

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
BILEK MANOR, A SUBDIVISION**

THIS DECLARATION, made this 23rd day of May by THE MITCHELL
COMPANY, INC., an Alabama corporation; hereinafter referred to as "Declarant",

WITNESSETH:

WHEREAS, Declarant is the owner of the real property located in Escambia County, Florida,
and more particularly described as follows, to-wit:

For legal description, see Exhibit "A" attached and
incorporated herein by reference which is or will be
platted as Bilek Manor.

NOW THEREFORE, Declarant hereby declares that all of the Property described above
together with such additional Property as may, by amendment to this Declaration, be brought under
control of the Association (no such presently contemplated) shall be held, sold and conveyed subject
to the following easements, restrictions, covenants and conditions which are for the purpose of
protecting the value and desirability of said Property and which shall run with the Property and be
binding on all parties having any right, title or interest in the described property, or any part thereof,
and upon all persons deraining title through the Declarant, and their respective heirs, successors and
assigns and shall inure to the benefit of each owner thereof.

**ARTICLE I
DEFINITIONS**

Section 1. "Association" shall mean and refer to Bilek Manor Homeowner's
Association, Inc., a Florida non-profit corporation, its successors and assigns. This is the Declaration
of Covenants, Conditions and Restrictions to which the Articles of Incorporation and Bylaws of the
Association make reference. A copy of the Articles of Incorporation and Bylaws of the Association
are attached hereto as Exhibits "B" and "C", respectively.

Section 2. "Owner" shall mean and refer to the record owner, whether one (1) or more
persons or entities, of a fee simple title to all or any portion of any Lot which is a part of the
Properties, including contract sellers, but excluding those having such interest merely as security for
the performance of an obligation.

Section 3. "Properties" or "Property" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Areas" shall mean all real property, easements and any other interests in real property (including any improvements thereto or thereon) now or hereafter owned by the Association for the common use and enjoyment of the Owners. The Common Areas to be owned by the Association at the time of the conveyance of the first Lot are Parcels C and O, The Four-Foot Maintenance and Access Easements, the Three-Foot Non-Access and Screening Easements, the Five-Foot Sign Easements, and the Three-Foot Screening Easements as shown on the Plat.

Section 5. "Common Elements" shall include all improvements to the Common Area which initially shall consist of the Declarant constructed fences (if any) on the Common Areas, street lights (if installed), all irrigation systems, lighting and signs or other improvements located on the Common Areas and all playground equipment and other improvements together with all subdivision signs located on the Common Areas.

Section 6. "Lot" shall mean and refer to each of the platted lots as shown on the Plat as recorded in the public records of Escambia County, Florida and any such shown on Plats of Future Phases if and when brought under the jurisdiction of the Association. In the event a portion of a Lot is added to another Lot due to building encroachments, setback violations or for other reasons, such combination of Lots and the remainder of a Lot shall also each constitute a "Lot" under this definition. "Lot" shall also mean and refer to, for the purposes of this Declaration and for the purposes of Bilek Manor, all Lots in Bilek Manor. Any lots in future amendments to this Declaration which designate this type of Lot, shall be deemed to be subject to the covenants, conditions, requirements and limitations set forth herein for this type of Lot.

Section 7. "Declarant" shall mean and refer to THE MITCHELL COMPANY, INC., an Alabama corporation, its successors and assigns.

Section 8. "Plat" shall mean and refer to the Plat of Bilek Manor Subdivision which is recorded in the public records of Escambia County, Florida in Plat Book ___ at Page ___ and the Plats of Future Phases if and when same are recorded in the public records of Escambia County, Florida and brought under the jurisdiction of the Association.

Section 9. "Subdivision" shall mean and refer to Bilek Manor Subdivision situated in Escambia County, Florida, according to the Plat and to the Future Phases, if applicable, if and when Plats thereof are recorded in the public records of Escambia County, Florida and brought under the jurisdiction of the Association.

ARTICLE II
PROPERTY RIGHTS

Section 1. Common Area Easements. Every Owner of every Lot shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with title to every Lot (even if not referenced in the document of conveyance) for the following purposes:

- (a) Displaying and maintaining a sign identifying the subdivision of the subdivision on Parcel A and screening and sign easement as shown on the plat.
- (b) Erecting and Maintaining a fence on the Common Areas
- (c) Installing and maintaining landscaping, lighting and irrigation systems (if any) and playground equipment, if any, on Parcel C and landscaping and irrigation systems, if any, as shown on the plat.
- (d) Such other rights and easements as the Association may determine to be suitable for the use of enjoyment of the Owners.

Section 2. General. The rights and easements of enjoyment herein created and reserved shall be subject to the following provisions:

- (a) The right of the Association to expand or bring other properties within the jurisdiction of the Association.
- (b) An easement in favor of Declarant and Association to develop and construct improvements on the Common Areas and to repair and maintain any existing improvements on such the Common Areas provided, however, Declarant shall have no obligation to so repair and maintain any improvements once constructed such being the responsibility of the Association.
- (c) Reasonable rules promulgated by the Board of Directors of the Association governing the use of the Common Area and Common Element. Such rules may, among other things, restrict Hours of use and impose other reasonable limitations on such use to avoid unreasonable inconvenience to Lot Owners. Such rules may also provide for reservation of portions of the Common Area and Common Elements by Owners for special events and set charges for such exclusive events.

Section 3. Easement for Maintenance of Wooden Fence Around Retention Pond. Inasmuch as Declarant intends (but is not obligated) to place on the area designated as the Three-Foot Screening Easement surrounding Parcel A as shown on the Plat, a wooden privacy fence outside of the chain link fence (as such is required by Escambia County) and such wooden fence will not be maintained by Escambia County, Declarant hereby creates and imposes for the benefit of the Association and its members a perpetual, non-exclusive easement over the area designated as the Three-Foot Screening Easement surrounding Parcel A as shown on the Plat for ingress and egress for the Association, its agents, employees, and independent contractors hired by the Association for the purpose of installing, maintaining, repairing and replacing a wooden privacy fence thereon.

Section 4. Common Elements. The Common Elements shall be owned by the Association for the use and benefit of every Lot Owner and shall be properly maintained by the Association.

Section 5. Miscellaneous Easements. The Association, including the Declarant, is granted a perpetual, non- exclusive easement over all Lots for ingress and egress to conduct the maintenance as required herein.

Use and exercise of the foregoing easements for any of the purposes stated herein shall not result in costs and/or expenses to the Owner over whose property the easement rights are being exercised unless for some reason the exercise exclusively benefits such Owner. Additionally, in exercising said easement, only such portion of the subject property that is required to accomplish one or more of the purposes stated herein shall be encumbered and subjected to the easements created herein and such easement (and the exercise of the easement rights herein) shall not affect or prohibit the location of construction of a dwelling on such Lot and shall not affect any subsequently authorized improvements as may be properly added to a Lot by an Owner.

Notwithstanding anything contained in these restrictions either expressed or implied to the contrary, the use of any easement herein granted or reserved shall be subject to reasonable rules and regulations which shall be promulgated from time to time by the Association.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two (2) classes of voting membership,

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

Class B. Class B members shall be Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, provided, however, that if, after conversion of the Class B membership to Class A membership a Future Phase is annexed, the Class B membership shall thereupon be reinstated with Declarant being a Class B member as to all lots owned by Declarant in the annexed Future Phase until the then total votes outstanding in the Class A membership in that Future Phase again equals or exceeds the then total votes outstanding in the Class B membership in that Future Phase.

Section 3. Notwithstanding the foregoing, members other than the Declarant (which excludes builders, contractors, or others who purchase a Lot for the purpose of constructing improvements thereon for resale) are entitled to elect at least a majority of the members of Board of Directors three months after ninety percent (90%) of the Lots in Bilek Manor and in all Future Phases of the subdivision have been conveyed to members.

Section 4. Declarant shall be *entitled* to elect at least one member to the Board of Directors as long as Declarant holds at least five percent (5%) of the Lots for sale in the ordinary course of business.

Section 5. After Declarant relinquishes control of the Association, Declarant may continue to vote any Declarant owned lots in the same manner as any other member.

Section 6. In all events, Class B membership shall cease to exist and be converted to Class A and shall not thereafter be reinstated on December 31, 2008.

Section 7. The Declarant shall not exercise its voting rights granted to it under this *Article* in an unreasonable manner nor in such a way as to cause undue hardship Upon any Owner. Likewise, Class A members shall not exercise their voting rights granted to them in a manner so as to hinder the Declarant, in any manner, in selling the lots it has remaining, nor to affect any reservation or right of the Declarant contained herein, or elsewhere, so long as Declarant holds at least one lot for *resale* purposes.

ARTICLE IV
COVENANT FOR SUBDIVISION MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants and each Owner of any Lot by acceptance of any Deed therefor, whether or not it shall be so expressed in such Deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments and (2) special assessments for capital improvements, such annual and special assessments to be established and collected as hereinafter provided (any annual assessment due under this Article IV referred to hereinafter as the "annual assessment," and any special assessment due under this Article IV referred to hereinafter as the "special assessment"), (annual assessments and special assessments under this Article IV referred to hereinafter at times collectively as "assessments"). The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them, but shall continue as a lien on the Lot until satisfied.

Section 2. Purpose of Assessments.

(a) The annual and special assessments levied by the Association under this Article IV shall be used exclusively to promote the recreation, health, safety and welfare of the Owners, their invitees or licensees, and for the improvement and maintenance of the Common Areas, and any improvements situated thereon, for maintenance of the Common Elements, and for pruning bushes, weeding and mowing grass for all Lots upon which a dwelling is constructed. The Association shall have the obligation to maintain any Common Areas and all improvements thereon and shall maintain the Common Elements and shall maintain adequate liability insurance, and fidelity bond coverage in such minimal amounts as may be required by FHA, V A and FNMA, from time to time.

(b) The Owner shall be responsible for maintenance and repair of any and all improvements located within his Lot which are not maintained by the Association as specified above. The Owner shall be responsible for painting, replacing and caring for all windows, shutters, exterior doors and railings. Painting shall be done with the same color as originally supplied by the Declarant unless approved otherwise by the Architectural Control Committee. Any replacements or repairs to the shutters, windows or railings shall be identical to those installed by the Declarant unless approved otherwise by the Architectural Control Committee. The Owner

shall be responsible for watering, fertilizing and replacing any landscaping installed on the Owner's Lot and such replacements shall maintain the original landscape plan unless otherwise approved by the Architectural Control Committee.

Section 3. Annual Assessment. Until January 1, 2007, the maximum annual assessment under this Article IV shall be \$144.00 shall be payable in semi-annual installments, in advance on January 1 and July 1 of each year.

(a) From and after January 1, 2007, the maximum annual assessment under this Article IV may be increased each year by an amount not more than ten percent (10%) above the potential maximum assessment for the previous year without a majority vote of the owners.

(b) From and after January 1, 2007, the maximum annual assessment may be increased by more than ten percent (10%) by a vote of two-thirds of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

(c) The Board of Directors of the Association may fix the annual assessment under this Article IV at an amount not in excess of the potential maximum assessment without a vote of the owners.

Section 4. Special Assessments for Subdivision Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment under this Article IV for the purpose of defraying, in whole or in part, the costs of any construction, reconstruction, repair or replacement of an improvement upon the Common Areas, including fixtures and personal property related thereto, provided that any such special assessment shall have the approval of not less than two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty-one percent (51 %) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another second meeting may be called subject to the same notice requirement, and the required quorum at the second meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No subsequent meetings shall be held more than sixty (60) days following the preceding meeting.

Section 6. Rate of Assessment/Assessment Calculation. Both annual assessments and special assessments under this Article IV shall be fixed at a uniform rate for all Lots and a uniform rate for all lots in the Subdivision including all Future Phases when such are brought under the jurisdiction of the Association provided, however, Declarant shall not be obligated to pay any annual assessments for Lots owned by it for two years after the recording of the Plat establishing such Lots, provided Declarant pays the portion of the common expenses incurred by the Association that exceed the amount assessed against the other Lot owners. Each owner shall be responsible for an equal share of the total annual assessment and any special assessment computed by multiplying the total annual or special assessment by a fraction, the numerator which shall be one and the denominator of which shall be a number equal to the total number of lots then under the jurisdiction of the Association.

Section 7. Annual Assessment Periods and Due Date. The obligation for assessments shall commence for each owner, other than Declarant, on the date the Owner acquires title to a Lot and shall be payable in a prorata amount according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to each owner subject thereto. The due date shall be established by the Board of Directors if other than as set forth herein. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 8. Effect on Non-payment of Assessments - Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate allowed by law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for under this Article IV herein by non-use of the Common Areas, or by sale or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages of Record. Any lien of the Association for assessments under this Article IV and as provided for elsewhere in this Declaration recorded after the date of recordation of any mortgage shall be subordinate to the mortgage on the Lot. When the mortgagee of a mortgage of record, or other purchaser, of a Lot obtains title to the Lot as a result of foreclosure of the mortgage; or, as a result of a deed given in lieu of foreclosure, such acquirer of title and his successors and assigns shall not be liable for the assessments by the Association pertaining to such Lot or chargeable to the former owner of such Lot which became due prior to the acquisition of title as a result of the foreclosure, or deed in lieu of foreclosure, unless such assessment is secured by a claim of lien for assessments that is recorded in the public records of Escambia County, Florida, prior to the recording of the foreclosed mortgage (or for which a deed in lieu of foreclosure is given), and such subordinate

lien shall be extinguished automatically upon the recording of the certificate of title or the deed in lieu of foreclosure. Any such sale or transfer pursuant to a foreclosure shall not relieve the purchaser or transferee of a Lot from liability for, nor the Lot so sold or transferred from the lien of any assessments thereafter becoming due. All such assessments, together with interest, costs, and attorney's fees, shall, however, continue to be the personal obligation of the person who was the Owner of the Lot at the time the assessment fell due. Except as hereinabove provided, the sale or transfer of an interest in any Lot shall not affect the assessment lien. Any liens extinguished by the provisions of this article shall be reallocated and assessed against all lots as a common expense.

ARTICLE V
ARCHITECTURAL CONTROL

Section 1. No building, fence, sign, wall, mailbox, sidewalks, or other structures or improvement of any nature whatsoever shall be commenced, erected or maintained upon any Lot, nor shall any exterior addition to or change or alteration thereof be made until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same in relation to surrounding structures and topography and compliance with the Architectural Guidelines shall be approved in writing by the Architectural Control Committee, or the Architectural Review Representative, selected by a majority vote of the Architectural Control Committee. Detailed plans and specifications shall be submitted to the Architectural Control Committee, or the Architectural Review Representative in duplicate and written approval or disapproval shall be noted on both sets of plans and specifications or by separate letter. In the event the Architectural Control Committee, or the Architectural Review Representative, shall fail to approve or disapprove such design and location within thirty (30) days after the plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. The initial members of the Architectural Control Committee shall be Paul Saba, Jon A. Franz and Tom Caldwell, and shall serve as the sole members of the Architectural Control Committee until December 31, 2008, or their earlier resignation, at which time successor members may be appointed by the Board of Directors of the Association, but in any event the aforementioned members shall continue to serve until their successors are appointed.

Any owner acquiring title to a lot in the subdivision from Declarant, or from a successor in title to Declarant, shall expect that the Architectural Control Committee will deny approval to a proposed building or other improvements if the location, type and style are not compatible with the existing use of homes in the subdivision, or that portion of the subdivision. IN ORDER TO MINIMIZE THE COST AND EXPENSE OF ARCHITECTS AND ENGINEERS ON PLANS WHICH ARE LATER DENIED BY THE ARCHITECTURAL CONTROL COMMITTEE,

OWNERS OF LOTS IN THE SUBDIVISION ARE INVITED TO SUBMIT PRELIMINARY PLANS OR IDEAS FOR THEM TO THE ARCHITECTURAL CONTROL COMMITTEE SO OWNERS WILL INCUR THE LEAST EXPENSE POSSIBLE ON DESIGNS WHICH ARE FOUND TO BE UNACCEPTABLE BY THE ARCHITECTURAL CONTROL COMMITTEE.

Section 2. When a building or other structure has been erected or its construction substantially advanced and the building is located on any Lot in a manner that constitutes a violation of these covenants and restrictions or the building setback lines shown on the recorded Plat, or this Declaration, a majority of the Architectural Control Committee or the Architectural Review Representative may release the Lot, or parts of it, from any part of the covenants and restrictions, or setback lines, that are violated. The Architectural Control Committee, or the Architectural Review Representative, shall not give such a release except for a violation that it determines to be a minor or insubstantial violation in its sole discretion.

ARTICLE VI
BUILDING SETBACK LINES AND CONSTRUCTION
RESTRICTIONS AND CONSTRUCTION REQUIREMENTS

Section 1. Minimum Square Footage. No one story dwelling shall be erected on any Lot having a living area of less than 900 square feet, and no dwelling with more than one story of living area shall have a first floor living area of less than 500 square feet and a total living area of 1000 square feet. All square footages shall be exclusive of open porches, carports or garages.

Section 2. Setback Lines. No residential structure shall be erected on any Lot in the Subdivision which does not conform to the setback lines, if any, drawn on the recorded Plat, provided, however, in the event a portion of a Lot is added to another Lot, or two (2) or more Lots or portions thereof are combined into a single Building Parcel, Declarant reserves the right for itself and for the Association (as also provided in Article V) to re-establish the Plat setback lines for each Lot by recording an instrument in the public records of the county reciting such new setback lines provided such must be in conformance with the zoning and land use requirements of Escambia County, Florida.

Section 3. Sidewalk Construction Requirements. The owner or owners of each Lot or building site in the subdivision shall construct at their expense a concrete sidewalk meeting all requirements of appropriate governmental entities along and adjacent to all lot lines of their lot or building site that abut a street as shown on the plat of the subdivision. Subject to and consistent with the requirements and approvals of the Escambia County, the sidewalk is to be completely constructed within the street right-of-way area as shown on the plat but must abut the lot or site. The sidewalk must be constructed in accordance with plans and specifications to be

approved by the Architectural Control Committee and Escambia County in advance of the work. The Architectural Control Committee shall give each owner written notice as to the time when the construction of the sidewalk must be commenced and the time in which the Work must be concluded. The notice is to be by certified mail, return receipt requested. If a lot owner does not commence and/or complete the construction of the sidewalk within the time limits set forth by the Architectural Control Committee or its representative or agent is authorized and directed to proceed with or complete the construction of the sidewalk and to bill the lot owner for the Committee's cost for the sidewalk work. In the event that the bill is not paid by the lot owner within 30 days from the date of mailing, by certified mail, return receipt requested, the Association may record a lien on the lot in accordance with the provisions of Article IV of this Declaration, and the Association may proceed with legal or equitable action, to enforce the lien and/or to recover the cost and shall also be entitled to recover such sums as the Court may adjudge to be reasonable fees for services of the Association's attorney, plus all court costs.

ARTICLE VII
GENERAL RESTRICTIONS

Section 1. No exploration or drilling for oil, gas or other minerals shall be permitted or allowed on any Lot in said subdivision and no Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste.

Section 2. No noxious or offensive trade or activity shall be carried on or maintained on any lot in the subdivision nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

Section 3. No mobile living facility or structure of a temporary character shall ever be used as a residence.

Section 4. Trash, garbage, or other waste shall not be kept except in sanitary containers as provided by the entity holding the franchise for trash collection in the subdivision.

Section 5. All structures, improvements, yards, driveways, and landscaping must be diligently and properly maintained in a neat and sanitary condition so as to secure the aesthetics of the subdivision.

Section 6. 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 may be kept, provided that they are not kept, bred or maintained for any commercial purpose. In no event shall more than two household pets be kept on any lot at any time.

Section 7. No sign of any kind shall be displayed to the public view on any lot except one sign of not more than six square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period; provided, however, MITCHELL HOMES or THE MITCHELL COMPANY may erect a sign not exceeding four feet in height by eight feet in width as to the dimensions of the sign on any lot which it owns.

Section 8. No fence or wall, other than on the fence and landscape easements shall be erected on the street frontage of any lot or in the area between the rear of the dwelling, on each side, and the front lot line unless an exception based on desirable architectural effect is obtained from the Architectural Control Committee or the Architectural Review Representative. No fence may be constructed on any lot until the design, location, height, materials used for construction, and color of the fence have been approved in writing by the Architectural Control Committee or the Architectural Review Representative based on aesthetics, harmony with existing structures, topography, integrity of construction, requirements for uninterrupted storm water drainage. Notwithstanding any of the foregoing provisions, none of the drainage or utility easements shown on the Plat may be fenced without the prior written approval of the Architectural Control Committee or the Architectural Review Representative due to the need for unrestricted drainage for storm water runoff and otherwise. However, in no event shall any chain link or wire fences be allowed on any lot in the subdivision other than around the holding pond as required by the subdivision regulations of Escambia County, Florida.

Section 9. Utility, drainage, or other easements shall not be fenced in any manner that will prohibit access and use. Drainage easements shall not be obstructed in any way that will alter the natural and normal flow of drainage.

Section 10. No one shall change the natural contours of the land causing undue and harmful flow of surface water drainage to adjoining property owners. In order to facilitate natural surface water drainage, it may be necessary for the Declarant to contour each building lot to provide a continuous drainage pattern from lot to lot within the subdivision. These drainage patterns shall not be altered.

Section 11. No outside clothes lines visible from the street or adjacent property or other items detrimental to the appearance of the subdivision shall be permitted on any lot.

Section 12. Invalidation of any of these covenants by judgment or court decree shall in no way affect any of the other provisions which shall remain in full force and effect.

Section 13. No satellite dishes, satellite reception equipment or television or radio antennas shall be permitted in the Subdivision which exceed 20" in diameter or which extend above the lowest level of the roof line and all such equipment shall be located in a back yard, below the lowest level of the roof line and otherwise, screened in such a manner as not to be visible from adjacent Lots or visible from the street. Any exceptions to this requirement must be approved in writing by the Architectural Control Committee.

Section 14. No boats, trailers, motor homes, campers, or other recreational vehicles shall be parked on any lot in the subdivision unless done in such a manner as to not be visible from the street.

Section 15. No vehicles, including motorcycles, shall be parked on unpaved areas in the subdivision.

ARTICLE VIII GENERAL PROVISIONS

Section 1. Enforcement. The ASSOCIATION, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the ASSOCIATION, or any owner, to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of anyone of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended at any time by a document signed by the then owners of two-thirds (2/3) of the lots agreeing to change these covenants in whole or in part, which has been recorded in the public records of Escambia County, Florida.

Section 4. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration and/or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 5. Mortgaging of Common Areas. The Common Area, now existing or hereinafter included in these restrictions, cannot be mortgaged or conveyed by the Association, or any other entity, without the consent of at least two-thirds (2/3) of lot owners (excluding the Declarant).

Section 6. Annexation. Declarant may, in its sole discretion and without consent of any owner or the Association, at any time, and from time to time, annex such additional property owned by Declarant adjoining the property platted as Pine Forest Royale - Unit One, a Subdivision as Declarant shall in good faith determine. Such annexation shall be evidenced by an instrument recorded in the public records of Escambia County, Florida, executed by Declarant, describing the real property to be annexed and any modifications and/or qualifications to this Declaration to be applied to such annexed property (including different use restrictions), all as determined by Declarant in its sole discretion. Following any all such annexations, the owners of such additional property shall thereupon and thereafter have such rights, privileges and benefits, including, but not limited to, the right to use the Common Areas and shall be subject to such responsibilities and obligations, all as set forth in such recorded annexation documents. Any such annexation shall require HUD/VA approval as long as there is Class 8 membership, provided, however, such approval shall not be required if, once the adjoining property is annexed, it is subject to the provisions of the Declaration (As amended by such annexing document) and all property owners of such annexed property are members of the association and subject to the provisions of the Association's Articles and Bylaws.

Section 7. Governing Law and Arbitration Disputes. Should any dispute arise between any of the parties whose rights or duties are affected or determined by the Homeowner's Association documents, including both the original purchaser of a Lot or Home in Bilek Manor Subdivision, and subsequent purchasers and/or assignees and successors in title, such dispute shall be governed by the laws of the State of Florida, and such disputes, disagreements, or question between the parties, including any between the Association, Developer and/or Management Company, except a dispute concerning the filing or enforcement of a lien as provided elsewhere in this Declaration, shall be submitted to arbitration under the Rules of the American Arbitration Association (AAA) for disputes or as the concerned parties may later agree in writing; however, although the rules of the American Arbitration Association may be used, the arbitration proceedings shall not be conducted through the AAA. The arbiter shall render a decision which shall be binding on all parties to the arbitration, based on a traditional and standard interpretation of the laws of the State of Florida. All parties subject to this Declaration, including the original purchaser, and subsequent purchasers and/or assignees and successors in title, forego all right to take legal action thereunder except to enforce any arbitration award which award shall be a condition precedent to any right of legal action that any party may have against the other. It shall be deemed that each party who takes title subject to the terms of this Declaration stipulates that this Development and contract relating to same are subject to any home warranty issued by the Developer.

IN WITNESS WHEREOF, the Declarant has executed this declaration of Covenants, Conditions and Restrictions for the Bilek Manor Subdivision, this 23rd day of May, 2005.

Signed, sealed and delivered in the presence of:

DECLARANT:

THE MITCHELL COMPANY, INC., an Alabama Corporation

Paul W. Brown
Nora E. Spencer

By: [Signature]
Its: Sr. Vice Pres.

STATE OF Florida
COUNTY OF Escambia

The foregoing instrument was acknowledged before me this 23rd day of May, 2005, by M. Paul Saba, as a Sr. Vice President of THE MITCHELL COMPANY, INC., an Alabama corporation, on behalf of the corporation who personally appeared before me and is personally known to me.

DONA E. SPENCER
Notary Public - State of Florida
Commission # DD324715
Expires: June 29, 2008

Nora E. Spencer
NOTARY PUBLIC