

- (d) "Developer" shall mean and refer to THREE LANTERNS, INC.
- (e) "Improvements" shall mean and include structures and construction of any kind, whether above or below the land surface, such as, but not limited to buildings, out-buildings, waterlines, sewers, electrical and gas distribution facilities, loading areas, parking areas, walkways, wells, fences, hedges, mass plantings, entrance ways, or gates and signs.
- (f) "Lot" shall mean and refer to the parcels of land described in Exhibit "B".
- (g) "Open Areas" shall mean and refer to any area to which no specific use designation is made by an owner which is or shall be grassed or planted and kept grassed or planted as green open space or planted with such other form of ground cover as developer determines to be for the beautification of the Three Lanterns Townhomes.
- (h) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any townhome. The term owner shall not be construed to include or refer to any mortgagee, unless and until such mortgagee has acquired legal title to a townhome pursuant to foreclosure or any proceeding in lieu of foreclosure.
- (i) "Townhome" shall refer to the two story, 1296 square foot structures of basic uniform design constructed by developer on each individual lot, each being conveyed to the respective owner in fee simple.
- (j) "Three Lanterns Lane" shall refer to the road as described in Exhibit "B", the driveway easement, and shall be a private road with responsibility for maintenance being with the Association as set forth in Article V.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration is located in Leon County, Florida, contains 0.82 acres, more or less, and is more particularly described in Exhibit "A" attached hereto and made a part hereof by reference, and includes the land described in Exhibit "A", whether or not contiguous, and all improvements thereon and hereinafter constructed thereon, together with all easements and rights appurtenant thereto intended for use in connection with the property, and necessary to effectuate the purpose and intent of developer set forth in these restrictive covenants.

ARTICLE III

PROPERTY RIGHTS

Section. Title to Open Area. Developer shall convey to each townhome owner legal title to each lot in fee simple. Title to the open areas of each lot shall be held by the respective townhome owner or developer until such time as a lot is conveyed to a townhome owner.

Section 2. Specific Use Designation. Each townhome owner shall have the right to designate any area within his lot located in the rear of his townhome for a specific use. Such designation shall be made in writing to the Board of Directors of the Association. Once such designation is made by a townhome owner it shall no longer be considered an open area and shall not be maintained by the Association. The townhome owner shall then have the sole responsibility for maintenance of said area. In the event that said area is not being adequately maintained in the opinion of the Directors of the Association, the Association specifically reserves the right to revoke the specific use designation of the townhome owner in order to have said area adequately maintained. Each townhome owner shall be subject to a reasonable special assessment by the Board of Directors of the Association in the event his specific use designation is so revoked.

Section 3. Association's Right of Access. An easement or easements for ingress and egress in favor of the Association by its Board or the designees of the Board is hereby granted in fulfilling its duties and responsibilities of administration, maintenance and repair in accordance with the provisions of Articles V and VI hereunder.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. The members of the Association are:

a) Every person, persons, or entity who is a record owner of a townhome lot; and

b) The developer at all times as long as it owns any property subject to this Declaration, or has the right to elect a director of the Association, provided that such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 2. Voting Rights Classes. The members of the Association shall have such voting rights as are set out in the Articles of Incorporation of the Association. The Association shall have such classes of membership as are set out in said Articles.

Section 3. Developer's Reserved Right of Control. The Directors elected by the developer pursuant to the provisions of the Articles of Incorporation of the Association shall have a total vote equal to one vote plus the number of votes held by all of the directors elected by the townhome lot owners as long as the developer owns two or more townhome lots.

ARTICLE V

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of the Assessments. The developer, for each lot owned by it within Three Lanterns Townhomes, hereby covenants, and each owner of any lot (by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance) including any purchaser at a judicial sale, shall hereafter be deemed to covenant and agree to pay to the Association: (1) any annual assessment or charges; (2) any special assessments for capital improvements or major repair; (3) any assessments for the maintenance and repair of the easements described in Exhibit "B" and in this Article, and (4) any exterior maintenance assessment (to the extent applicable in accordance with the provisions hereof). Such assessments shall be fixed, established and collected from time to time as hereinafter provided. All such assessments, together with interest thereon from date due at the rate of 15% per annum and costs of collection thereof (including attorney's fees), shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made and also the personal obligation of the owner. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the open area or non-occupancy or abandonment of his townhome.

Section 2. Purpose of Assessments. The annual and special assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the townhome owners and in particular, for the improvement and maintenance of the open area, including, but not limited to, the costs of taxes, insurance, labor, equipment, materials, management, maintenance and supervision thereof; as well as for such other purposes as are permissible activities of the Association and undertaken by it. The exterior maintenance assessments provided for hereinafter shall be used for the purposes authorized in Article VI hereof.

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Section 3. Maximum Annual Assessments. Except as otherwise provided, until after January 1, 1982, the annual assessment, excluding the exterior maintenance assessment, shall in no event exceed \$25.00 per unit, per month.

The Board of Directors of the Association shall fix the assessments, which shall be in amounts determined in accordance with the projected financial needs of the Association, as to which the decision of the Board of Directors of the Association shall be dispositive. After the aforesaid date by the vote of two thirds of the members of the Board of Directors of the Association, the maximum amounts of the assessments may be varied from the amounts set forth in this section.

Section 4. Uniform Rate of Assessment. All regular and special assessments (except for the exterior maintenance assessments) shall be at a uniform rate for each unit.

Section 5. Date of Commencement of Annual Assessments; Dues Dates. The assessments provided for herein shall commence on the date or dates (which shall be the first day of the month) fixed by the Board of Directors of the Association to be the date of commencement. The due date of any assessment shall be fixed in the Resolution authorizing the assessment. The assessments shall be payable in advance in one payment or in monthly or quarterly installments if so determined by the said Board.

Section 6. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement in the amount of the assessment against each unit for each assessment period at least 30 days in advance of such date or period. Written notice of the assessment shall be sent to every owner subject thereto not later than seven days after fixing the date of commencement thereof.

The Association shall, upon demand at any time, furnish to any owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 7. Effect of Nonpayment of Assessment; The Lien; Personal Obligation; Remedies of Association. If the assessments are not paid on the date when due, such assessment shall then become delinquent and shall, together with such interest thereon, and costs of collection thereof, thereupon become a continuing lien on the parcel of real property upon which the unit is situated that shall bind such property in the hands of the owner, his heirs, devisees, personal representatives and assigns and shall also be the continuing personal obligation of the owner against whom the assessment was levied.

If the assessment is not paid within 30 days after the delinquency date, which shall be set by the Board of Directors of the Association, the assessment shall bear interest from the date of delinquency at the rate of 15% per annum and the Association may at any time thereafter bring an action to foreclose the lien against the unit in like manner as a foreclosure of a mortgage on real property and/or a suit on the personal obligation against the owner, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action (including reasonable attorney's fees), and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be affixed by the Court, together with costs of the action.

Section 8. Subordination of the Lien to Mortgages, and Relief from Assessment. The lien of the assessments provided for herein, as well as in any other article of this declaration, shall be subordinate to the lien of any first mortgage securing an indebtedness which is amortized in monthly or quarter-annual payments over a period of not less than 10 years. Such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such lot pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure of such mortgage. No other sale or transfer shall relieve any lot from liability for any assessments thereafter becoming due, nor from the lien of such subsequent assessment. Further, any lot owned by a institutional mortgagee, such as, but not limited to, a mortgage company, a Federal Savings and Loan Association or an insurance company shall not be subject to the assessments provided for herein so long as such lot is not being occupied. The written opinion of either the developer or the Association that the lien is subordinate to a mortgage or that the lot is not subject to the assessment shall be dispositive of the question pertaining thereto.

Section 9. Description of Improvements and Plot Plan. There is attached hereto a graphic description of the improvements and plot plan thereof setting forth and identifying each townhome and their relative locations and approximate dimensions and the

portions of each townhome and lot which are specifically subject to cross easements with all other houses for pedestrian walkways, ingress and egress, rights of way, parking areas and other similar uses. Said attachment is marked Exhibit "P" and by reference is made a part hereof.

Section 10. Cross Easements. Developer hereby specifically reserves, accepts, imposes and creates certain cross easements which are not in any manner to be construed to be a limitation of those easements defined and set forth in paragraph 11, infra, and said cross easements hereby defined are hereby declared to be easements and covenants running with the land in relation to the townhomes herein defined and in relation to the properties and lands owned by the Homeowners' Association.

Section 11. Easements. The following easements shall be deemed to be covenants running with the land with relation to the townhomes and the property. These easements are not in limitation of any easement defined, imposed and created in paragraph 10 above or supplemental thereto:

(a) Utility easements are reserved through the property for utility services in order to properly and adequately serve all areas of the property; provided, however, that such easements through any townhome shall be only according to the plans and specifications whereas the building is actually constructed unless approved in writing by the homeowner. "Utilities" as used in this paragraph shall be given a broad meaning and shall include but not be limited to an easement for the installation, repair, and maintenance of electric, telephone, water, cable television, and sanitary sewer lines and facilities, and drainage facilities.

(b) An easement is hereby reserved and granted for pedestrian traffic and drainage over, through, and across sidewalks, paths, walkways, and lanes as the same may exist from time to time upon, on, or over the property and those areas designated in paragraph 9. Said easements are hereby reserved and granted to the homeowners, their guests, and invitees for particular pedestrian traffic over, through and across such driveways, parking areas, as from time to time may be paved and intended for such purposes. Such easements are specifically imposed on all areas of the property used as set forth above, including but not limited to the areas and parcels of property defined, described and set forth in paragraph 9 above.

(c) If any townhome shall encroach upon any common element or area, or other townhome by reason of original construction, then an easement appurtenant to such encroaching townhome to the extent of such encroachment shall exist so long as such encroachments shall exist. If an original construction or uses of any common elements or areas encroaches on any townhome and as easement appurtenant to such common element or area to the extent of such encroachment shall exist so long as such encroachment shall exist. As used herein, the term "original construction" shall also be deemed to include any settlement, moving or shifting of such construction subsequent to the completion of such construction.

(d) Whenever sanitary sewer, water, electricity, cable television, telephone lines or connections are installed within the property, which connections or lines or any portion thereof lie in, or upon townhomes owned by other than the owner of the townhome served by said lines or connection, the owner of any townhome served by said connection shall have the right and is hereby granted an easement to the full extent necessary therefore to enter upon such townhome or townhome or to have the

utility companies enter upon the townhome as in the property in or upon which said connection or lines or any portion thereof lie or are located to repair, replace and generally maintain such connections as and when the same may be necessary. Whenever sanitary, sewer, water, electricity, cable television or telephone lines or connections are installed within the property which connections or lines serve more than one townhome, the owner of each such townhome served by said connection or line shall be entitled to the full use and enjoyment of such portions of said connection and lines that service said townhome.

(e) The developer, its successors or assigns hereby reserve and there is hereby granted to developer, its successors and assigns, an easement for the ingress and egress and for sewer, water, electricity, telephone and cable television and similar facilities, over, across, under, in and to all areas for the furnishing of such benefits and services to those lands described in Exhibit A attached hereto. Said easements shall also include the right to use such roadways as are located upon the property.

ARTICLE VI

EXTERIOR MAINTENANCE

Section 1. Exterior Maintenance. In addition to maintenance upon the open area, the Association may provide exterior maintenance service upon any townhome needing same in the Association's opinion, including paint, repair, roof repair and replacement, gutters, downspouts, exterior building surfaces, and other exterior improvements.

Section 2. Assessment of Costs. The costs of such maintenance shall be assessed against the applicable townhome owner upon which such maintenance is performed or, in the opinion of the Board of Directors of the Association, benefiting from same, or against all of the townhome owners if determined to be appropriate in the opinion of the Board of Directors of the Association. In all such cases, such determination by the Board shall be conclusive. The assessment shall be proportioned among the lots involved in the manner determined to be appropriate by the Board of Directors of the Association. If no allocation is made, the assessment shall be uniformly assessed against all of the lots in the affected area. The exterior maintenance assessment shall be a lien on the lot and the personal obligation of the townhome owner and shall become due and payable in all respects, together with interest and fees for costs of collection, as provided for the other assessments of the Association, and shall be subordinate to mortgage liens to the extent provided by Section 8 of Article V hereinabove.

Section 3. Initial Responsibility for Exterior Maintenance. Initial responsibility for exterior maintenance shall repose in the owner of the townhome. The provisions afforded hereby for the Association to undertake such exterior maintenance are intended to enable the Association to maintain a high standard of attractive appearance to all Three Lanterns Townhomes and to prevent degradation of property values and quality of living conditions rising from any portion of Three Lanterns Townhomes not being maintained to acceptable standards. The provisions afforded hereby are also intended to enable lot owners to contract with the Association for exterior maintenance in the event it is determined hereafter that to do so would be desired.

ARTICLE VII

ARCHITECTURAL CONTROL

Section 1. Additions and Alterations. No building, fence, wall area, antenna, or other structure shall be commenced, erected, placed or maintained upon any land in Three Lanterns Townhomes, nor shall any improvement, addition to or change or alteration therein be made until the plans, specifications and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by the Architectural Control Committee thereof. The Architectural Control Committee shall also be entitled to approve or disapprove exterior paint selection of other building surface color and/or composition.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Notices. Any notice required to be sent to any member or owner under the provisions of this Declaration shall be deemed to have been properly sent and mailed, postpaid, to the last known address of the person who appears as member or owner on the records of the Association at the time of such mailing.

Section 2. Nuisances. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the residents of Three Lanterns Townhomes.

Section 3. Signs. No sign of any kind shall be displayed to the public view on any lot other than one sign of not more than three (3) feet square advertising the property for sale.

Section 4. Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any lot except that dogs, cats or other household pets are allowed so long as they are not permitted to roam free and are not raised or bred for commercial purposes.

Section 5. Window Air Conditioning Units. No window air conditioning unit shall be installed in any townhome structure.

Section 6. Temporary Structures. No structure of an temporary character, clothesline, trailer, tent, shack, or any other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.

Section 7. Garbage and Refuse Disposal. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in sanitary containers. All incinerators or other equipment for the storage of disposal of trash or garbage shall be kept and maintained in sanitary condition. Garbage placed for pickup shall not be left outside for a period in excess of 24 hours.

Section 8. Severability. Invalidation of any one of these covenants for restrictions by judgment or Court Order shall in no wise effect any other provisions which shall remain in full force and effect.

Section 9. Amendment. This Declaration may be amended at any time and from time to time upon the execution and recordation of such an instrument executed by owners holding not less than one-half of the lots subject to the Declaration, provided that so long as the developer is the owner of any lot or any property affected by this Declaration, or amendment, or appoints a director to the Association, the developer's consent must be obtained.

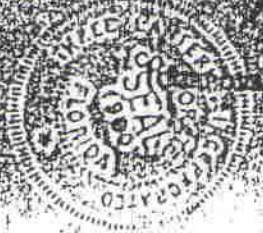
Section 10. Effective Date. This Declaration becomes effective upon recordation of this Declaration in the public records of Leon County, Florida.

THREE LANTERNS, INC.

By *S. R. Rho*

ATTESTED TO:

Henry J. Hulsh



(OFFICIAL SEAL)