildings, structures, improvements and appurtenances thereon to the satisfaction of Declarant, upon the Owner's failure to make such corrections within thirty (30) days of written notice by Declarant or the Board, Declarant or the Lakes Estates III Association shall have the right to enter upon the Subjected Lands and make such improvements or corrections as may be necessary, the cost of which shall be paid for by the Lakes Estates III Association or Owner as a specially assessed Neighborhood Expense. Declarant may require the Lakes Estates III Association or Owner to deposit with Declarant the estimated cost thereof as determined by the Declarant. If any Owner fails to make payment within fifteen (15) days after requested to do so by Declarant, then the payment requested shall be a lien in accordance with the provisions of Article 7 hereof.

6. Mining or Drilling: Dredge and Fill: There shall be no mining, quarrying or drilling for minerals, oil, gas or otherwise or any dredge and fill activity ("Mining Activity") undertaken within any portion of the Subjected Lands. Activities of Declarant or the Lakes Estates III Association in dredging any lakes or creating, excavating or maintaining drainage or other facilities or easements shall not be deemed Mining Activities nor will the installation of wells or pumps, in compliance with applicable governmental requirements, or for sprinkler systems for any portions of the Subjected Lands be deemed a Mining Activity.

7. Construction Control Line: Notwithstanding anything contained herein to the contrary, no Improvements shall be constructed, installed, placed, or developed on that portion of Lakes Estates III shown on the Plat as being subject to the restrictions established by the "Construction Control Line," if any, without the prior written approval of the County.

8. Nuisances: No Owner shall cause or permit any unreasonable or obnoxious noises or odors and no nuisances or illegal activities shall be permitted or maintained on the Subjected Lands. It is intended, however, that noises or odors which are the reasonably expected result of such uses of the Subjected Lands as are specifically permitted or contemplated by this Declaration shall not be deemed unreasonable, obnoxious or a nuisance.

9. Removal of Sod and Shrubbery, Alteration of Drainage, Etc: Except for Declarant's and Builder's acts and activities in the development of LAKES ESTATES III, no sod, topsoil, muck, trees or shrubbery shall be removed from the Subjected Lands and no change in the conditions of the soil or the level of the land of any Lot shall be made which results in any permanent change in the flow or drainage of surface water off or within the Subjected Lands without the prior written consent of the Board and the County.

10. Radio Equipment: No ham radios or radio transmission equipment shall be operated or permitted to be operated on

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the Subjected Lands without the prior written consent of the Board.

11. Casualty Destruction to Improvements: In the event a building or other improvements upon the Lots are damaged or destroyed by casualty, hazard or other loss, then, within a reasonable period of time after such incident, the Owners thereof shall either commence to rebuild or repair the damaged building or improvements and diligently continue such rebuilding or repairing activities to completion or, upon a determination by the Owners thereof that the improvements will not be repaired or replaced, promptly clear damaged improvements and grass over and landscape such Lots in a sightly manner. As to any such reconstruction of destroyed buildings or other improvements, same shall only be replaced with buildings or other improvements of a similar size and type as those destroyed, as approved by Declarant until the Turnover Date, and thereafter the Board.

12. Trucks, Commercial Vehicles, Buses, Recreational Vehicles, Motor Homes, Boats, Campers, Trailers, Motorcycles, and Vans:

(a) No truck, bus or commercial vehicle of any kind shall be permitted to be parked on the Subjected Lands for a period of more than four (4) hours unless said vehicles are temporarily present and necessary in the actual construction or repair of Dwelling Units or buildings on the Subjected Lands, or are necessary and incident to the business on the Subjected Lands. No truck, bus or commercial vehicle shall be parked overnight unless parked inside a building or within a shielded area.

(b) Motor homes, boats, campers and trailers may only be parked on the Subjected Lands in designated areas as approved by Declarant, if any, and any of said areas shall be screened by landscaping or other suitable means as required by the Lakes Estates III Association.

(c) Motorcycles and vans shall not be parked on the Subjected Lands except as authorized by the Board, if at all.

(d) None of the vehicles named herein shall be used as a domicile or residence, whether permanent or temporary.

13. Nonliability of Declarant or Lakes Estates III Association: Neither Declarant nor the Lakes Estates III Association shall in any way or manner be held liable or responsible for approval given hereunder or for any violation of these restrictions by any person or entity other than itself.

14. Owner Compliance:

(a) The covenants, restrictions and servitudes imposed by this Declaration shall apply not only to an Owner, but also to any person or persons, entity or entities, occupying the Owner's premises under lease from the Owner or by permission or invitation of an Owner or its tenants, expressed or implied.

(b) Failure of the Owner to notify said persons or occupants of the existence of said restrictions shall not in any way act to limit or divest the right of Declarant or the Lakes Estates III Association of enforcement of these restrictions and, in addition, the Owner shall be responsible for all violations of these restrictions by its employees, tenants, licensees, invitees, or guests, and by employees, guests, licensees and invitees of its tenants at any time.

15. No Implied Waiver: The failure of Declarant or the Lakes Estates III Association to object to an Owner's or other party's failure to comply with the covenants or restrictions contained herein or in any other of the Lakes Estates III Documents (including the Rules now or hereafter promulgated) shall in no event be deemed a waiver by Declarant or the Lakes Estates III Association or of any other party having an interest

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therein of its right to object to same and to seek compliance therewith in accordance with the provisions of the Lakes Estates III Documents.

16. Basis of Approval: Approval or disapproval of plans and specifications by Declarant or the Lakes Estates III Association shall be based on aesthetic values and conformance with this Declaration only, and shall not be deemed to be approved or disapproved under any applicable regulation of any regulatory agency having jurisdiction. Neither Declarant nor the Lakes Estates III Association shall assume any responsibility for the adequacy of design, structural or otherwise, of any plans or specifications submitted for approval.

17. Delegation to Lakes Estates III Association: Declarant reserves the right to delegate to the Lakes Estates III Association any or all of the rights of review and approval set forth in this Article 3.C. Such delegation shall be in writing and may, in Declarant's sole and absolute discretion, be on a temporary or permanent basis.

18. Certain Builders' Rights: Notwithstanding anything contained herein, the provisions of subparagraphs 3.C.3, 3.C.5, and 3.C.9 shall not apply to a Builder during the period of construction of Dwelling Units by it on Lots to the extent that a waiver of such provisions is necessary and appropriate to permit the Builder to engage in the construction activities required for the normal and proper development of same. In the event of any questions regarding the provisions hereof, Declarant until the Turnover Date, and thereafter the Lakes Estates III Association, shall make a final determination.

19. No Subdivision: No portion of the Subjected Lands shall be divided, subdivided or sold except as a whole without the written approval of Declarant.

20. Rules

The Lakes Estates III Association, by its Board, may adopt rules governing the use of the Subjected Lands consistent with the provisions of the Declaration.

21. Stemwall Construction: Stemwall Construction will be used in those portions of Lakes Estates III where required by local regulatory authorities. Where stemwall construction is so required, no fill will be allowed outside the boundaries of the stemwall.

ARTICLE 4

EASEMENTS

Grant and Reservation of Easements: Declarant hereby grants to the Lakes Estates III Association and the other Persons hereinafter set forth, and reserves unto itself and its nominees, the right on behalf of itself and the Lakes Estates III Association to grant the following exclusive and nonexclusive easements on, upon, over, across, through and under the Subjected Lands as deemed to be in the best interests of and proper for the Subjected Lands including, but not limited to, easements in favor of Declarant, the Maintenance Association and its members, and the Lakes Estates III Association, any designees of the foregoing, Builders, the Owners, their family members, guests, invitees and lessees and their family members, guests and invitees and to various governmental and quasi-governmental authorities and agencies and private concerns for the purposes and uses hereinafter specified:

A. Perpetual Nonexclusive Easement to Public Ways

The walks and other rights-of-way on the Subjected Lands shall be and the same are hereby declared and reserved to be subject to a perpetual, nonexclusive easement over and across

the same for ingress and access to and egress from the public ways in favor of the Maintenance Association and its members, the Lakes Estates III Association, Builders, Declarant and the Owners for their use and for the use of their family members, guests, invitees, and lessees for all proper and normal purposes. The easement rights hereunder shall be used in a manner consistent with the structural design of the improvements and shall not be used in a manner so as to create a nuisance or in manner inconsistent with Rules promulgated by the Board.

B. Utility & Governmental Services Easements:

A nonexclusive easement(s) over, under, and across the Subjected Lands to provide for installation, service, repair and maintenance of the power, electric transmission, television, cable, light, telephone communication, surveillance, gas, water, sewer, garbage, drainage and other utilities and governmental service including police and fire protection, and postal and emergency services including rights of ingress, egress and access for Persons and equipment necessary for such purposes for the benefit of the Declarant, the Maintenance Association, the Lakes Estates III Association, Builders, and all appropriate utility companies, agencies, franchises or governmental or quasi-governmental agencies.

C. Common Area:

A perpetual, nonexclusive easement(s) over and upon the Common Area in favor of Declarant, the Lakes Estates III Association, and the Owners for the use of the Common Area and an easement in favor of Declarant, the Lakes Estates III Association and their designees for ingress, egress, and access to enter any portion of Subjected Lands in order to construct, maintain, improve and repair any Common Area and facilities thereon and appurtenances thereto.

D. Right of the Lakes Estates III Association, the Maintenance Association, and Declarant to Enter Upon the Subjected Lands:

An easement(s) for ingress, egress and access in favor of Declarant, the Lakes Estates III Association, and the Maintenance Association, and all agents, employees, or other designees of the Declarant, the Lakes Estates III Association, or the Maintenance Association to enter upon the Subjected Lands as necessary for the purpose of inspecting any construction, proposed construction, or improvements of fulfilling the rights, duties and responsibilities of ownership, administration, maintenance and repair of either such Owner or the Lakes Estates III Association, as applicable. Such easement shall include an easement in favor of the Lakes Estates III Association, the Maintenance Association, and Declarant to enter upon the Common Area now or hereafter created to use, repair, maintain and replace the same for the purposes for which they are initially designed or dedicated or for which Declarant or the Lakes Estates III Association hereafter redesignates them or otherwise determines them to be reasonable suited. Notwithstanding the foregoing, nothing contained herein shall be interpreted to impose any obligation upon the Lakes Estates III Association, the Maintenance Association, or Declarant to maintain, repair, or construct any Dwelling Unit or other improvement which an Owner is required to maintain, construct or repair.

E. RDU Areas:

A nonexclusive easement shall exist in favor of the Declarant and the Lakes Estates III Association, and their employees or other designees, and the County, for the use of the RDU Areas established throughout the Subjected Lands and an easement for ingress, egress, and access to enter any portion of the Subjected Lands in order to construct, maintain or repair any RDU Areas and facilities there and appurtenances thereto. No structure, landscaping or other material shall be placed or permitted to remain which may damage or interfere with the

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installation or maintenance of utilities or which may obstruct or retard the flow of water through Drainage Areas or otherwise interfere with any easement provided for in this Article or the rights and restrictions set forth in Article 3 hereof. A nonexclusive easement shall exist in favor of the foregoing parties, as well as the Maintenance Association and its members, with respect to that portion of the RDU Areas designated on the Plat or otherwise designated by Declarant as "Roadways" or "Private Roadways" located within the Subjected Property.

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F. Easement for Encroachments:

An easement(s) for encroachments in favor of Declarant, the Lakes Estates III Association, the Owners, and all persons entitled to use that portion of the Subjected Lands in the event any portion of the improvements located on any portion of the Subjected Lands now or hereafter encroaches upon any of the remaining portions of the Subjected Lands as a result of minor inaccuracies in survey, construction or reconstruction or due to settlement or movement. Any easement(s) for encroachment shall include an easement(s) for the maintenance and use of the encroaching improvements in favor of Declarant, the Lakes Estates III Association, the Maintenance Association and its members, the Owners and all their designees.

G. Assignments:

The easements reserved hereunder unto the Declarant may be assigned by the Declarant as it deems appropriate, in whole or in part to the Lakes Estates III Association, the Maintenance Association, any city, County or state government or agency thereof, or any duly licensed or franchised public utility, or any other designee of Declarant.

H. Additional Easements:

Declarant as long as Declarant owns any interest in Lakes Estates III, and thereafter the Board, shall have the right to execute, without further authorization, such grants of easement or other instruments as may from time to time be necessary or desirable over, under, across, and upon Lakes Estates III, or portions thereof in accordance with or to supplement the provisions hereof or as may otherwise be desirable for the development of Lakes Estates III or other portions of the Lakes of Sarasota, subject to limitations as to then existing buildings or other permanent buildings or other permanent structures or facilities constructed within Lakes Estates III.

ARTICLE 5

MEMBERSHIP AND VOTING RIGHTS;
BOARD OF DIRECTORS

A. Membership and Voting Rights

The members of the Lakes Estates III Association shall be comprised of the Declarant and the other Owners. Each Member shall be entitled to the benefit of, and be subject to the provisions of, the Lakes Estates III Documents as same may be amended from time to time. The rights of the Members regarding voting, corporate meetings, notices, etc., shall be as set forth in the Articles and Bylaws.

B. Board of Directors

The Lakes Estates III Association shall be governed by the Board which shall be elected as set forth in the Articles and Bylaws.

C. Lakes Estates III Association Not a Condominium Association

The Lakes Estates III Association is not a condominium association under Chapter 718, Florida Statutes, or otherwise. The Lakes Estates III Association has been formed for the primary purpose of maintaining the Common Area. The Common Area is not condominium property.

ARTICLE 6

THE LAKES OF SARASOTA MAINTENANCE ASSOCIATION, INC.

A. The Maintenance Association manages and administers the Common Maintenance Areas and other parts of the Lakes of Sarasota pursuant to the Maintenance Covenants, its Articles of Incorporation ("Maintenance Articles") and its Bylaws. The membership of the Maintenance Association is described in the Maintenance Articles.

B. Membership and Voting Rights in the Maintenance Association.

1. The Lakes Estates III Association is a Neighborhood Association and shall have all of the privileges, duties, and obligations of a Neighborhood Association, as set forth in the Maintenance Covenants.

2. As provided in the Maintenance Covenants every Member of the Lakes Estates III Association shall be a member of the Maintenance Association. Membership in the Maintenance Association shall be appurtenant to, and may not be separated from, ownership of a "Dwelling Unit" or "Lot" (as those terms are defined in the Maintenance Covenants). The votes of Members other than Declarant shall be cast at meetings of the members of the Maintenance Association by their "Representative", as set forth more fully in the Maintenance Covenants.

3. The Lakes Estates III Association, upon being assessed by the Maintenance Association for the Owners' portion of the Maintenance Expenses pursuant to the Maintenance Covenants, shall assess and collect said amount from the Owners in the same manner and to the same extent as Neighborhood Expenses, notwithstanding that Maintenance Expenses are not Neighborhood Expenses.

ARTICLE 7

COVENANT TO PAY ASSESSMENTS FOR NEIGHBORHOOD EXPENSES; ESTABLISHMENT AND ENFORCEMENT OF LIENS; CERTAIN RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES

A. Affirmative Covenant to Pay Neighborhood Expenses

In order to (1) fulfill the terms, provisions, covenants and conditions contained in this Declaration; and (2) maintain, operate, preserve and improve the Common Area for the recreation, use, safety, welfare and benefit of the Lakes Estates III Association and Owners and their guests, invitees, lessees and licensees, there is hereby imposed on each Unit the affirmative covenant and obligation to pay to the Lakes Estates III Association (in the manner herein set forth) all Assessments including, but not limited to, the Individual Unit Assessments and "Special Assessments" (as hereinafter provided). Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Unit, whether or not it shall be so expressed in such deed or instrument, shall be obligated and agrees to pay to the Lakes Estates III Association all Assessments for Neighborhood Expenses in accordance with the provisions of the Lakes Estates III Documents and consents and agrees to the lien rights hereunder against such Unit.

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B. Establishment of Liens

Any and all assessments made by the Lakes Estates III Association in accordance with the provisions of this Declaration or any of the Lakes Estates III Documents (the "Assessments") with interest thereon at the highest rate allowed by law and costs of collection, including, but not limited to, reasonable attorneys' fees as hereinafter provided, are hereby declared to be a charge and continuing lien upon the Units against which each such Assessment is made. Each Assessment against a Unit, together with interest thereon at the highest rate allowed by law and costs of collection thereof, including, but not limited to, attorneys' fees, shall be the personal obligation of the Owner of each such Unit assessed. Said lien shall be effective only from and after the time of the recordation amongst the Public Records of the County of a written, acknowledged statement by the Lakes Estates III Association setting forth the amount due to the Lakes Estates III Association as of the date the statement is signed. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a satisfaction of the statement of lien in recordable form. Notwithstanding anything to the contrary herein contained, the lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed upon a Unit by an Institutional Mortgagee of record. Where an Institutional Mortgagee of record obtains title to a Unit as a result of foreclosure of its mortgage or deed in lieu of foreclosure, such acquirer of title, its successors or assigns, shall not be liable for the share of Assessments pertaining to such Unit or chargeable to the former Unit Owner thereof which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the Assessment against the Unit in question is secured by a claim of lien for Assessments that is recorded prior to the recordation of the mortgage which was foreclosed or with respect to which a deed in lieu of foreclosure was given. The unpaid Assessments is collectible from all of the Unit Owners, including such acquirer and his successor and assigns.

C. Collection of Assessments

In the event any Unit Owner shall fail to pay Assessments, or any installments thereof, charged to such Unit Owner within fifteen (15) days after the same becomes due, then the Lakes Estates III Association, through its Board, shall, in its sole discretion, have any and all of the following remedies, to the extent permitted by law, which remedies are cumulative and which remedies are not in lieu of, but are in addition to, all other remedies available to the Lakes Estates III Association:

1. To accelerate the entire amount of any Assessments for the remainder of the calendar year notwithstanding any provisions for the payment thereof in installments.

2. To advance on behalf of the Unit Owner(s) in default funds to accomplish the needs of the Lakes Estates III Association up to and including the full amount for which such Unit Owner(s) is liable to the Lakes Estates III Association and the amount or amounts of monies so advanced, together with interest at the highest allowable rate, and all costs of collection thereof including, but not limited to, reasonable attorneys' fees, may thereupon be collected by the Lakes Estates III Association and such advance by the Lakes Estates III Association shall not waive the default.

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

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4. To file an action at law to collect said Assessment plus interest at the highest rate allowed by law plus court costs and reasonable attorneys' fees without waiving any lien rights or rights of foreclosure in the Lakes Estates III Association.

D. Collection by Declarant

In the event for any reason the Lakes Estates III Association shall fail to collect the Assessments, then in that event, Declarant shall at all times have the right (but not the obligation): (1) to advance such sums as the Lakes Estates III Association could have advanced as set forth above; and (2) to collect such Assessments and, if applicable, any such sums advanced by Declarant, by using the remedies available to the Lakes Estates III Association as set forth above, which remedies (including, but not limited to, recovery of attorneys' fees) are hereby declared to be available to Declarant.

E. Rights of Declarant and Institutional Mortgagees to Pay Assessments and Receive Reimbursement

Declarant and any Institutional Mortgagees shall have the right but not the obligation, jointly or singly, and at their sole option, to pay any of the Assessments which are in default and which may or have become a charge against any Units. Further, Declarant and any Institutional Mortgagees shall have the right, but not the obligation, jointly or singly, at their sole option, to pay insurance premiums or fidelity bond premiums or other required items of Neighborhood Expenses on behalf of the Lakes Estates III Association where the same are overdue and where lapses in policies or services may occur. Declarant and any Institutional Mortgagees paying overdue Neighborhood Expenses on behalf of the Lakes Estates III Association will be entitled to immediate reimbursement from the Lakes Estates III Association plus any costs of collection including, but not limited to, reasonable attorneys' fees, and the Lakes Estates III Association shall execute an instrument in recordable form to this effect and deliver the original of such instrument to each Institutional Mortgagee who is so entitled to reimbursement and to Declarant if Declarant is entitled to reimbursement.

ARTICLE 8

METHOD OF DETERMINING ASSESSMENTS

A. Determining Amount of Assessments

1. Individual Unit Assessment: The total anticipated Neighborhood Expenses for each calendar year shall be set forth in a budget (the "Budget") prepared by the Directors not later than November 15 of the calendar year preceding the calendar year for which the Budget is to be adopted. The total anticipated Neighborhood Expenses or the total guaranteed Neighborhood Expenses during the "Guarantee Period" (as that term is hereinafter defined) (other than those Neighborhood Expenses which are properly the subject of a Special Assessment, as hereinafter set forth) shall be apportioned to determine the Individual Unit Assessment as follows:

The Individual Unit Assessment for each Unit shall be the product arrived at by multiplying the total anticipated Neighborhood Expenses reflected by the Budget, other than those Neighborhood Expenses which are properly the subject of a Special Assessment (adjusted as hereinafter set forth) by a fraction, the numerator of which is one (1) and the denominator of which shall be the total number of Units.

2. Individual Unit Assessment During Guarantee Period: The term "Guarantee Period" shall mean a period of time commencing with the date of this Declaration and continuing through December 31, 1987. Declarant reserves the right, in its sole and absolute discretion, to extend the Guarantee Period

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beyond December 31, 1987, and thereafter on one (1) or more occasions to again extend it. The Lakes Estates III Association shall be advised in a written notice of any such extension of the Guarantee Period and the amount of the new Guaranteed Assessment at least thirty (30) days prior to the termination of the Guarantee Period or an extension thereof. During the initial Guarantee Period, it is covenanted and agreed by Declarant that Individual Unit Assessments shall not exceed an annual amount of One Hundred Twenty and No/100 Dollars (\$120.00) (the "Guaranteed Assessment") and that Declarant shall pay the difference, if any, between the amount of money spent by the Lakes Estates III Association for Neighborhood Expenses (other than Neighborhood Expenses which are properly the subject of a Special Assessment) during such Guarantee Period. Thereafter, should Declarant elect to extend the Guarantee Period as aforesaid, the amount of such Guaranteed Assessment during such extended Guarantee Period shall be the amount set forth by Declarant in the notice to the Lakes Estates III Association. Notwithstanding anything contained herein, the Guarantee Period shall terminate not later than the Turnover Date.

B. Assessment Payments

The Individual Unit Assessments shall be payable monthly or quarterly, in advance, on the first day of each month or quarter (January, April, July, October), as appropriate, of each year, as the Board shall determine.

C. Special Assessments

"Special Assessments" include, but are not limited to, in addition to other Assessments designated as Special Assessments in the Lakes Estates III Documents and whether or not for a cost or expense which is included within the definition of "Neighborhood Expenses", those Assessments which are levied for capital improvements which include the costs (whether in whole or in part) of construction or acquiring improvements for or on the Common Area or the cost (whether in whole or in part) of reconstructing or replacing such improvements or for unanticipated expenses or for expenses of litigation. Special Assessments shall be assessed in the same manner as the Individual Unit Assessment provided that no Units owned by Declarant shall be subject to any Special Assessments without the prior written consent of Declarant. Any Units owned by Declarant which are not subject to a Special Assessment shall not be deemed to be Units in determining the respective amount of such Special Assessments being assessed against the Units subject thereto. Special Assessments shall be paid in such installments or in lump sum as the Board shall, from time to time, determine. This right of approval of Special Assessments by Declarant shall end on the Turnover Date.

D. Liability of Unit Owners for Individual Unit Assessments

By the acceptance of a deed or other instrument of conveyance of a Unit, each Owner thereof acknowledges that all Unit Owners are jointly and severally liable for their own Individual Unit Assessments and their applicable portion of any Special Assessments as well as for all Assessments for which they are liable as provided for herein. Such Owners further recognize and covenant that they are jointly and severally liable with the Owners of all Units (except for Declarant during the Guarantee Period and as may be otherwise provided herein) for the Neighborhood Expenses. Accordingly, it is recognized and agreed by each Owner who is or becomes a Unit Owner for himself and his heirs, executors, successors and assigns that in the event Unit Owners fail or refuse to pay their Individual Unit Assessments or any portion thereof or their respective portions of any Special Assessments or other Assessments, then the other Unit Owners may be responsible for increased Individual Unit Assessments by Special Assessment or regular Assessments due to the nonpayment by such other Unit Owners, and such increased Individual Unit Assessment or Special or other Assessment can and may be enforced

by the Lakes Estates III Association and Declarant in the same manner as all other Assessments hereunder as provided in this Declaration.

ARTICLE 9

NEIGHBORHOOD EXPENSES: CERTAIN ASSESSMENT CLASSIFICATIONS

The following expenses of the Subjected Lands and the Lakes Estates III Association are hereby declared to be Neighborhood Expenses which the Lakes Estates III Association is obligated to assess and collect and which the Owners are obligated to pay as provided herein or as may be otherwise provided in the Lakes Estates III Documents.

A. Taxes

Any and all taxes levied or assessed at any and all times upon the Common Area or any improvements thereto or thereon by any and all taxing authorities or districts, and against all personal property and improvements, which are now or which hereafter may be placed thereon, including any interest, penalties and other charges which may accrue thereon.

B. Utility Charges

All charges levied for utilities providing services for the Common Area.

C. Insurance

The premiums on the policy or policies of insurance which the Lakes Estates III Association, in its sole discretion determines to obtain, provided, however, that the Lakes Estates III Association shall obtain and maintain at minimum the following insurance coverages:

1. Property insurance in an amount equal to the then full replacement cost, exclusive of land, foundation, excavation and other items normally excluded from such coverage, of all buildings and improvements now or hereafter located upon the Common Area and such insurance shall afford protection against at least the following:

(a) loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage; and

(b) such other risks as shall customarily be covered with respect to areas similar to the Common Area in developments similar to Lakes Estates III in construction, location and use.

2. A comprehensive policy of public liability insurance, and, if appropriate, owners, landlord and tenant policies naming the Lakes Estates III Association and, until the Turnover Date, Declarant, as named insureds thereof insuring against any and all claims or demands made by any person or persons whomsoever for injuries received in connection with, or arising from, the operation, maintenance and use of the Common Area and any improvements and buildings located thereon, and for any other risks insured against by such policies with limits in an amount as determined from time to time by the Board, for damages incurred or claimed for any one occurrence, with no separate limits stated for the number of claims. Such coverage shall include as appropriate, without limitation, protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, host liquor liability, libel and slander liability, and such other risks as

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are customarily covered with respect to areas similar to the Common Area in developments similar to Lakes Estates III in construction, location and use.

3. Adequate fidelity coverage to protect against dishonest acts on the part of officers, Directors, and employees of the Lakes Estates III Association and all others who handle or are responsible for handling funds of the Lakes Estates III Association, such coverage to be in the form of fidelity bonds which meet the following requirements:

(a) Such bonds shall name the Lakes Estates III Association as an obligee;

(b) Such bonds shall be written in an amount equal to at least fifty percent (50%) of the estimated annual Neighborhood Expenses;

(c) Such bonds shall contain waivers of any defense based upon the exclusion of person who serve without compensation from any definition of "employee" or similar expression.

4. Such other forms of insurances and in such coverages as the Lakes Estates III Association shall determine to be required or beneficial for the protection or preservation of the Common Area and any buildings and improvements now or hereafter located thereon or in the best interests of the Subjected Lands or the Lakes Estates III Association.

5. All policies of insurance or fidelity bonds required to be obtained by the Lakes Estates III Association pursuant to this Paragraph 9.C shall provide that they may not be cancelled or substantially modified by any party without at least thirty (30) days' prior written notice to the Lakes Estates III Association and to each Institutional Mortgagee which is listed as a scheduled holder of a first mortgage encumbering a Dwelling Unit in such insurance policy.

D. Maintenance, Repair, Replacement and Operation

Any and all expenses necessary to operate, maintain, preserve and protect any portions of the Common Area or to construct or reconstruct any structure thereon or improvement thereto.

E. Administrative and Operational Expenses

The costs of administration for the Lakes Estates III Association in the performance of its functions and duties under the Lakes Estates III Documents including, but not limited to, costs for secretarial and bookkeeping services, salaries of employees, legal and accounting fees and contracting expenses. Further, the Lakes Estates III Association may employ the necessary personnel and contract with the necessary persons or entities to carry out the obligations hereunder including maintenance and surveillance functions.

F. Compliance with Laws

The cost and expense of compliance with all applicable laws, statutes, ordinances and regulations.

G. Indemnification

The Lakes Estates III Association covenants and agrees that it will indemnify, defend and hold harmless Declarant, its officers, agents and employees, from and against any and all claims, suits, actions, causes of action or damages arising from any personal injury, loss of life or damage to property sustained on or about the Common Area and improvements thereof and thereon, and from and against all costs, expenses, counsel fees (including, but not limited to, all trial and appellate levels and whether or not suit be instituted), expenses and liabilities

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incurred by Declarant arising from any such claim, investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders, judgments or decrees which may be entered thereon. The Lakes Estates III Association shall also indemnify Declarant, its officers, agents, and employees for any expense Declarant may incur in bringing any suit or action for the purpose of enforcing the rights of Declarant under any of the Lakes Estates III Documents or of compelling the specific enforcement of the terms, conditions and covenants contained in any of the Lakes Estates III Documents to be kept or performed by the Lakes Estates III Association or the Owners.

H. Failure or Refusal of Contributing Unit Owners to Pay Assessments

Funds needed for Neighborhood Expenses due to the failure or refusal of Unit Owners to pay Assessments levied shall themselves be deemed a Neighborhood Expense and properly the subject of an Assessment; provided, however, that any Assessment for any such sums so needed to make up a deficiency due to the failure of Unit Owners to pay an Assessment shall be deemed a Special Assessment subject to the limitations thereon with respect to Units owned by Declarant.

I. Extraordinary Items

Extraordinary items of expense under the Lakes Estates III Documents, such as expenses due to casualty losses and other extraordinary circumstances shall be the subject of a Special Assessment.

J. Costs of Reserves

The funds necessary to establish an adequate reserve fund (the "Reserves") for depreciation, replacement or deferred maintenance of the Common Area and the facilities and improvements thereupon in amounts determined by the Board from time to time. Reserves shall be deposited in a separate account in the name of the Association. The monies collected by the Lakes Estates III Association on account of Reserves shall be and shall remain the exclusive property of the Lakes Estates III Association, and no Owner shall have any interest, claim or right to such Reserves or any fund composed of same.

K. Miscellaneous Expenses

The cost of all items of costs or expense pertaining to or for the benefit of the Lakes Estates III Association or the Common Area or any part of the Subjected Lands not herein specifically enumerated and which is determined to be an appropriate item of Neighborhood Expense by the Board.

ARTICLE 10

GENERAL PROVISIONS

A. Lawful Use of the Subjected Lands

Each portion of the Subjected Lands will be subject to the Maintenance Covenants and this Declaration, and each Owner will conform to and observe all laws, statutes, ordinances, rules and regulations of the United States of America, the State of Florida, the County and any and all other governmental, quasi-governmental, and public authorities and boards or officers of the same relating to the Subjected Lands, any improvements thereon, or the use thereof, and no illegal purpose or use shall be permitted on the Subjected Lands.

B. Incorporation of Lakes Estates III Documents

Any and all deeds conveying a Unit or any other portion of Lakes Estates III shall be conclusively presumed to have

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incorporated therein all of the terms and conditions of the Lakes Estates III Documents including, but not limited to, this Declaration, whether or not the incorporation of the terms and conditions of the Lakes Estates III Documents is specifically set forth by reference in such deed, and acceptance by the grantee of such deed shall be deemed to be acceptance by such grantee of all of the terms and conditions of the Lakes Estates III Documents.

C. Notices

1. Any notice or other communication required or permitted to be given or delivered hereunder to the Maintenance Association, the Lakes Estates III Association, any Owner, or Declarant shall be deemed properly given and delivered upon the mailing thereof by United States mail, postage prepaid to: (a) any Owner, at the address of the Person whose name appears as said Owner on the records of the Lakes Estates III Association at the time of such mailing and, in the absence of any specific address, at the address of any Unit owned by such Owner; the Lakes Estates III Association at One Beach Drive, Suite 201M, St. Petersburg, Florida 33701, or such other address as the Lakes Estates III Association shall hereinafter notify Declarant and the Owners of in writing; (b) the Maintenance Association at One Beach Drive, Suite 201M, St. Petersburg, Florida 33701, or such other address or addresses as the Maintenance Association shall hereafter notify the Lakes Estates III Association of in writing; and (c) Declarant at One Beach Drive, Suite 201M, St. Petersburg, Florida 33701, or such other address or addresses as Declarant shall hereafter notify to the Lakes Estates III Association of in writing, any such notice to the Lakes Estates III Association of a change in Declarant's address being deemed notice to the Owners. Upon receipt of an Owner, the Lakes Estates III Association shall furnish to such Owner the then current address for Declarant as reflected by the Lakes Estates III Association records.

2. Upon receipt by the Lakes Estates III Association from any Institutional Mortgagee of a copy of the mortgage held by such Institutional Mortgagee on a Dwelling Unit, together with written request therefor from such Institutional Mortgagee specifying the address to which the following items are to be sent, the Lakes Estates III Association shall timely send to such Institutional Mortgagee the following (until the Lakes Estates III Association receives a written request from such Institutional Mortgagee to discontinue sending the following items or until the mortgage is discharged or record):

(a) A copy of any notice of a meeting of the Lakes Estates III Association or of the Board which is thereafter sent to the Owner of such Unit; and

(b) A copy of any financial statement of the Lakes Estates III Association which is thereafter sent to the Owner of such Unit; and

(c) Written notice of any termination by the Lakes Estates III Association of any professional management of the Common Area, and the assumption by the Lakes Estates III Association of the self-management of the Common Area; provided, however, such assumption by the Lakes Estates III Association of the self-management of the Common Area upon termination of any professional management shall not occur unless approved by the Owners of sixty-seven percent (67%) of the Units, and the Institutional Mortgagees holding first mortgages encumbering fifty-one percent (51%) of the Units, encumbered by such first mortgages, if such professional management has previously been required by such Institutional Mortgagees; and

(d) Thirty (30) days' prior written notice of the cancellation or termination by the Lakes Estates III Association of any policies of insurance covering the Common Area or any improvements thereon, or any fidelity bonds of the Lakes Estates

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III Association for its officers, Directors, or employees as well as copies of any notices of cancellation by others received by the Lakes Estates III Association with respect thereto; and

(e) Written notice of any damage or destruction to the improvements located on the Common Area which affects a material portion of the Common Area; and

(f) Written notice of any condemnation or eminent domain proceeding or proposed acquisition arising therefrom with respect to the Common Area; and

(g) Written notice of any material amendment to, or the abandonment or termination of, this Declaration in accordance with the terms hereof or of any proposed action which would require the consent of Institutional Mortgagees; and

(h) Written notice of any failure by an Owner owning a Unit encumbered by a first mortgage held by such Institutional Mortgagee to perform his obligations under the Lakes Estates III Documents, including, but not limited to, any delinquency in the payment of any Assessments where such failure or delinquency has continued for a period of sixty (60) days.

3. The failure of the Lakes Estates III Association to send any such notice to any Institutional Mortgagee shall have no effect on any meeting, act or thing which was to have been the subject of such notice nor affect the validity thereof.

D. Protect Legal Title to the Common Area

Until the Turnover Date, no grant, lease, conveyance, pledge, encumbrance, assignment, hypothecation or mortgage of any interest in the Common Area shall be valid without Declarant's prior written consent, which consent may be unreasonably withheld. Further, except for Declarant, no Person may incur any indebtedness giving a right to a lien of any kind or character upon the right, title or any interest of Declarant in and to that portion of the Common Area owned by it, and no Person shall ever be entitled to any such lien. All Persons contracting with the Lakes Estates III Association, or Owners or Persons furnishing materials or labor thereto, as well as all persons whomsoever, shall be bound by the provisions hereof.

E. Enforcement

1. The covenants and restrictions herein contained or contained in any of the Lakes Estates III Documents may only be enforced by the following parties in the following descending order: (1) Declarant; (2) the Lakes Estates III Association; (3) the Maintenance Association; (4) the Owners of not less than ten (10) Units. In the event that a party with a lesser priority desires to so enforce, then that party must first give thirty (30) days written notice to the parties with higher priority and if, during such period, the parties of the higher priority do not initiate enforcement procedures, then the party of lesser priority may so initiate such enforcement procedures. In the event enforcement procedures are initiated within the aforesaid thirty (30) day period and thereafter terminated prior to the correction of such violation, then the party with lesser priority who gave notice may initiate enforcement procedures. A party not initiating enforcement procedures shall incur no liability for such nonenforcement. The Lakes Estates III Documents may be enforced as aforesaid in any judicial proceedings seeking any remedy recognizable at law or equity including damages, injunction or other forms of relief against any Person or firm violating or attempting to violate any covenants, restrictions or provisions hereunder. The failure by any Person to enforce any such covenant, restriction or provision herein contained shall in no event be deemed a waiver of such covenant, restriction or provision or of the right of such Person to thereafter enforce such covenant, restriction or provision. The prevailing party in any such litigation shall be entitled to all costs thereof including, but not limited to, reasonable attorneys' fees.

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2. Notwithstanding the availability of the remedies set forth in Paragraph E.1 above, the Lakes Estates III Association shall also have the power to assess reasonable fines as set forth in the Bylaws to enforce any of the provisions of this Declaration, the Bylaws, or the Rules.

F. Captions, Headings and Titles

Article, Paragraph and subparagraph captions, headings and titles inserted throughout this Declaration are intended as a matter of convenience only and in no way shall such captions, headings or titles define, limit or in any way affect the subject matter of any of the terms and provisions of this Declaration.

G. Context

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

H. Attorneys' Fees

Any provision in this Declaration for the collection or recovery of attorneys' fees shall be deemed to include, but not be limited to, attorneys' fees for the attorneys' services and paralegal fees at all trial and appellate levels and is recoverable, unless the context clearly indicates a contrary intention, whether or not suit is instituted.

I. Severability

In the event any of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect, and any provisions of this Declaration deemed invalid by a court of competent jurisdiction by virtue of the term or scope thereof shall be deemed limited to the maximum term and scope permitted by law. Further, the invalidation of any of the covenants or restrictions or terms and conditions of this Declaration or reduction in the scope or term of the same by reason of judicial application of the legal rules against perpetuities or otherwise shall in no way affect any other provision which shall remain in full force and effect for such period of time and to such extent as may be permitted by law.

J. Amendment and Modification

The process of amending or modifying this Declaration shall be as follows:

1. Until the Turnover Date, all amendments or modifications shall be made only by Declarant without the requirement of the Lakes Estates III Association's consent or the consent of the Owners or any other Person; provided, however, that the Lakes Estates III Association shall, forthwith upon request of Declarant, join in any such amendments or modifications and execute such instruments to evidence such joinder and consent as Declarant shall from time to time request.

2. After the Turnover Date, this Declaration may be amended (a) by the consent of the Unit Owners of two-thirds (2/3) of all Units, together with (b) the approval or ratification of a majority of the Board. The aforementioned consent of the Unit Owners may be evidenced by a writing signed by the required number thereof or by the affirmative vote of the required number thereof at any regular or special meeting of the Lakes Estates III Association called and held in accordance with the Lakes Estates III Association Bylaws evidenced by a certificate of the Secretary or an assistant secretary of the Lakes Estates III Association.

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

4. A true copy of any amendment to this Declaration shall be sent certified mail by the Lakes Estates III Association to Declarant, the Maintenance Association, and all Institutional Mortgagees requesting notice pursuant to Paragraph 10.C above.

5. Notwithstanding the foregoing provisions of this Paragraph 10.J, no amendment to the Declaration shall be effective which shall impair or prejudice the rights or priorities of Declarant, the Lakes Estates III Association, or of any Institutional Mortgagee under this Declaration or any other of the Lakes Estates III Documents without (a) the specific written approval of such Declarant, the Lakes Estates III Association or Institutional Mortgagees affected thereby; and (b) the approval of Institutional Mortgagees holding first mortgages encumbering at least fifty-one percent (51%) of the Units encumbered by mortgages held by Institutional Mortgagees shall be required to materially amend any provisions of this Declaration or to add any material provision hereto, which establish, provide for, govern or regulate any of the following: (1) voting; (2) assessments, assessment liens or subordination of such liens; (3) reserves for maintenance, repair and replacement of the Common Area; (4) insurance or fidelity bonds; (5) rights to use the Common Area; and (6) responsibility for maintenance and repair of the Common Area. Furthermore, notwithstanding anything to the contrary herein contained, no amendment to this Declaration shall be effective which would increase the liabilities of an Owner or prejudice the rights of the Owner or his family members, guests, invitees and lessees to utilize or enjoy the benefits of Common Area unless the Owner or Owners and the holder, insurer, or guarantor, if any, of the Unit so affected consent to such amendment in writing (or unless such amendment is adopted in accordance with the procedures required for adoption of an amendment to this Declaration after the Turnover Date) and approved by fifty-one percent (51%) of the Institutional Mortgagees holding first mortgages on Dwelling Units encumbered by such mortgages.

K. Condemnation

In the event the Lakes Estates III Association receives any award or payment arising from any taking of the Common Area or any part thereof as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of the remaining Common Area and improvements thereon to the extent deemed advisable by the Lakes Estates III Association, and the remaining balance of such net proceeds, if any, shall then be held by the Lakes Estates III Association for the use of the Lakes Estates III Association.

L. Declaration Runs with the Land; Term

This Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens, benefits and liens contained herein, including, without limitation, the provisions for assessment of the Neighborhood Expenses shall run with and bind the Subjected Lands and inure to the benefit of Declarant, the Lakes Estates III Association, Owners, Institutional Mortgagees and their respective legal representatives, heirs, successors and assigns for a term of ninety-nine (99) years from the date of the recording of this Declaration amongst the Public Records of the County after which time this Declaration shall be automatically renewed and extended for successive periods of ten (10) years each unless at least one (1) year prior to the termination of such ninety-nine (99) year term or any such ten (10) year extension there is recorded amongst the Public Records of the County, an instrument (the "Termination Instrument") signed by the Owners of at least two-thirds (2/3) of all Units and the Institutional Mortgagees holding at least two-

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thirds (2/3) of all mortgages (by number and not by unpaid amount thereof) encumbering the Units agreeing to terminate this Declaration, upon which event this Declaration shall be terminated upon the expiration of the ninety-nine (99) year term or the ten (10) year extension thereof during which the Termination Instrument is recorded. Notwithstanding the foregoing, unless specifically otherwise provided in the Termination Instrument, the easements granted hereunder shall be perpetual and shall not terminate.

M. Lakes Estates III Association Delegation

The Lakes Estates III Association shall have the right to delegate any of its powers of architectural control and permitted uses of the Subjected Lands under this Declaration to the Maintenance Association.

N. Completion of Construction - Remedy

Once the construction of any Dwelling Unit or other structure is begun, work thereon must be executed diligently and completed within a reasonable time. If for any reason work is discontinued or there is no substantial progress toward completion for a continuous sixty (60) day period, Declarant until the Turnover Date and thereafter the Lakes Estates III Association, shall have the right to notify the Owner of its intentions herein, enter the Dwelling Unit and take such steps as might be required to correct the undesirable appearance or existence of the Dwelling Unit or other structure including, but not limited to, demolition or removal thereof, or pursue any of the remedies under this Declaration. The reason for such correction may include but not be limited to aesthetic grounds. The Owner shall be liable for all costs and attorneys' fees incurred in such action which shall be a continuing lien against said Unit in accordance with Article 7.

O. Non-Liability of Declarant

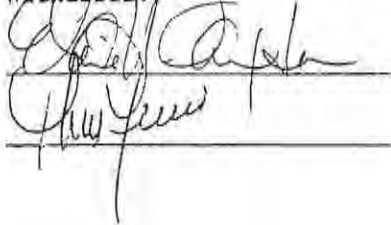
Declarant shall not in any way or manner be held liable or responsible for any violation of this Declaration by any Person.

P. Conflict

In the event of a conflict between the provisions of this Declaration and the Articles or Bylaws, or Rules, the provisions hereof shall prevail.


IN WITNESS WHEREOF, this Declaration has been signed by Declarant and the Lakes Estates III Association on the day and year first above set forth.

Witnesses:



SUNDIAL GROUP, INC., a Florida corporation

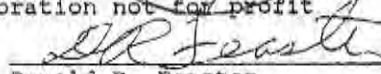
By:


Donald R. Feaster
Senior Vice President

(CORPORATE SEAL)

LAKES ESTATES III OF SARASOTA HOME-OWNERS ASSOCIATION, INC. a Florida corporation not for profit

By:


Donald R. Feaster
President

(CORPORATE SEAL)

O.H. 1964 PG 1352

STATE OF FLORIDA)
) SARASOTA) SS:
 COUNTY OF ~~PIKE~~)

The foregoing instrument was acknowledged before me this 14th day of July, 1987 by DONALD R. FEASTER, as Senior Vice President of SUNDIAL GROUP, INC., a Florida corporation, on behalf of said corporation.

Pam Kragle
 Notary Public
 State of Florida at Large

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
 MY COMMISSION EXP. MAR 11, 1989
 BOUND BY THE GENERAL LWS. AND.

STATE OF FLORIDA)
) SARASOTA) SS:
 COUNTY OF ~~PIKE~~)

The foregoing instrument was acknowledged before me this 14th day of July, 1987 by DONALD R. FEASTER, as President of LAKES ESTATES III OF SARASOTA HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit, on behalf of said corporation.

Pam Kragle
 Notary Public
 State of Florida at Large

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
 MY COMMISSION EXP. MAR 11, 1989
 BOUND BY THE GENERAL LWS. AND.

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EXHIBIT "A"

DESCRIPTION:

A PARCEL OF LAND SITUATE IN SECTION 26, TOWNSHIP 36 S, RANGE 16 E, SARASOTA COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT A FOUND CONCRETE MONUMENT AT THE N.W. CORNER OF THE S.W. 1/4 OF SECTION 26; THENCE $30^{\circ}15'05''$ W, 125.02' ALONG THE WEST LINE OF SAID SECTION 26 TO THE NORTHERLY LINE OF THE LAKES OF SARASOTA, CONDOMINIUM 2 AT THE S.W. LY R/W LINE OF A 100' R/W FOR SARASOTA COUNTY PHILLIPPI CREEK MAIN "A"; THENCE $53^{\circ}04'23''$ E ALONG SAID NORTHERLY LINE OF THE LAKES OF SARASOTA, CONDOMINIUM 2 AS RECORDED IN C.B. 25, PG. 13, THE LAKES OF SARASOTA, CONDOMINIUM 3 AS RECORDED IN C.B. 24, PG. 46 AND TIMBERLAKES AS RECORDED IN P.B. 31, PG. 36 ALL OF THE PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA AND CONTINUATION OF 2003.67 TO ITS INTERSECTION WITH THE SE LY R/W OF A 32' R/W FOR SARASOTA COUNTY PHILLIPPI CREEK LATERAL "A-A" FOR A P.O.B.; THENCE CONTINUE $53^{\circ}04'23''$ E ALONG SAID S.W. LY DRAINAGE R/W LINE FOR MAIN "A", 1530.62' TO ITS INTERSECTION WITH THE EAST LINE OF THE SW 1/4 OF SAID SECTION 26; THENCE CONTINUE $83^{\circ}04'23''$ E, 572.25' TO ITS INTERSECTION WITH THE SOUTH LINE OF THE SE 1/4 SECTION 26; THENCE $589^{\circ}37'13''$ W ALONG SAID SOUTH LINE 446.31' TO SAID EAST LINE; THENCE CONTINUE $389^{\circ}39'30''$ W, 2531.95' TO ITS INTERSECTION WITH SAID SE LY R/W LINE OF LATERAL "A-A"; THENCE $N40^{\circ}58'02''$ E ALONG SAID SE LY LINE 1772.33' TO THE P.O.B. CONTAINING 42.770 ACRES MORE OR LESS.

TOGETHER WITH THE INGRESS/EGRESS EASEMENTS RECORDED IN O.R. BOOK 1948 AT PAGE 0311 OF THE PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA.

JUL 30 3 40 PM '87
FILED AND RECORDED
BY 2457 J
R