

**Declaration of
Restrictions & Protective Covenants**



DECLARATION OF RESTRICTIONS
AND PROTECTIVE COVENANTS
FOR MEADOW LAKES AT BOCA RATON

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**DECLARATION OF RESTRICTIONS
AND PROTECTIVE COVENANTS
FOR MEADOW LAKES AT BOCA RATON**

THIS DECLARATION is made this ____ day of _____, 19___, by Levitt Homes Incorporated, a Delaware corporation, which declares that the real property described in Article II, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") set forth below.

The Association, as hereinafter defined, is not a condominium association and therefore shall not be affected by the provisions of Chapter 718, Florida Statutes. Further, the expressed intent of this Declaration is that the substantive rights hereunder shall not be retroactively affected by legislation subsequent to the date of execution.

ARTICLE I

DEFINITIONS

The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

- (a) "Assessments" - those payments due pursuant to Article V, whether General or Special (as hereinafter defined), or a combination thereof.
- (b) "Association" - MEADOW LAKES AT BOCA RATON HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit, which is to be incorporated.
- (c) "Common Areas" - the real property as shown on the Plat of Hillsboro Country Club Plat One, recorded in Plat Book ____ Page ____ of the Public Records of Palm Beach County, Florida, and any other interest in real property acquired by the Association and deemed Common Area either in this Declaration or in the instrument of conveyance, together with any improvements on such property including without limitation any structures, offstreet parking areas, street lights, and entrance features, but excluding any public utility installations thereon.
- (d) "Developer" - Levitt Homes Incorporated, a Delaware corporation, its successors and assigns, if such successor or assignee acquires the undeveloped portion of the Properties and is designated as such by Developer. The Developer may make partial or multiple assignments of its rights under this Declaration. All such assignees shall be deemed to be the Developer as to those rights which may have been assigned to them.

- (e) "General Assessments" - Assessments levied to expenses applicable to all Members of the Association
- (f) "Institutional Lender" - any person or entity (i) holding a mortgage encumbering a Lot, (ii) which in the ordinary course of business makes, purchases, guarantees, insures mortgage loans, and (iii) which is not owned or controlled by the Owner of the Lot encumbered. Institutional Lender may include, but is not limited to, a federal or state chartered bank or savings and loan association, an insurance company, a real estate mortgage investment trust, a pension or profit sharing plan, a mortgage company; the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, an agency of the United States or any other governmental authority, including the Veterans Administration and the Federal Housing Administration of the U.S. Department of Housing and Urban Development, or any other similar type of lender generally recognized as an institutional type lender. For definitional purposes only, an Institutional Lender shall also mean the holder of any mortgage executed by or in favor of Developer, whether or not such holder would otherwise be considered an Institutional Lender.
- (g) "Lot" - any lot as shown on Hillsboro Country Club Phase One, any lot shown upon any resubdivision of said phase or any portion thereof.
- (h) "Owner" or "Member" - the record owner, whether one or more persons or entities, of the fee simple title to a Lot.
- (i) "Properties" or "Property" - all property and additions thereto (which additional property may or may not be contiguous to the real property described in Article II herein), as is subject to this Declaration or Supplemental Declaration under the provisions of Article II hereof.
- (j) "Special Assessment" - Assessments levied in accordance with Article V, Section 4 of this Declaration.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

Section 1. Legal Description. The real property which is to be held, transferred, sold, conveyed and occupied subject to this Declaration shall be held, transferred, sold, conveyed and occupied subject to this Declaration.

this Declaration is located in Palm Beach County, Florida and is more particularly described as:

The Hillsboro Country Club Plat One, as recorded in Plat Book _____, Page _____, of the Public Records of Palm Beach County, Florida.

Section 2. Developer's Right to Add Phase Two to the Properties. The Developer is the owner of additional undeveloped land adjacent to the Properties, as described on Exhibit "B", ("Phase Two"). The Developer presently contemplates adding Phase Two to the Properties.

Section 3. Developer's Right to Add Additional Property to or Withdraw Properties. Developer shall have the right, in its sole discretion, to add Phase Two and additional property (which may or may not be contiguous to the real property described in Section 1) to the scheme of this Declaration. Developer shall also have the right to withdraw property not previously conveyed to an Owner from the scheme of this Declaration subject to the approval of Palm Beach County. The addition or withdrawal by Developer shall not require the consent or joinder of the Association, or any Owner or mortgagee of any of the Properties. Notwithstanding anything to the contrary, the annexation of additional property other than Phase Two shall require the prior approval of the Department of Housing and Urban Development and the Veterans Administration as long as there is a Class B membership. Upon addition of any property to the scheme of this Declaration, the owners of such additional property shall be and become subject to this Declaration, including assessment by the Association for their prorata share of the Association expenses. The addition of lands as aforesaid shall be made and evidenced by filing in the Public Records of Palm Beach County, Florida, a supplemental declaration with respect to the lands to be added.

ARTICLE III

MEADOW LAKES AT BOCA RATON HOMEOWNERS' ASSOCIATION

Section 1. Membership. Every Owner of a Lot which is subject to Assessment 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. Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Developer, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot

shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member(s) shall be the Developer 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 on the happening of the earlier to occur of the following events:

A. when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership;

B. Seven years after the first Lot has been conveyed; or

C. At such time as the Developer notifies the Association of its intent to turnover.

The Developer shall call a meeting, as provided in the Bylaws for Special Meetings, to provide for the turnover of control of the Board of Directors to the Owners at this time. The Developer shall have the right to appoint one member to the Board of Directors for so long as the Developer owns any portion of the Properties.

Section 3. Common Area Ownership. Developer may retain legal title to the Common Areas so long as it has not turned over control of the Board of Directors to the Owners as specified in Section 2 (or sooner at the Developer's option). Within thirty days after such turnover of control, the Developer shall convey and transfer the record fee simple title to the Common Areas to the Association and the Association shall accept such conveyance, subject to taxes for the year of conveyance and to restrictions, limitations, conditions, reservations and easements of record.

Section 4. Powers. In addition to the powers provided in its Articles of Incorporation, the Association, through the action of its board of directors, shall have the power, but not the obligation, to enter into an agreement or agreements from time to time with one or more person, firms or corporations for management services.

Section 5. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines, which shall be levied as Special Assessments as provided in this Declaration, and suspension of the right to vote and the right to use the recreation facilities. The Board shall, in addition, have the power to seek relief in any court for

violations or to abate nuisances. Imposition of sanctions shall be as provided in the Bylaws of the Association. In addition, the Association, through the Board, may, by contract or other agreement, enforce court ordinances or permit Palm Beach County to enforce ordinances on the Properties for the benefit of the Association and its Members.

Section 6. Merger or Consolidation. Upon a merger or consolidation of any association referred to herein with any other association, the Properties, rights and obligations of the Association may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the Properties rights and obligations of another association may, by operation of law, be added to the Properties, rights and obligations of any association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Properties together with the covenants and restrictions established upon any other property as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration.

Section 7. Termination of the Association. In the event of dissolution of the Association, for whatever reason other than merger or consolidation as provided for herein, any Owner may petition the Circuit Court of the Fifteenth Judicial Circuit of the State of Florida for the appointment of a Receiver to manage the affairs of the Association and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association, the Properties and Common Areas.

ARTICLE IV

MAINTENANCE OBLIGATIONS

Section 1. Common Area Maintenance.

A. By the Association. Commencing with the date this Declaration is recorded, except as stated hereinafter, the Association shall be responsible for the maintenance of the Common Areas and any improvements or personal property in a continuous and satisfactory manner and for the payment of taxes assessed against the Common Areas, if any, and any improvements and any personal property thereon accruing from and after the date these covenants are recorded. For purposes of illustration, Common Areas include but are not limited to entrance features, any wall and buffer area around the perimeter of the Properties, as well as lake tracts, roads and recreation areas within the Properties. The Association shall at all times maintain in good repair, and shall replace as scheduled any and all improvements belonging to the Association. All such work shall be completed in a manner which, in the sole and

exclusive judgment of the Board of Directors of the Association, is deemed satisfactory.

B. By the Lot Owner. Each Owner, at their own expense, shall maintain the area between Owner's Lot and any adjacent road within the Properties.

Section 2. Street Lighting. The Association shall have the obligation for maintenance of any street lighting facilities owned by the Association, if any, from the date of recording this Declaration or from the date of installation of the street lighting, whichever occurs first. Maintenance of the street lighting fixtures shall include the fixtures within the Common Areas and shall further extend to payment for electricity consumed in the illumination of such lights. In the event the Developer, in its sole discretion, elects to install such street lighting, Developer shall be entitled to all rebates or refunds of the installation charges and the Association hereby assigns such rebates or refunds to Developer and the Association shall forthwith pay same to the Developer.

Section 3. Lot Maintenance. The maintenance of the Lot, residence and related improvements constructed on the Lot shall be the complete maintenance responsibility of the Owner(s) thereof.

ARTICLE V

ASSOCIATION ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for the Assessments. The Developer, for each Lot owned by it within the Properties, hereby covenants, and each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association General Assessments for expenses outlined in Section 2 hereof, and Special Assessments as provided in Section 4 hereof. Such Assessments are to be fixed, established and collected from time to time as hereinafter provided. Assessments shall be against all Lots equally; provided, however, that the cost of any maintenance, repair or replacement caused by the negligent conduct of a Member or by the failure of a Member to comply with the lawfully adopted rules and regulations of the Association shall be levied as a Special Assessment against such Member. The full Assessment as to each Lot upon which an improvement is constructed shall commence on the first day of the full calendar month after a certificate of occupancy for the improvement is issued, or upon the conveyance of the Lot by the Developer or upon the first occupancy of the improvement, whichever occurs first. No Owner may waive or otherwise escape liability for the Assessments for maintenance by non-use of the Common Areas or abandonment of his right to use the Common Areas. The General and

Special Assessments, together with interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which the Assessment is made, and 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 lien rights provided herein shall not apply to any portion of the Properties owned by the Developer.

Section 2. General Assessments. The General Assessments levied by the Association shall be used exclusively for the expenses of the Association. General expenses are any and all charges for the administration of the Association, maintenance, repair, replacement and operation of the Common Areas including, but not limited to: management, accounting and legal fees, postage, utility service to Common Areas, Association insurance, reserves deemed necessary by the Board of Directors for repair, replacement or addition to the Common Area, and payment of all debts and obligations of the Association which are properly incurred for the purposes stated in this Declaration.

Section 3. Date of Commencement of General Assessments; Due Dates. The General Assessments shall commence on the first day of the month next following the recordation of this Declaration. Thereafter, the Board of Directors shall fix the date of commencement and amount of the Assessment against each Lot at least thirty (30) days in advance of the commencement period. The General Assessments shall be payable in advance in quarterly installments, or as otherwise determined by the Board of Directors of the Association.

Section 4. Initial Budget. The Developer shall establish the initial budget, which shall be based on a fully developed community. By a majority vote of the Board of Directors, the Board shall adopt an annual budget for the subsequent fiscal year which shall provide for allocation of expenses in such a manner that the obligations imposed by this Declaration will be met. In the event the community is not fully developed at the time the budget is adopted by the Board, the Board may nevertheless base the budget on a fully developed community. In instances where the Developer or the Board bases the budget on a fully developed community when in fact the community is not so developed, then the budget (and therefore the Assessments) shall be reduced by the amount allocated for incomplete amenities or facilities. The Assessment shall be for the calendar year, but the amount of the General Assessment to be levied during any period shorter than a full calendar year shall be in proportion to the number of months remaining in such calendar year. The amount of the General Assessment may be changed at any time by the Board from that originally adopted or that which is adopted in the future.

Section 5. Special Assessments. A Special Assessment may be levied against one or more Lots for the following purposes:

A. charges for expenses of the Association which are not general expenses but which are attributable to a specific Lot or Lots and which are designated as a special charge.

B. reimbursement for damages caused by an Owner, Owners, their family members, guests, invitees or tenants.

C. capital improvements relating to the Common Area.

D. late charges, user fees, fines and penalties.

E. any other charge which is not a general expense.

F. any general expense, which exceeds the amount budgeted, or any emergency expense which exceeds the amount of any reserves or other Association funds.

A Special Assessment required to maintain the Association Property in good condition or to protect the liability of the Association Members may be levied against all Lots by a majority vote of the Board of Directors. Additionally, Special Assessments against individual Lot Owners for expenses incurred in direct relation to the maintenance or liability associated with that Lot may be levied by a majority vote of the Board of Directors. Other Special Assessments shall require approval by a majority vote of those members present and voting at a meeting of the membership called in accordance with the Bylaws of the Association. The Board of Directors shall fix the amount and due date of any Special Assessment by resolution, which resolution shall also set forth the Lot or Lots subject to such Assessment.

Section 6. Trust Funds. The portion of all General Assessments collected by the Association as reserves for future expenses, and the entire amount of all Special Assessments collected for capital improvements shall be the property of the Association as a whole and shall be used exclusively for the purposes designated at the time of Assessments. Each owner acknowledges and consents that such funds are the exclusive property of the Association as a whole and no Owner shall have any interest, claim or right to any such funds.

Section 7. Developer Payment of Assessments. Notwithstanding any provision that may be contained to the contrary in this instrument, for so long as Developer is the owner of any Lot, the Developer shall not be liable for Assessments against such Lot, provided that Developer shall be responsible for all Association expenses in excess of the Assessments received from other Owners (such amounts received from other Owners shall include, but shall not be limited to, working capital contributions paid by such other Owner), and other income received by the Association. In no event shall Developer be required to fund reserves allocated to any Lot owned by the Developer. Developer may, at any time, commence

paying such Assessments as to all Lots that it owns and thereby automatically terminate its obligation to fund deficits in the operating expenses of the Association. In addition, the Developer's obligation to fund deficits in the operating expenses of the Association shall terminate at such time as the Developer no longer owns any portion of the Properties. Developer's payment of Assessments may be by payment of funds, delivery of goods or provision of services to the Association, or any combination thereof.

Section 8. Working Capital Fund. Developer shall establish a Working Capital Fund for the initial months of operation of the Association, which shall be collected by the Developer from each Lot purchaser at the time of conveyance of each Lot to such purchaser in an amount equal to two (2) months of the annual assessment for each Lot. Each Lot's share of the Working Capital Fund shall be collected and transferred to the Association at the time of closing of the sale of each Lot. Amounts paid into the fund are not to be considered as advance payment of regular Assessments. Notwithstanding the foregoing, the Developer, for so long as it controls the Board of Directors, shall have the right to use the Working Capital Fund to pay for ordinary expenses of the Association.

Section 9. Assessment Roster and Certificate. A roster of the Owners, Lot numbers and Assessments applicable thereto shall be kept in the office of the Association and shall be open to inspection by any Owner. If the Owner does not reside on the Lot, Owner is required to provide their current mailing address to the Association, together with the names of those residing on the Lot.

The Association shall, upon demand at any time, furnish to any Owner liable for an Assessment a certificate in writing signed by an officer or agent of the Association, setting forth whether such Assessment has been paid as to the Lot owned by the Owner making request therefor. Such certificate shall be conclusive evidence of payment of any Assessment to the Association therein stated to have been paid.

Section 10. Collection of Assessment; Effect of Non Payment of Assessments; The Personal Obligation of the Owner; The Lien; Remedies of the Association. If any Assessment is not paid within ten (10) days after the due date, the Association shall have the right to charge the default Owner a late fee of ten percent (10%) of the amount of the Assessment, or Ten and No/100 Dollars (\$10.00), whichever is greater or as otherwise adopted by the Board of Directors from time to time, plus interest at the then highest rate of interest allowable by law from the due date until paid. If there is no due date applicable to any particular Assessment, then the Assessment shall be due ten (10) days after written demand by the Association. If any Owner is in default in the payment of any Assessment owed to the Association for more than thirty (30) days

after written demand by the Association, the Association upon written notice to the defaulting Owner shall have the right to accelerate and require such defaulting Owner to pay Assessments to the Association for the next twelve (12) month period, based upon the then existing amount and frequency of Assessments. In the event of such acceleration, the defaulting Owner shall continue to be liable for any increases in the General Assessments, for all Special Assessments, and/or for all other Assessments payable to the Association. If the Assessments and any late fees and interest are not paid on the date when due, then such Assessments and any late fees and interest shall become delinquent and shall, together with such interest thereon and the cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the Owner, his heirs, devisees, personal representatives, successors and assigns. Any individual who acquires title to a Lot upon the death of an Owner or by operation of law shall be personally liable for unpaid Assessments and late fees with respect to such Lot. In any voluntary conveyance, the Grantee shall be jointly and severally liable with the Grantor for all unpaid Assessments made prior to the time of such voluntary conveyance, without prejudice to the rights of the Grantee to recover from the Grantor the amounts paid by the Grantee therefor.

The Association may bring an action at law against the Owner personally obligated to pay the same or may record a claim of lien against the property on which the Assessment and late fees are unpaid, or may foreclose the lien against the property on which the Assessment and late fee are unpaid, in like manner as a foreclosure of a mortgage on real property, or pursue one or more of such remedies at the same time or successively, and there shall be added to the amount of such Assessment and late fee, attorney's fees and costs of preparing and filing the claim of lien and the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the Assessment and late fee as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action, and the Association shall be entitled to attorney's fees in connection with any appeal of any such action.

It shall be the legal duty and responsibility of the Association to enforce payment of the Assessments and late fees hereunder.

The provisions set forth in this section shall not apply to the Developer for so long as the Developer owns any portion of the Properties.

Section 11. Subordination of the Lien to First Mortgages. The lien of Assessments, including interest, late charges (subject to the limitations of Florida laws), and costs (including attorney's fees) provided for herein, shall be subordinate to the

lien of any first mortgage of an Institutional Lender upon any Lot. In addition, the lien of assessments, including interest, late charges (subject to the limitation of Florida laws), and costs (including attorneys' fees) provided for herein, shall be subordinate to a mortgage held by Developer upon the Properties, or any portion thereof, or any interest therein. The sale or transfer of any Lot or parcel of land shall not affect the Assessment lien. However, the sale or transfer of any Lot or parcel pursuant to judicial or non judicial foreclosure of a first mortgage shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or parcel from lien rights for any Assessments thereafter becoming due. Where the Institutional Lender of a first mortgage of record or other purchaser of such a Lot obtains title, its successors and assigns shall not be liable for the Assessments chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer. Such unpaid Assessments shall be deemed to be an Assessment divided equally among, payable by and assessed against all Lots, including the Lot as to which the foreclosure (or conveyance in lieu of foreclosure) took place. Likewise, where a mortgage is held by the Developer upon the Properties, or a portion thereof, and the Developer or other purchaser obtains title, its successors and assigns shall not be liable for the Assessments by the Association chargeable to the Properties, or a portion thereof, which become due prior to the acquisition of title to the Properties, or portion thereof, by such acquirer. Such unpaid Assessments shall be deemed to be an Assessment divided equally among, payable by and assessed against all Lots, including the Lot as to which the foreclosure (or conveyance in lieu of foreclosure) took place.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 1. Developer Architectural Control. For so long as the Developer owns any portion of the Properties, the Developer shall have all powers of the Architectural Control Board as hereinafter set forth.

Section 2. Architectural Control Board. At such time as the Developer no longer owns any portion of the Properties, the Architectural Control Board ("ACB") shall become a standing committee of the Association. The ACB shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this Section and other provisions of this Declaration. The ACB shall consist of three members and such members shall be designated by the Directors of the Association. In the event of death, disability or resignation of any member of the ACB the remaining members shall have full authority to designate a successor. The members of the ACB need

not be members of the Association and shall not be entitled to any compensation for services performed pursuant to this Section. A majority of the ACB may take any action the ACB is empowered to take, may designate a representative to act for the ACB and may employ personnel and consultants to act for it.

Section 3. ACB's Consent. Any request by an Owner for approval by the ACB to any addition, alteration, improvement, or change shall be in writing and shall be accompanied by plans and specifications or other details as the ACB may deem reasonably necessary in connection with its determination as to whether or not it will approve same. Approval of any request shall not be unreasonably withheld, and shall not be withheld in a discriminatory manner or in a manner which unreasonably prohibits the reasonable development of any Lot but may be withheld due to aesthetic considerations. The ACB shall notify the Owner of its approval or disapproval by written notice within thirty (30) days after request for such consent is made in writing to the ACB, and in the event the ACB fails to disapprove any request within such thirty (30) day period, the consent shall be deemed approved and upon request the ACB shall give written notice of such approval. In consenting to any plans or specifications, the ACB may condition such consent upon changes being made. If the ACB consents to any plan and specifications, the Owner may proceed to make the alteration, addition, improvement, or change in strict conformance with the plans and specifications approved by the ACB, and subject to any conditions of the ACB's approval.

Section 4. No Liability. The ACB or the Developer shall not be liable to any Owner in connection with the approval or disapproval of any alteration, addition, improvement, or change. Furthermore, any approval of any plans or specifications by the ACB or the Developer shall not be deemed to be a determination that such plans or specifications are complete or do not contain defects, or in fact meet any standards, guidelines and/or criteria of the ACB or the Developer, or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and the ACB or the Developer shall not be liable for any deficiency, or any injury resulting from any deficiency, in such plans and specifications.

Section 5. Remedy for Violations. In the event this section is violated in that any alteration, addition, improvement, or change is made without first obtaining the approval of the ACB or the Developer, as the case may be, or is not made in strict conformance with any approval granted by the ACB or the Developer, the ACB or the Developer shall specifically have the right to demand that an Owner stop, remove and/or alter any alteration, addition, improvement or change in a manner which complies with the requirements of the ACB or the Developer, and the ACB or the Developer may pursue injunctive relief or any other legal or

equitable remedy available to the ACB or the Developer in order to accomplish such purposes.

ARTICLE VII

EASEMENTS

Section 1. Members' Easements. Each Member of the Association and each tenant, agent and invitee of such Member shall have a permanent and perpetual easement for ingress and egress for pedestrian and vehicular traffic over and across the walkways, driveways and roads from time to time laid out on the Common Areas, for use in common with all such Members, their tenants, agents and invitees. The portion of the Common Areas not used, from time to time, for walkways and/or driveways or lakes shall be for the common use and enjoyment of the Members of the Association and each Member shall have a permanent and perpetual easement for pedestrian traffic across all such portions of such tracts and for the use of same in such manner as may be regulated by the Association. The foregoing easements are subject to the following:

- A. The right and duty of the Association to levy assessments against each Lot for the purpose of maintaining the Common Areas in compliance with the provisions of this Declaration and with any restrictions on the plat of the Property.
- B. The right of the Association to suspend the voting rights for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its lawfully adopted and published rules and regulations.
- C. The right of the Association to adopt and enforce rules and regulations governing the use of the Common Areas.

The right of an Owner to the use and enjoyment of the Common Areas shall extend to the residents and their guests, subject to regulations from time to time adopted by the Association in its lawfully adopted and published rules and regulations.

Section 2. Easements Appurtenant. The easements provided in Section 1 shall be appurtenant to and shall pass with the title to each Lot.

Section 3. Utility Easements. Public utilities may be installed underground in the Common Areas when necessary for the service of the Properties or additional lands for which Developer holds an option to purchase, but all use of utility easements shall be in accordance with the applicable provisions of this Declaration.

Section 4. Public Easements. Firefighters, police, health, sanitation and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas.

Section 5. Easements for Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each residence and such portion of the Common Area adjacent thereto or as between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed by the Developer (in accordance with the terms of these restrictions) to a distance of not more than one (1) foot, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Area or as between said adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point.

Section 6. Right to Grant or Relocate Easement. The Developer (during any period in which the Developer has any ownership interest in the Properties) and the Association shall each have the right to grant such additional electric, telephone, gas, sprinkler, irrigation, cable television or other easements, and to relocate any existing easement in any portion of the Properties and to grant access easements and to relocate any existing access easements in any portion of the Properties as the Developer or the Association shall deem necessary or desirable, for the proper operation and maintenance of the Properties, or any portion thereof, or for the general health or welfare of the Owners or for the purpose of carrying out any provisions of this Declaration; provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the use of the Lots for dwelling purposes.

Section 7. Association Easement. For the purpose solely of performing its obligations under the provisions of this Declaration, the Association, through its duly authorized agents, employees or independent contractors, shall have the rights, after reasonable notice to the Owner, to enter upon any Lot at reasonable hours of any day. In the event of an emergency, such right of entry shall exist without notice on any day. Each Owner hereby grants to the Association, its duly authorized agents, employees or independent contractors such easements for ingress and egress, across the Lots as may be reasonably necessary to effect and perform the exterior maintenance aforementioned.

Section 8. Zero-Lot-Line Maintenance Easement. In order to allow the Owner of any residence which is located within one foot of the side Lot line of any Lot to maintain the wall facing the adjoining Lot, said Owner shall have a five foot (5') easement over such adjoining Lot, with the right to ingress and egress during reasonable times of day, for the purpose of maintaining and repairing the wall facing said adjoining Lot.

There shall also be a three foot (3') easement for underground footings, roof eaves, overhangs, gutters, other protrusions, and underground pipelines over said adjoining Lot. The easements created in this section shall be permanent, perpetual and exclusive to the Owners involved.

In addition, the zero lot line maintenance easements, as shown on the Plats of the Properties, are dedicated in perpetuity to the Owner of the Lot adjoining each easement, and to the utility companies providing service to such adjoining Lot, for the maintenance of the abutting residence, as well as construction and maintenance of utility facilities serving the adjoining Lot.

ARTICLE VIII

GENERAL RESTRICTIVE COVENANTS

Section 1. Applicability. The provisions of this Article shall be applicable to all Lots situated within the Properties.

Section 2. Land Use. No Lot shall be used except for residential purposes. Temporary uses for model homes, parking lots, construction trailer, construction storage areas and/or sales offices shall be permitted for the Developer.

Section 3. Building Location. Buildings shall be located in conformance with the requirements of Palm Beach County, Florida and any specific zoning approvals thereunder, or as originally constructed on a Lot by Developer or its successor or as signee. Whenever a variance or special exception as to building location or other item has been granted by the authority designated to do so by the municipality, said variance or special exception is hereby adopted as an amendment to this Section and any future variance or special exception as to building location or other item shall constitute an amendment of this Section.

Section 4. School Assignment Agreement. Developer presently plans to enter into a School Assignment Agreement with the School Board of Palm Beach County, Florida (the "Agreement"). Failure to comply with the Agreement may result in expiration of school attendance boundary exemptions.

Section 5. Landscaping of Easements. In addition to the easements reserved herein, easements for drainage, installation and maintenance of utilities and for ingress and egress are shown on the recorded plat(s) of the Properties. Within these easements no structure, planting or other material may be placed or permitted to remain that will interfere with vehicular traffic or prevent maintenance of utilities. Public utility companies servicing the Properties and the Association, and their successors and assigns, shall have a perpetual easement for the installation and maintenance of water lines, sprinkler lines, sanitary sewers, storm

drains, gas lines, electric and telephone lines, cables and conduits, including television cables and conduits and such other installations as may be required or necessary to provide maintenance and utility services to the Lots and/or the Common Areas under and through the utility easements as shown on the plat(s). Any damage caused to pavement, driveways, drainage structures, sidewalks, other structures, or landscaping in the installation and maintenance of such utilities shall be promptly restored and repaired by the utility whose installation or maintenance caused the damage. All utilities within the subdivisions, whether in streets, rights-of-way or utility easements, shall be installed and maintained underground, provided, however, that water and sewer treatment facilities and control panels for utilities may be installed and maintained above ground.

Section 6. Nuisances. No noxious or illegal 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 neighborhood or any other Lot Owner. In the event of any question as to what may be or become a nuisance, such question shall be submitted in writing to the Board for a decision in writing, which decision shall be final. In addition, no weeds, underbrush or other unsightly growths shall be permitted to grow or remain upon any Lot. No refuse pile or unsightly objects shall be allowed to be placed or suffered to remain on any Lot; and in the event that an Owner shall fail or refuse to keep his Lot free of weeds, underbrush or refuse piles or other unsightly growths or objects, then the Association may enter upon said premises and remove the same at the expense of the Owner, and such entry shall not be deemed a trespass. All garbage or trash containers must be placed in areas so that they shall not be visible from adjoining Lots or from the street. Provided, however, any portion of the Properties not yet developed by Developer, shall be maintained in a clean condition but shall not be expected to be maintained in a manicured condition.

Section 7. Temporary Structures. No structure of a temporary character, or trailer, tent, mobile home or recreational vehicle shall be permitted on any Lot either temporarily or permanently, except that the Developer may park a trailer on the Properties during periods of construction.

Section 8. Signs. One sign of not more than one square foot may be used to indicate the name of the resident and/or house number. No sign of any kind shall be displayed to the public view on the Properties, without the prior consent of the ACB; provided that the Developer, so long as it has not sold all of its Lots in the Properties, shall retain the right to disapprove any signs displayed to the public view. Notwithstanding the foregoing, this Section shall not apply to the Developer for as long as it holds title to any portion of the Properties.

Section 9. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in the Properties nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in the Properties. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any portion of the land subject to these restrictions.

Section 10. Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept or permitted on any Lot, with the exception of dogs, cats, or other usual and common household pets in a reasonable number. The keeping of a dog or other domestic pet is not a right of an Owner, but is a conditional license. This conditional license is subject to termination at any time by the Board of Directors upon a finding that a dog or other pet is vicious, is annoying to other residents, or has in any way become a nuisance. The owner of a pet assumes liability for all damage to persons or property caused by the pet or resulting from its presence at the Properties.

This license is subject to the following conditions:

A. Pets shall be kept on a leash at all times when outside a building and not enclosed within a fenced-in area.

B. Pets are permitted to have excrements upon the Common Areas provided that the Owner shall immediately remove such excrement from the Common Areas with a "Pooper-Scooper" or other appropriate tool and deposit said waste in an approved trash receptacle.

C. The owner of a pet shall be responsible, and by virtue of ownership, assumes responsibility for any damage to persons or property caused by his pet(s).

D. Any pet whose owner violates the provisions and intent of these rules shall be deemed a nuisance and subject to removal in accordance with the provisions of this Declaration.

Section 11. Visibility at Intersections. No obstruction to visibility at street intersections shall be permitted.

Section 12. Commercial Trucks, Trailers, Campers and Boats. No commercial vehicles, campers, mobile homes, motorhomes, boats, house trailers, boat trailers, or trailers of every other description shall be permitted to be parked or to be stored at any place on any Lot, except only during the periods of approved construction on said Lot, and except that they may be stored within garages. Small pick-up trucks or vans of the type commonly used as private passenger vehicles may be parked or stored in approved parking areas, so long as no commercial equipment or lettering or

graphics is exposed to view. The term "commercial vehicle" shall include all automobiles, trucks and vehicular equipment, including station wagons, which bear signs or shall have printed on same some reference to any commercial undertaking or enterprise. This prohibition of parking shall not apply to temporary parking of trucks and commercial vehicles, such as for pick-up, delivery, and other commercial services.

No vehicle which is unlicensed or inoperable may be kept or stored on the Properties, unless kept fully enclosed inside a garage. No repair work to any type of motor vehicle, boat or trailer shall be conducted on any Lot other than minor repairs, cleaning or waxing which is completed in less than 24 hours.

Section 13. Fences. No fence, wall or other structure shall be erected in the front yard, back yard, or side yard except as approved by the ACB or as installed by the Developer.

Section 14. Hedges. No hedge shall be erected in the front yard except as approved by the ACB or as installed by the Developer.

Section 15. Garbage and Trash Disposal. Garbage, refuse, trash or rubbish shall be stored in a fashion to protect it from view from the street or another Lot, provided however, that the requirements from time to time of the County of Palm Beach for disposal or collection shall be complied with. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. All garbage placed out for collection must be in sealed garbage bags, covered plastic garbage cans, or such other containers supplied or approved by the garbage collecting authority. Trash, recyclables, and/or vegetation shall not be placed curbside earlier than 6:00 P. M. the evening before collection. Emptied receptacles or uncollected refuse shall be promptly removed from curbside by Owner.

Section 16. Drying Areas. Drying areas will be permitted when protected from view from the street or other Lots.

Section 17. Gas Containers. No gas tank, gas container, or gas cylinder (except those placed by the Developer or approved by the ACB in connection with the installation of swimming pools and/or permanent barbecues, and except those used for portable barbecues) shall be permitted to be placed on or about the outside of any house or any ancillary building, and all such items (except those placed by the Developer in connection with the installation of swimming pools and/or permanent barbecues, and except those used for portable barbecues) shall be installed underground in every instance where gas is used. In the alternative, gas containers may be placed above ground if enclosed on all sides by a decorative safety wall approved by the ACB.

Section 18. Communication Equipment. Except as may be installed by the Developer or as may be permitted by the ACB, no antennas, satellite dishes, aerials, or lines, wires or other devices for communication or transmission of current shall be placed on any portion of the Properties. In no event, however, shall lines or wires for communication or the transmission of current be constructed placed, or permitted to be placed within the Common Areas unless the same shall be installed by the Association for the common use of all Members, and shall be protected cables, and any of said lines or wires which are not located in buildings shall be constructed or placed and maintained underground. Any line or wire installations permitted by the Architectural Control Board pursuant to this Section shall be protected cable and shall only be installed underground.

Section 19. County Requirement. Any plat or replat of the Properties subject to this Declaration must conform with the master plan as approved by Palm Beach County as well as the applicable site plan as approved by any Site Plan Review Committee thereof.

Section 20. Drainage. No change in any drainage pattern of any Lot, after issuance of a certificate of occupancy for the dwelling thereon, or of any portion of the Properties, after all contemplated improvements have been completed, shall be made which will cause undue hardship to an adjoining Lot or adjoining property with respect to natural runoff of rain water. Streets, swales, and any other areas designated as retention areas pursuant to the engineer's drainage plans will retain water during certain storm periods that may extend for a period of time beyond the engineer's design estimate. The Association has the right to drain the Common Area through each individual Lot and all Lots.

Section 21. Leasing. No lease may be made for less than a nine (9) month period, and all leases must be in writing. Owners are required to provide to the Association the Owner's current mailing address, together with the names of those residing on the Lot. Each Owner shall be responsible for the acts and omissions, whether negligent or willful, of any person residing on his Lot, and for all guests, and invitees of the Owner or any such resident, and in the event the acts or omissions of any of the foregoing shall result in any damage to the Common Areas, or any liability to the Association, the Owner shall be assessed for same as in the case of any other Assessment, limited where applicable to the extent that the expense or liability is not met by the proceeds of insurance carried by the Association. Furthermore, any violation of any of the provisions of this Declaration, of the Articles, or the Bylaws, by and resident of any Lot, or any guest or invitee of an Owner or any resident of a Lot, shall also be deemed a violation by the Owner, and shall subject the Owner to the same liability as if such violation was that of the Owner.

With respect to any tenant or any person present on any Lot or any portion of the Properties, other than an Owner and the members of his immediate family permanently residing with him in the Lot, if such person shall materially violate any provision of this Declaration, the Articles, or be a source of annoyance to the residents of the Properties, or shall willfully damage or destroy any Common Areas or personal property of the Association, then upon written notice by the Association, such person shall be required to immediately leave the Properties and if such person does not do so, the Association is authorized to commence an action to evict such tenant or compel the person to leave the Properties and, where necessary, to enjoin such person from returning. The expense of any such action, including attorneys' fees, may be assessed against the applicable Owner, and the Association may collect such Assessment and have a lien for same as elsewhere provided. The foregoing shall be in addition to any other remedy of the Association.

Section 22. Storage Buildings or Sheds. No storage buildings or sheds shall be placed upon any Lot unless approved by the ACB and unless protected from view from the street or any other Lots.

Section 23. Waterways. Motorized boat, jet ski or other motorized vessels are not permitted in any waterway within the Property.

Section 24. Screen Enclosures. No screen enclosures may be constructed on any Lot except as approved by the ACB and after all necessary approvals and permits have been obtained from all governmental agencies. No screen enclosure may be constructed in any designated building setback area on any Lot.

ARTICLE IX

INSURANCE AND HAZARD LOSSES

The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, if reasonably available, for all insurable improvements on the Common Areas. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. Insurance, other than title insurance, that shall be carried on the Common Property and the Association Property shall be governed by the following provisions:

Section 1. Authority to Purchase: Named Insured. All insurance policies upon the Common Property and the Association Property shall be purchased by the Association and shall be placed in a single agency or company, if possible. The named insured shall be the Association. The Association has the authority to use their discretion in obtaining the coverage listed hereinafter, as

some of the requirements may be or become unobtainable, or may be cost prohibitive.

Section 2. Coverage.

A. Fidelity Bonds. Blanket fidelity bonds must be maintained for anyone who either handles or is responsible for funds that the Association holds or administers. Cancellation or substantial modification of the bonds must be noticed to the Association members and FNMA servicers prior to change.

B. Hazard Insurance. All buildings and insurable improvements on the Common Property and the Association Property shall be insured for fire and extended coverage perils, excluding foundation and excavation costs at their maximum insurable replacement value and all personal property owned by the Association shall be insured for its full insurable value, all determined annually by the Board of Directors of the Association.

(a) Company Rating. The company or companies with whom the Association shall place its insurance coverage must meet the following requirements: a B general policyholder's rating or a financial performance index of 6 or better in the Best's Key Rating Guide, or an A or better rating from Demotech, Inc.

(b) Deductible. Unless a higher maximum amount is required by state law, the maximum deductible amount is the lesser of \$10,000 or 1% of the hazard insurance policy face amount. However, for losses related to a Lot/Dwelling owned by the Association which is covered by a blanket policy, if any, the deductible related to the individual Lot/Dwelling should be the lesser of \$1,000 or 1% of the Lot's replacement cost.

(c) Endorsements. If available and/or applicable, an Inflation Guard Endorsement, a Construction Code Endorsement, and a Machinery Coverage Endorsement are required.

C. Flood Insurance. If any part of the Association Property is in a Special Flood Hazard Area which is designated as A, AE, AH, AO, A1-30, A-99, V, VE OR V1-30 on a Flood Insurance Rate Map, the Association must maintain a master or blanket policy of flood insurance. The amount of flood insurance should be at least equal to the lesser of 100% of the insurable value of the facilities or the maximum coverage available under the appropriate National Flood Insurance Administration program. Unless a higher deductible amount is required by state law, the maximum deductible amount for policies covering the Association Property and Common Property is the lesser of \$5,000 or 1% of the policy's face amount.

D. Liability Insurance. If the policy does not include "severability of interest" in its terms, a specific endorsement must be obtained to preclude the insurer's denial of an Owner's

claim because of negligent acts of the Association or of other Owners.

E. Public Liability Insurance. The Association shall obtain public liability and property damage insurance covering all of the Common Property and the Association Property and insuring the Association and the Members as their interests appear in such amounts and providing such coverage as the Board of Directors of the Association may determine from time to time. The liability insurance shall include, but not be limited to, hired and non-owned automobile coverage.

F. Workmen's Compensation Insurance. The Association shall obtain workmen's compensation insurance in order to meet the requirements of law, as necessary.

G. Other Insurance. The Board of Directors or the Association shall obtain such other insurance as they shall determine from time to time to be desirable.

H. Subrogation Waiver. If available, the Association shall obtain policies which provide that the insurer waives its right to subrogation as to any claim against Members, the Association and their respective servants, agents and guests.

Section 3. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association. The cost of insurance premiums and other incidental expenses incurred by the Association in administering and carrying out any of the provisions of this Section shall be assessed against and collected from Members as part of General Assessments.

Section 4. Association's Power to Compromise Claims. The Board of Directors of the Association is hereby irrevocably appointed agent for each Member and for each holder of a mortgage or other lien, for the purpose of compromising and settling all claims arising under insurance policies purchased by the Association, and to execute and deliver releases upon payment of claims.

ARTICLE X

DEVELOPER'S RIGHTS

Section 1. Sales Activity. Notwithstanding any provision herein to the contrary, until the Developer has completed, sold and conveyed all of the Lots within the Properties, neither the Owners, nor the Association nor their use of the Common Areas shall interfere with the completion of the contemplated improvements and the sale of Lots and any other sales activity of the Developer, whether related to the Properties or other developments of the Developer. The Developers (or its duly authorized agents or

assigns) may make such use of the unsold Lots and the Common Areas as may facilitate such completion and sale including, but not limited to, the maintenance of sales offices, construction trailers, storage areas, model homes, and/or parking lots for the showing of the property, and the display of signs, billboards, flags, placards and visual promotional materials. The Developer shall have the right to use unimproved Lots for temporary parking for prospective purchasers and such other parties as Developer determines. Each Lot and the Common Area is hereby subjected to an easement for the purposes set forth herein.

Section 2. Replatting. It may be necessary for the Developer to replat a portion of the Properties. The Developer shall have the right to replat unsold portions of the Properties without requiring the joinder or consent of any Owner or mortgagee holding a mortgage on any Lot.

Section 3. Utility and Construction Payments and/or Deposits. In the event a utility company or governmental authority requires a deposit to be made by the Developer, and such deposit shall be refunded at some time in the future, then the Developer (and not the Association) shall be entitled to receipt of the refunded funds. In addition, should construction payments made by the Developer be refunded by a utility company or governmental authority at some time in the future, then the Developer (and not the Association) shall be entitled to receipt of the refunded funds or the Association shall reimburse the Developer for such payments prior to the time that Owners other than the Developer elect a majority of the members of the Board of Directors of the Association.

Section 4. Developer's Right to Common Areas. Developer shall have the right from time to time to enter upon the Common Areas during periods of construction upon adjacent Properties and for the purpose of construction of any facilities on the Common Areas that Developer elects to build. Developer may grant easements to Lot Owners adjacent to Common Areas for overhangs, protrusions and encroachments of any portion of the improvements to a Lot which are constructed by Developer. The Developer shall have the right to dedicate the Common Areas or a portion thereof to any governmental authority or utility company, or to grant an easement over the Common Areas in favor of any governmental authority or utility company, without requiring the joinder or consent of any other Owner or mortgagee holding a mortgage on any Lot.

Section 5. Assignment of Developer Rights. The Developer shall have the right to assign to any other person or entity any or all of the Developer's rights reserved in this Declaration, in whole or in part, with respect to all or any portion of the Properties. In the event of an assignment, the assignee shall not be liable for any action of a prior developer. Acquisition, development or construction lenders acquiring title to the Prop-

erties or any portion thereof by foreclosure or deed in lieu of foreclosure shall have the right, but not the obligation, to assume the Developer's rights. Such acquisition, development or construction lender shall have the right to assign the Developer's rights to a subsequent purchaser, regardless of whether or not the Developer's rights were assumed by the lender.

Section 6. Developer Approval of Board Action. In the event the Developer no longer controls the Board of Directors but continues to own a portion of the Properties, then the Developer shall have the right to veto any action taken by the Board if the Developer determines that such action materially and adversely affects the Developer's interest in the community. Action of the Board shall be submitted to the Developer within ten (10) days of adoption of such action. In the event a written veto is not delivered by the Developer to the Board within ten (10) days of actual receipt of the action, then the action shall be deemed approved.

ARTICLE XI

MORTGAGEES' RIGHTS

The following provisions are for the benefit of holders, insurers, or guarantors of first mortgages on Lots in the Properties.

Section 1. Notices of Action. An Institutional holder, insurer, or guarantor of a first mortgage, who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Lot number), therefore becoming an "Eligible Holder", will be entitled to timely written notice of:

A. any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Lot on which there is a first mortgage held, insured, or guaranteed by such eligible holder;

B. any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the mortgage of such eligible holder, insurer, or guarantor, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Lot of any obligation under the Declaration or Bylaws of the Association which is not cured within sixty (60) days;

C. any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or

D. any proposed action which would require the consent of a specified percentage of eligible holders.

Section 2. No Priority. No provision of this Declaration or the bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 3. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any mortgage encumbering such Owner's Lot.

Section 4. Applicability of Article XI. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws, or Florida law for any of the acts set out in this Article.

Section 5. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Developer, the Association or the Owner of any Lot subject to this Declaration, and their assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the then Owners of two-thirds of the Lots and an instrument signed by the then Mortgagees of two-thirds of the mortgaged Lots have been recorded, agreeing to change or terminate said covenants and restrictions in whole or in part.

Section 2. Notice. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed (postpaid), transmitted by way of telecopy, or sent by overnight courier, 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 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants and failure by the Developer, 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. These covenants may also be enforced by the Architectural Control Board. The Association is hereby empowered to adopt reasonable rules and regulations for the imposition of fines to be levied against any Owner for failure to comply with the terms of this Declaration or rules and regulations of the Association. Any rule or regulation subjecting any Owner to fines shall include provisions for notice, hearing, appeal and fines. Fines shall constitute an assessment due to the Association and upon failure to pay such fine within the period prescribed by the Association shall become a charge and continuing lien upon the Owner's Lot.

Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 5. Amendment. This Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing two-thirds of the total votes of the Association. Every amendment must have the written joinder and consent of the Developer for so long as the Developer owns any portion of the Properties. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment must be recorded in the Public Records of Palm Beach County, Florida. No amendment may prejudice or impair the priorities of Institutional Lenders granted hereunder unless all Institutional Lenders join in the execution of the amendment. No amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, Developer, unless Developer joins in the execution of the amendment.

Section 6. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five (75%) percent of the Owners. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by

