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**DECLARATION OF NEIGHBORHOOD COVENANTS
FOR
ENCANTADA AT MIZNER COUNTRY CLUB**

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Exhibit "B"	By-Laws of Encantada at Mizner Country Club Neighborhood Association, Inc.
Exhibit "C"	The Neighborhood Properties

**DECLARATION OF NEIGHBORHOOD COVENANTS
FOR
ENCANTADA AT MIZNER COUNTRY CLUB**

THIS DECLARATION OF NEIGHBORHOOD COVENANTS is made as of the 14th day of July, 2000, by TBI/PALM BEACH LIMITED PARTNERSHIP, a Florida limited partnership, which declares hereby that "The Neighborhood Properties" described in Article 2.1 of this Declaration are and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE 1.

DEFINITIONS AND INTERPRETATION

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

(a) "Articles" or "Articles of Incorporation" shall mean the Articles of Incorporation of the Neighborhood Association, as amended from time to time. A copy of the Articles of Incorporation is attached hereto and made a part hereof as **Exhibit "A"**.

(b) "Assessments" shall mean the various forms of payment to the Neighborhood Association which are required to be made by Owners, as more particularly described in Article 8 of this Declaration.

(c) "Board" or "Board of Directors" shall mean the duly constituted Board of Directors of the Neighborhood Association, from time to time.

(d) "Builder" shall mean any party, other than the Declarant or its affiliates (including Toll Bros., Inc.), constructing a Unit on a Master Lot owned by such party and designated in writing by Declarant as a Builder under this Declaration.

(e) "By-Laws" shall mean the By-Laws of the Neighborhood Association, as amended from time to time. A copy of the initial By-Laws of the Neighborhood Association is attached hereto and made a part hereof as **Exhibit "B"**.

(f) "Club" shall mean the golf and country club located on the Club Property known as Mizner Country Club, and all facilities properties and appurtenances thereto.

(g) "Club Owner" shall mean the fee owner of the Club and the Club Property from time to time.

(h) "Club Property" shall have the meaning set forth in the Master Declaration. **THE CLUB PROPERTY IS NOT PART OF THE NEIGHBORHOOD COMMON PROPERTIES.**

(i) "Community Systems" shall mean any and all cable television, telecommunication, alarm/monitoring, internet, telephone or other lines, conduits, wires, amplifiers, towers, antennae, equipment, materials, installations and fixtures (including

(h) "Club Property" shall have the meaning set forth in the Master Declaration. THE CLUB PROPERTY IS NOT PART OF THE NEIGHBORHOOD COMMON PROPERTIES.

(i) "Community Systems" shall mean any and all cable television, telecommunication, alarm/monitoring, internet, telephone or other lines, conduits, wires, amplifiers, towers, antennae, equipment, materials, installations and fixtures (including those based on, containing or serving future technological advances not now known) installed by Declarant or pursuant to any grant of easement or authority by Declarant within The Neighborhood Properties.

(j) "County" shall mean Palm Beach County, Florida.

(k) "Declarant" shall mean TBI/Palm Beach Limited Partnership, a Florida limited partnership, its successors and such of its assigns as to which the rights of Declarant hereunder are specifically assigned. Declarant may assign all or a portion of its rights hereunder, or all or a portion of such rights in connection with appropriate portions of The Neighborhood Properties. In the event of such a partial assignment, the assignee shall not be deemed the Declarant, but may exercise such rights of Declarant specifically assigned to it. Any such assignment may be made on a nonexclusive basis. The rights of Declarant under this Declaration are independent of the Declarant's rights to control the Board of Directors of the Neighborhood Association, and, accordingly, shall not be deemed waived, transferred or assigned to the Owners, the Board or the Neighborhood Association upon the transfer of control of the Neighborhood Association.

(l) "Declaration" or "Neighborhood Covenants" shall mean this instrument and all exhibits attached hereto, as same may be amended or supplemented (by Supplemental Declarations) from time to time.

(m) "Lot" shall mean any lot intended to be the site of a single-family dwelling unit on any plat of all or a portion of The Neighborhood Properties, any Lot shown upon any resubdivision of any such plat, and any other property hereafter declared as a Lot by Declarant.

(n) "Master Association" shall mean the MIZNER COUNTRY CLUB MASTER ASSOCIATION, INC., a Florida not for profit corporation.

(o) "Master Declaration" shall mean the Declaration of Master Covenants for Mizner Country Club, recorded January 14, 2000, in Official Records Book 11561, Page 1632, as amended by First Amendment recorded February 29, 2000, in Official Records Book 11632, Page 662, all of the Public Records of Palm Beach County, Florida, as such Declaration may be amended, restated or supplemented from time to time.

(p) "Master Lot" shall mean any lot intended to be the site of a single-family dwelling unit on any plat of all or any portion of The Properties, any lot shown upon any

resubdivision of any such plat, and any other property hereinafter declared as a Lot by Declarant. "Lot" shall also include, prior to platting, dwelling units permitted under the Delray Training Center P.U.D. on file with the County (which number may be increased or decreased from time to time by Declarant in its sole and absolute discretion as provided in the Master Declaration) which are intended to be platted in the future.

(q) "Member" shall mean all those Owners who are Members of the Neighborhood Association as hereinafter provided (including, without limitation, the Declarant).

(r) "Member's Permittees" shall have the meaning set forth in the Master Declaration.

(s) "Neighborhood Association" shall mean the ENCANTADA AT MIZNER COUNTRY CLUB NEIGHBORHOOD ASSOCIATION, INC., a Florida not for profit corporation.

(t) "Neighborhood Common Properties" shall mean all property designated as Neighborhood Common Properties in any future recorded supplemental declaration, plus all property dedicated to the Neighborhood Association on any plat or replat of The Neighborhood Properties or any portion thereof; together with the landscaping and any improvements thereon. Neighborhood Common Properties may include all of the following if located thereon: all private roadways and pedestrian walkway areas, structures, recreational facilities, open space, sprinkler systems and street lights, if any, but shall exclude (i) any public utility installations thereon, (ii) all portions of any Community Systems (as defined below) not made Neighborhood Common Properties pursuant to Section 19.14 of the Master Declaration, and (iii) any other property of Declarant not intended to be made Neighborhood Common Properties. Declarant will specifically identify (by recorded legal description, plats or other means) the Neighborhood Common Properties of The Neighborhood Properties, and such identification shall be required in order for a portion of The Neighborhood Properties to be Neighborhood Common Properties hereunder. Without limiting the generality of Section 1.2 hereof, in the event that Declarant determines that a particular portion of The Neighborhood Properties is or is not Neighborhood Common Properties hereunder (in the manner provided in said Section 1.2), such determination shall be binding and conclusive. Furthermore, notwithstanding anything to the contrary contained in this Declaration, Declarant acting alone may withdraw all or portions of the Neighborhood Common Properties from being Neighborhood Common Properties so long as Declarant acting alone may amend this Declaration as provided in Section 17.7 of this Declaration. In the event that the Neighborhood Association accepts an easement or similar grant over, under or through any portion of The Neighborhood Properties or any property adjacent thereto or in the vicinity thereof, the easement estate in such property shall be deemed Neighborhood Common Properties for the purposes of, but only for the purposes of, the Neighborhood Association performing whatever duties or obligations are stated in, or

implied by law, with respect to such easement or other grant. The Club and the Club Property are not part of the Neighborhood Common Properties.

(u) "Neighborhood Limited Common Properties" shall mean such portions of the Neighborhood Common Properties which are intended for the exclusive use (subject to the rights, if any, of the County, the Master Association, the Neighborhood Association, the Club and its Member's Permittees, and the public) of the Owners of specific property or Lots within The Neighborhood Properties, to the exclusion of others, declared by Declarant to be Neighborhood Limited Common Properties to be exclusively used by the Owner of specific property or Neighborhood Lots within The Properties to the exclusion of others, in a plat, deed, or Supplemental Declaration. Unless otherwise provided specifically to the contrary, reference to the Neighborhood Common Properties shall include the Neighborhood Limited Common Properties.

(v) "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon or within The Neighborhood Properties.

(w) "The Neighborhood Properties" shall mean all properties described in Exhibit "C" attached hereto and made a part hereof, and all additions thereto, now or hereafter made subject to this Declaration, except such as are withdrawn from the provisions hereof in accordance with the procedures set forth in this Declaration.

(x) "The Properties" shall have the meaning set forth in the Master Declaration.

(y) "Supplemental Declaration" shall mean an instrument executed by the Declarant (or the Neighborhood Association, if permitted by Section 2.4 hereof) and recorded in the Public Records of the County, for the purpose of adding to The Neighborhood Properties, withdrawing any portion(s) thereof from the effect of this Declaration, designating a portion of The Neighborhood Properties as Neighborhood Common Properties or for such other purposes as are provided in this Declaration.

(z) "Unit" shall have the meaning set forth in the Master Declaration.

1.2 Interpretation. The provisions of this Declaration as well as those of the Articles, By-Laws and any rules and regulations of the Neighborhood Association shall be interpreted by the Declarant, unless Declarant ceases to exist, in which case they shall be interpreted by the Board of Directors. Any such interpretation of the Board which is rendered in good faith shall be final, binding and conclusive if the Board receives a written opinion of legal counsel to the Neighborhood Association, or the counsel having drafted this Declaration or other applicable document, that the interpretation is not unreasonable, which opinion may be rendered before or after the interpretation is adopted by the Board. Notwithstanding any rule of law to the contrary, the provisions of this Declaration and the Articles, By-Laws and the Rules and Regulations of the Neighborhood Association shall be liberally construed so as to effectuate the purposes herein

expressed with respect to the efficient operation of the Neighborhood Association and The Neighborhood Properties, the preservation of the values of the Master Lots and Units and the Club Property, and the protection of Declarant's and Club Owner's rights, benefits and privileges herein contemplated.

ARTICLE 2.

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

2.1 Legal Description. The initial real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the County, and is more particularly described in Exhibit "C" attached hereto and made a part hereof, all of which real property (and all improvements thereto), together with additions thereto, but less any withdrawals therefrom, is herein referred to collectively as "The Neighborhood Properties".

2.2 Supplements. Declarant may from time to time unilaterally subject other land under the provisions of this Declaration by Supplemental Declarations (which shall not require the consent of then existing Owners, the Master Association, the Neighborhood Association, or any mortgagee other than that, if any, of the land intended to be added to The Neighborhood Properties) and thereby add to The Neighborhood Properties. To the extent that such additional real property shall be made a part of The Neighborhood Properties, reference herein to The Neighborhood Properties shall be deemed to be a reference to all of such additional property where such reference is intended to include property other than that legally described above. Nothing herein, however, shall obligate Declarant to add to the initial portion of The Neighborhood Properties, to develop any such future portions under a common scheme, nor to prohibit Declarant from rezoning and changing plans with respect to The Neighborhood Properties. Furthermore, without amending or supplementing this Declaration, Declarant may rezone, replat, covenant in lieu of unity of title, or add to or reduce the number of Lots within The Neighborhood Properties. All Owners, by acceptance of a deed to or other conveyance of their Lots, shall be deemed to have automatically consented to any such rezoning, replatting, covenant in lieu of unity of title, change, addition or deletion thereafter made by Declarant (or the applicable Declarant-affiliated Owner) and shall evidence such consent in writing if requested to do so by Declarant at any time (provided, however, that the refusal to give such written consent shall not obviate the general and automatic effect of this provision). Such changes may result in an increase or decrease to the total number of Lots and Units within The Neighborhood Properties, and thereby increase or decrease the number of Owners paying Assessments to the Neighborhood Association. A Supplemental Declaration may also vary the terms of this Declaration by addition, deletion or modification so as to reflect any unique characteristics of a particular portion of The Neighborhood Properties identified therein. If additional property is added, or if the number of Units approved for The Neighborhood Properties changes, among other changes, the references to the share of assessments in Section 8.2 shall be amended appropriately.

2.3 Withdrawal. Declarant reserves the right unilaterally to amend this Declaration at any time (unless prohibited by Florida Statutes), without prior notice and without the consent of any person or entity, for the purpose of removing certain portions of The Neighborhood Properties (including, without limitation, Lots and/or Neighborhood Common Properties) then owned by the Declarant or its affiliates or the Master Association or the Neighborhood Association from the provisions of this Declaration to the extent included originally in error or as a result of any changes whatsoever in the plans for The Neighborhood Properties desired to be effected by the Declarant.

2.4 Neighborhood Common Properties. At all times, the question of whether any portion of The Neighborhood Properties is or is not Neighborhood Common Properties under this Declaration, shall be decided by Declarant, and Declarant may unilaterally, without the consent of the Master Association, the Neighborhood Association, or then existing Owners, record in the public records of the County, a Supplemental Declaration resolving such issue and such Supplemental Declaration shall be dispositive and binding. After the Declarant no longer owns any portion of The Neighborhood Properties, the Neighborhood Association may, without the consent of then existing Owners, record the aforesaid Supplemental Declaration, which shall have the same dispositive and binding effect.

ARTICLE 3.

MEMBERSHIP AND VOTING RIGHTS IN THE NEIGHBORHOOD ASSOCIATION

3.1 Membership. Every person or entity who is a record Owner of a fee interest in a Lot and the Declarant, shall be a Member of the Neighborhood Association. Notwithstanding anything else to the contrary set forth in this Article, any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member of the Neighborhood Association. Declarant shall specifically be a Member of the Neighborhood Association.

3.2 Voting Rights. The Neighborhood Association shall have such classes of Voting Members, who shall cast such votes, as are provided in the Articles of Incorporation of the Neighborhood Association.

3.3 General Matters. Notwithstanding anything to the contrary contained in this Declaration, the Articles or the By-Laws, when reference is made herein, or in the Articles, By-Laws, Rules and Regulations, management contracts or otherwise, to a majority or specific percentage of votes or Members or Owners, such reference shall be deemed to be reference to a majority or specific percentage of the total number of votes of all classes of Members (as set forth in the Articles). Such reference shall not require a majority or specific percentage of votes of each class of Members taken separately, but certain actions as stated in this Declaration shall require the consent of Declarant.

ARTICLE 4.**NEIGHBORHOOD COMMON PROPERTIES; CERTAIN EASEMENTS;
COMMUNITY DEVELOPMENT DISTRICT; COMMUNITY SYSTEMS**

4.1 Members' Easements. Except for Neighborhood Limited Common Properties as herein specified, each Member of the Master Association (including Club Owner and Declarant), their Member's Permittees, (including Club Owner and Declarant), each Member (including Declarant and each of their Member's Permittees) and their agents and invitees, shall have a non-exclusive permanent and perpetual easement over and upon the Neighborhood Common Properties for the intended use and enjoyment thereof in common with all other such members of the Master Association, their Member Permittees, Members, their Member's Permittees, their agents and invitees, but in such manner as may be regulated by the Neighborhood Association. Without limiting the generality of the foregoing, such rights of use and enjoyment are hereby made subject to the following:

(a) The right and duty of the Neighborhood Association to levy assessments against each Lot for the purpose of maintaining the Neighborhood Common Properties and any facilities located thereon in compliance with the provisions of this Declaration and with the restrictions on the plats of portions of The Neighborhood Properties from time to time recorded.

(b) The right of the Neighborhood Association to suspend the Members (and his Member's Permittees') right to use the Neighborhood Common Properties' recreational facilities (if any) for any period during which any assessment against his Lot remains unpaid for more than thirty (30) days; and for a period not to exceed sixty (60) days for any infraction of this Declaration or the Neighborhood Association's lawfully adopted rules and regulations.

(c) The right of the Neighborhood Association to charge reasonable admission and other fees for the use of recreational facilities (if any) situated on the Neighborhood Common Properties.

(d) The right of the Neighborhood Association to adopt at any time and from time to time and enforce rules and regulations governing the use of the Neighborhood Common Properties and all facilities at any time situated thereon, including the right to fine Members as hereinafter provided. Any rule and/or regulation so adopted by the Neighborhood Association shall apply until rescinded or modified as if originally set forth at length in this Declaration.

(e) The right to the use and enjoyment of the Neighborhood Common Properties and facilities thereon shall extend to all Members' Permittees of the Members, subject to regulation from time to time by the Neighborhood Association as set forth in its lawfully adopted and published rules and regulations.

(f) The right of Declarant to permit such persons as Declarant shall designate to use the Neighborhood Common Properties and all recreational facilities located thereon (if any).

(g) The right of Declarant and the Neighborhood Association, acting separately or together, to have, grant and use general ("blanket") and specific easements over, under and through the Neighborhood Common Properties.

(h) The right of the Neighborhood Association, by a 2/3rds affirmative vote of the total number of votes of all Members of the Neighborhood Association, after written consent of Declarant, to dedicate or convey portions of the Neighborhood Common Properties to any other association having similar functions, or any public or quasi-public agency, Community Development District or similar entity under such terms as the Neighborhood Association deems appropriate and to create or contract with the other association, Community Development District and special taxing districts for lighting, roads, recreational or other services, monitoring, or communications and other similar purposes deemed appropriate by the Neighborhood Association (to which such dedication or contract all Owners, by the acceptance of the deeds to their Lots, shall be deemed to have consented, no consent of any other party, except Declarant, being necessary).

(i) The rights of the Declarant to withdraw portions of the Neighborhood Common Properties as provided in Section 2.3 above.

(j) The rights of the Club as provided in this Declaration and the Master Declaration.

4.2 Community Development District. To the extent that any portion of The Neighborhood Properties is subject to, or governed by, a Community Development District, or to the extent that the members of the Neighborhood Association elect to have any portion of The Neighborhood Properties owned, maintained or governed by a Community Development District as provided for in Section 4.1(h) above, the Community Development District shall have the authority to plan, establish, acquire, equip, operate and maintain such portions and assess all Owners therefor.

4.3 Easements Appurtenant. The easements provided in Section 4.1 shall be appurtenant to and shall pass with the title to each Lot, but shall not be deemed to grant or convey any ownership interest in the Neighborhood Common Properties subject thereto.

4.4 Maintenance. The Neighborhood Association shall, at all times, maintain in good repair and manage, operate and insure, the Neighborhood Common Properties and paving, drainage structures, landscaping, improvements and other structures (except public utilities and Community Systems, to the extent same have not been made Neighborhood Common Properties and except those Neighborhood Limited Common Properties to be maintained by Owners) situated on the Neighborhood Common Properties, if any, all such work to be done as ordered by the Board of Directors of the Neighborhood Association. Without limiting the generality of the

foregoing, the Neighborhood Association shall assume all of Declarant's and its affiliates' responsibilities to the County, and its governmental and quasi-governmental subdivisions and similar entities of any kind with respect to the Neighborhood Common Properties, and shall indemnify and hold Declarant and its affiliates harmless with respect thereto in the event of the Neighborhood Association's failure to fulfill those responsibilities. All work pursuant to this Section and all expenses incurred or allocated to the Neighborhood Association pursuant to this Declaration shall be paid for by the Neighborhood Association through Assessments (either general or special) imposed in accordance herewith. No Owner may waive or otherwise escape liability for Assessments by non-use (whether voluntary or involuntary) of the Neighborhood Common Properties or abandonment of the right to use the Neighborhood Common Properties.

4.5 Street Lights. The Neighborhood Association shall, if designated by the Master Association, be responsible for the operation, maintenance, repair and replacement of all street lighting fixtures, installations and equipment serving The Neighborhood Properties (solely or primarily). Furthermore, the Neighborhood Association shall maintain street trees within or near The Neighborhood Properties if so directed by the Master Association.

4.6 Easements for Vehicular Traffic. In addition to the general easements for use of the Neighborhood Common Properties reserved herein, there shall be, and Declarant hereby reserves and covenants for itself and all future Owners of land within The Properties and for the Club Owner, that each and every owner of land within The Properties, Club Owner, and Declarant, shall have a non-exclusive easement appurtenant for vehicular traffic over all private streets within the Neighborhood Common Properties.

4.7 Utility and Community Systems Easements. Use of the Neighborhood Common Properties for utilities, as well as use of the other utility easements as shown on relevant plats, shall be in accordance with the applicable provisions of this Declaration and said plats. Declarant and its affiliates and its and their designees shall have a perpetual easement over, upon and under the Neighborhood Common Properties and the portions of the Lots and the Club Property designated in plats for the installation, operation, maintenance, repair, replacement, alteration and expansion of Community Systems and other utilities.

4.8 Public Easements. Fire, police, health and sanitation and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Neighborhood Common Properties in the performance of their respective duties.

4.9 Ownership. The Neighborhood Common Properties are hereby dedicated non-exclusively to the joint and several use, in common, of Declarant, Club Owner, and the owners of all land that may from time to time constitute part of The Properties and their Permittees and Declarant's tenants, guests and invitees, all as provided and regulated herein or otherwise by the Neighborhood Association, subject to Section 2.3 hereof. The Neighborhood Common Properties (or appropriate portions thereof) shall, upon the later of completion of the improvements thereon or the date when the last Lot within The Neighborhood Properties has been conveyed to a purchaser (or at any time and from time to time sooner at the sole election of

Declarant), be conveyed by quit claim deed to the Neighborhood Association, which shall be deemed to have automatically accepted such conveyance. Beginning from the date this Declaration is recorded, the Neighborhood Association shall be responsible for the maintenance, insurance and administration of such Neighborhood Common Properties (whether or not then conveyed or to be conveyed to the Neighborhood Association), all of which shall be performed in a continuous and satisfactory manner without cost to the general taxpayers of the County. It is intended that any and all real estate taxes and assessments assessed against the Neighborhood Common Properties shall be (or have been, because the purchase prices of the Lots have already taken into account their proportionate shares of the values of the Neighborhood Common Properties), proportionally assessed against and payable as part of the taxes of the applicable Lots within The Properties. However, in the event that, notwithstanding the foregoing, any such taxes are assessed directly against the Neighborhood Common Properties, the Neighborhood Association shall be responsible for the payment (subject to protest or appeal before or after payment) of same, including taxes on any improvements and any personal property located thereon, which taxes accrue from and after the date these Neighborhood Covenants are recorded, and such taxes shall be prorated between Declarant and the Neighborhood Association as of the date of such recordation.

Declarant and its affiliates shall have the right from time to time to enter upon the Neighborhood Common Properties and other portions of The Neighborhood Properties (including, without limitation, Lots) for the purpose of the installation, construction, reconstruction, repair, replacement, operation, expansion and/or alteration of any improvements or facilities on the Neighborhood Common Properties or elsewhere on The Neighborhood Properties that Declarant and its affiliates or designees elect to effect, and to use, without charge, the Neighborhood Common Properties and other portions of The Neighborhood Properties for sales, displays and signs or for any other purpose during the period of construction and sale of any portion thereof or of other portions of adjacent or nearby property, including, without limitation, the right to have marketing and promotional events and parties, which may include bands, balloons and party tents. Without limiting the generality of the foregoing, Declarant and its affiliates shall have the specific right to maintain upon any portion of The Neighborhood Properties sales, administrative, construction or other offices and appropriate exclusive and non-exclusive easements of access and use are expressly reserved unto Declarant and its affiliates, and its and their successors, assigns, employees and contractors, for this purpose. Any obligation (which shall not be deemed to be created hereby) to complete portions of the Neighborhood Common Properties shall, at all times, be subject and subordinate to these rights and easements and to the above-referenced activities. Accordingly, Declarant shall not be liable for delays in such completion to the extent resulting from the need to complete any of the above-referenced activities prior to such completion.

4.10 Community Systems. Declarant shall have the right, but not the obligation, to install and provide Community Systems and to provide the services available through the Community Systems to any and all Lots and Units within The Neighborhood Properties. Neither the Neighborhood Association, the Master Association nor any Owner shall have any interest therein. Any or all of such services may be provided either indirectly, through the Neighborhood Association or its Master Association and paid for as part of the Assessments or assessments

payable to the Master Association, or directly, by the Declarant, an affiliated entity or a third party and paid for by the recipient of the services. The Community Systems shall be the property of the Declarant (or an affiliated entity) unless transferred by the Declarant (or such affiliated entity), whereupon any proceeds of such transfer shall belong to the Declarant (or such affiliated entity). The Declarant shall have the right, but not the obligation, to convey, transfer, sell or assign all or any portion of the Community Systems, or all or any portion of the rights, duties or obligations with respect thereto to the Association or any other person or entity (including an Owner) as to any portion of the Community System located on such Owner's Lot or Unit. The Declarant's rights with respect to the Community Systems installed by the Declarant and the services provided through such Community Systems are exclusive, and no other person or entity may provide such services through the Community Systems installed by the Declarant without the prior written consent of the Declarant. However, the provision of the services available through the Community Systems installed by the Declarant shall be non-exclusive and the Neighborhood Association or the Master Association may permit any third party to install and provide Community Systems and the services available through such Community Systems as shall be constructed and installed by such third party in the Neighborhood Association's or the Master Association's sole discretion and on such non-exclusive terms and conditions as the Neighborhood Association or the Master Association may determine; provided, however, that such other Community Systems and services shall not affect or modify the rights of the Declarant, its affiliated entities or its successors and assigns. **ALL PERSONS ARE HEREBY NOTIFIED THAT THE NEIGHBORHOOD ASSOCIATION MAY BE A PARTY TO A CONTRACT FOR THE COMMUNITY SYSTEMS SERVING THE PROPERTIES FOR A TERM WHICH EXTENDS BEYOND THE TIME DECLARANT IS IN CONTROL OF THE NEIGHBORHOOD ASSOCIATION AND THAT, IF SO PROVIDED IN SUCH CONTRACT, THE ASSESSMENTS PAYABLE AS TO EACH LOT OR UNIT WILL INCLUDE CHARGES PAYABLE BY THE NEIGHBORHOOD ASSOCIATION UNDER SUCH CONTRACT, REGARDLESS OF WHETHER OR NOT THE OWNER OF SUCH LOT OR UNIT ELECTS TO RECEIVE THE COMMUNITY SYSTEMS.**

4.11 Club Easements. The Club Owner shall have non-exclusive easements over and upon the Neighborhood Common Properties for the use thereof by the Club, its Member's Permittees, its members, guests, invitees, agents, the general public (if invited by the Club or the Club Owner) employees and contractors, and neither the Neighborhood Association nor any Owner shall, by action, inaction or rule do anything which interferes with such uses.

4.12 Additional Club Easements.

(a) Every Lot and the Neighborhood Common Properties are burdened with an easement permitting golf balls unintentionally to come upon such Neighborhood Common Properties and Lots, and for golfers at reasonable times and in a reasonable manner to come upon the Lots and Neighborhood Common Properties, to retrieve errant golf balls; provided, however, if any Lot is fenced or walled, the golfer shall seek the Owner's permission before entry and nothing herein shall give any person the right to enter any Unit, building or other structure on such property to retrieve golf balls. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls.

(b) The Club Owner and its agents, successors and assigns, shall at all times have a right and non-exclusive easement of access and use over those portions of the Neighborhood Common Properties reasonably necessary to the access to, operation, maintenance, repair and replacement of its facilities.

(c) The Club Owner and its agents, successors and assigns, shall have a perpetual, exclusive easement of access over The Neighborhood Properties for the purpose of retrieving golf balls from bodies of water within the Common Properties or Neighborhood Common Properties lying reasonably within range of golf balls hit from its golf course.

(d) A perpetual easement for the maintenance, repair, replacement and use of any golf cart path constructed within The Neighborhood Properties is hereby granted to the Club Owner and its Member Permittees, invitees, agents, employees and contractors, and other users of the golf course served by such paths, including any paths located on Lots or the Neighborhood Common Properties. Neither the Master Association, any Neighborhood Association nor any Owner shall obstruct or otherwise interfere with the lawful use of the easement granted herein, including its use for golf course maintenance.

(e) A perpetual easement for the benefit of the Club Property, the Club Owner, and the Club's members, guests, invitees, employees, agents, contractors, and designees, and the general public if invited by the Club Owner, a non-exclusive easement of ingress, egress and under and over all roadways located within The Neighborhood Properties from time to time (whether Neighborhood Common Properties or otherwise), including golf carts and maintenance vehicles, tractors and mowers. Without limiting the generality of the foregoing, as such parties shall have the right to park their vehicles on the roadways located within The Neighborhood Properties from time to time before, during and after tournaments and other functions held at the Club to the extent that the Club has insufficient parking to accommodate vehicles.

(f) Under no circumstances shall the Declarant, the Neighborhood Association, the Master Association, the Club Owner, any builder or contractor, or any officer, director, partner or member of any of the foregoing, in their capacities as such, be held liable for any damage or injury resulting from errant golf balls hit by third parties, retrieval of errant golf balls by third parties, or from overspray from the golf course.

ARTICLE 5.

MAINTENANCE OF UNITS AND LOTS

5.1 Improvements.

(a) Neighborhood Association's Responsibility. The Neighborhood Association shall provide periodic painting and pressure cleaning (but not repairs or replacement) of the exterior wall surfaces, exterior wood surfaces and exterior trim of each Unit on a Lot, which surface and trim are originally installed by the Declarant or a Builder. The Neighborhood Association shall

also provide painting, periodic pressure cleaning and routine maintenance (but not structural repairs or replacement) of perimeter fences and walls on the Lots. Such maintenance shall not apply to the exterior walls or wood surfaces which have been enclosed or blocked by screening, to Owner-installed surfaces or trim, and to windows, doors (sliding or other), screens and gutters (whether Declarant or Builder or Owner-installed). The Neighborhood Association shall be responsible for periodic painting and pressure cleaning of the finished exterior of the roof (as originally installed) and driveways (as originally installed). All other maintenance, repair, refurbishment and replacement of the roof shall be the responsibility of the Owner. The Neighborhood Association shall also paint, clean, repair and replace all mail boxes from time to time as determined by the Board. Nothing contained herein shall obligate the Association to make repairs or replacements of improvements damaged by fire, windstorm, hail or other casualty; such repairs or replacements shall be made by the Owner of the Lot which suffers such damage. The Board of Directors, in its discretion, may elect to have the Neighborhood Association perform all or any portion of the Owner's maintenance obligations for purposes of achieving an economy of scale or providing for uniform appearance.

(b) **Owner's Responsibility.** Except for those items described herein which are the Neighborhood Association's responsibility, each and every Owner shall maintain all structures and other improvements on the Owner's Lot, including but not limited to driveways, screened-in and open-air patios, pools and pool decks. The minimum (though not sole) standard for the foregoing shall be consistency with the general appearance of The Neighborhood Properties as initially constructed and otherwise improved (taking into account, however, normal weathering and fading of exterior finishes, but not to the point of unsightliness).

5.2 Lots.

(a) **Neighborhood Association's Responsibility.** The Neighborhood Association shall trim and maintain the trees, shrubbery, grass and other landscaping on each Lot, as originally installed, in an orderly and attractive manner and consistent with the general appearance of The Neighborhood Properties. The Neighborhood Association will not maintain trees, shrubbery, grass or landscaping in any areas that have been enclosed or blocked by screening. Maintenance of trees, shrubbery and plants will apply only to such landscaping originally installed and the Neighborhood Association shall not be responsible for the replacement thereof. The minimum (though not sole) standard for the foregoing shall be the general appearance of The Neighborhood Properties as initially landscaped (such standard being subject to being raised by virtue of the natural and orderly growth and maturation of applicable landscaping as properly trimmed and maintained). The Neighborhood Association, at the option of the Board of Directors, may replace trees, shrubbery, grass and other landscaping as originally installed in the event of an Act of God. Street trees as originally installed will be replaced by the Neighborhood Association, unless otherwise determined by the Board of Directors. The Neighborhood Association shall also maintain the sprinkler systems originally installed by the Declarant or a Builder, but shall have no obligation to replace any portions of the sprinkler system unless the Neighborhood Association deems it appropriate to repair or replace the same. The Neighborhood Association may elect to assess individual Lot Owners for the responsibility of maintaining landscape and sprinkler system upgrades.

(b) **Owner's Responsibility.** Except to the extent specifically assumed by the Neighborhood Association, each Owner shall be responsible for maintaining their Lot and all improvements thereto, including, but not limited to maintaining any upgrade in the landscaping or sprinkler system from the landscaping and sprinkler system as initially installed on his or her Lot in the same manner and at the same time as the Lot is maintained. With respect to Lots fronting on any roadway within The Properties, Owners shall irrigate landscaping on that portion of the area, if any, or right-of-way between the Lot boundary and the nearest pavement edge of the roadway. Owners whose Lots abut a lake, pond or lake maintenance easement shall maintain and irrigate the entire land up to the mean high water line of the lake or pond, regardless of whether a portion of the land area lies outside the boundaries of the Lot.

5.3 Remedies for Noncompliance and Assessment of Cost. In the event of the failure of an Owner to maintain his Lot and improvements thereon in accordance with this Declaration, the Neighborhood Association shall have the right, upon five (5) days prior written notice to the Owner at the address last appearing in the records of the Neighborhood Association, to enter upon the Owner's Lot and perform such work as is necessary to bring the Neighborhood Lot or improvements thereon into compliance with the standards set forth in this Declaration. Such work may include, but shall not necessarily be limited to, the cutting/trimming of grass, trees and shrubs; the removal (by spraying or otherwise) of weeds and other vegetation; the resodding or replanting of grass, trees or shrubs; the repainting or restaining of exterior surfaces of improvements on a Lot; the repair of roofs, doors, windows and other portions of improvements on a Lot; and such other remedial work as is judged necessary by the Association. The remedies provided for herein shall be cumulative with all other remedies available under this Declaration, including without limitation, the imposition of fines or special assessments or the filing of legal or equitable actions.

The cost of the maintenance performed by the Neighborhood Association shall be assessed against the Lot or Lots upon which such maintenance is performed or to be performed or, in the opinion of the Board of Directors of the Neighborhood Association, benefiting from same as an individual special assessment. As provided in Section 8.4 hereof, special assessments shall be apportioned among the Lots involved in the manner determined to be appropriate by the Board of Directors of the Neighborhood Association. If no allocation is made, the special assessment shall be uniformly assessed against all of the Lots in the affected area. Any exterior maintenance assessment shall be a lien on the Lot(s) and the personal obligation of the Owner(s) and shall become due and payable as and when determined by the Board of Directors from time to time, together with interest and fees for the cost of collection, in the same manner as is applicable to annual assessments, and shall be subordinate to mortgage liens to the extent provided by this Declaration.

In order to discourage Owners from abandoning their duties hereunder, and additionally to reimburse the Neighborhood Association for the administrative expenses incurred as a result of such abandonment, the Neighborhood Association may impose an additional charge of not more than twenty-five percent (25 %) of the cost of the applicable remedial work, such charge to be a part of the aforesaid fine or special assessment. No bids need be obtained for any of the work performed by the Neighborhood Association pursuant to this Declaration and the person(s)

or companies performing such work may be selected by the Neighborhood Association in its sole discretion.

5.4 Access. For the purpose of performing the maintenance authorized by this Declaration, the Neighborhood Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Lot(s) or the exterior of any improvements thereon at reasonable hours on any day except Sunday. In the case of emergency repairs, access will be permitted at any time with only such notice, as under the circumstances, is practically affordable.

ARTICLE 6.

THE CLUB

6.1 Rights of Access. The Declarant, each Owner, the Club Owner, the Club and its members (regardless of whether same are Owners hereunder), guests, employees, agents, contractors and invitees, and the general public if invited by the Club Owner shall at all times have a right and non-exclusive easement of access and use over all roadways located within The Properties reasonably necessary to travel from/to the entrance of The Properties from a publicly dedicated street or road to and from the Club Property (including without limitation, roadways leading to the Club's buildings and parking areas) and, further, over those portions of The Properties (whether Common Areas or Neighborhood Common Areas or otherwise) reasonably necessary for the use, operation, maintenance, repair and replacement of the Club and its facilities, including all golf cart paths within the Neighborhood Properties.

6.2 Use of Lakes and Waterways. Certain lakes, ponds, canals and the Surface Water Management System, within The Neighborhood Properties may be Neighborhood Common Properties. Notwithstanding such ownership, the Club Owner shall have the right to use and direct the water in all lakes, ponds, canals and the Surface Water Management System, in unlimited quantities, for the purpose of irrigation, watering and maintenance of the Club Property, subject to applicable laws and regulations. The Club Property shall have first priority for irrigation if there is insufficient water for irrigation needs.

6.3 Limitations on Amendments. In recognition of the fact that the provisions of this Article and Sections 4.11 and 4.12 are for the benefit of the Club, no amendment to this Article 6 or to Sections 4.11 or 4.12 above, and no amendment in derogation thereof to any other provisions of this Declaration, may be made without the written approval thereof by the Club Owner. The foregoing shall also apply to any other provisions of this Declaration which are, in the sole discretion of the Club Owner, for the benefit of the Club. The foregoing shall not apply, however, to amendments made by the Declarant.

ARTICLE 7.

CERTAIN USE RESTRICTIONS

7.1 Applicability. The provisions of this Article 7 shall be applicable to all of The Neighborhood Properties, but shall not be applicable to Declarant or any of its designees or Club Owner, the Club Property, or other property or Lots owned by Declarant, or their designees, nor shall this Article 7 shall be applicable to any Builders or Lots owned by a Builder.

7.2 Visibility at Intersections. No obstruction to visibility at street intersections or Neighborhood Common Property intersections shall be permitted; provided that the Master Association and/or Neighborhood Association shall not be liable in any manner to any person or entity, including Owners and Members Permittees, for any damages, injuries or deaths arising from any violation of this Section.

7.3 Parking on Neighborhood Common Properties. No vehicles of any type shall be parked on any portion of the Neighborhood Common Properties (including roadways) except to the extent, if at all, a portion(s) of the Neighborhood Common Properties is specifically designated for such purposes. No repair work on vehicles, except emergency repair services such as changing a flat tire, shall be permitted on the Neighborhood Common Properties.

7.4 Variances. The Board of Directors of the Neighborhood Association and the Declarant shall have the right and power to grant variances from the provisions of this Article 7 and from the Neighborhood Association's rules and regulations for good cause shown, as determined in the reasonable discretion of the Board. No variance granted as aforesaid shall alter, waive or impair the operation or effect of the provisions of this Article 7 in any instance in which such variance is not granted.

7.5 Declarant and Club Owner Exemption. In order that the development of The Properties may be undertaken and The Properties established as a fully occupied community, no Owner, nor the Neighborhood Association shall do anything to interfere with Declarant's or Club Owner's activities. Without limiting the generality of the foregoing, nothing in this Declaration shall be understood or construed to:

(a) Prevent Declarant, or its successors or assigns from filing Supplemental Declarations which modify or amend this Declaration, or which add or withdraw additional property as otherwise provided in this Declaration; or

(b) Prevent Declarant from modifying, changing, re-configuring, removing or otherwise altering any improvements located on the Neighborhood Common Properties.

In general, the Declarant and Club Owner shall be exempt from all restrictions set forth in this Declaration to the extent such restrictions interfere in any matter with Declarant's or Club Owner's plans for construction, development, use, sale or other disposition of The Properties, or any part thereof.

ARTICLE 8.

COVENANT FOR MAINTENANCE ASSESSMENTS

8.1 Creation of the Lien and Personal Obligation for Assessments. Except as provided elsewhere herein, Declarant (and each party joining in any supplemental declaration), for all Lots now or hereafter located within The Neighborhood Properties, hereby covenants and agrees, and each Owner of any Lot by acceptance of a deed therefor or other conveyance thereof, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Neighborhood Association annual assessments and charges for the operation of, and for payment of expenses allocated or assessed to or through the Master Association, of and for the maintenance, management, operation and insurance of, and repair and replacement of, the Neighborhood Common Properties and costs of the Neighborhood Association and any applicable Community Systems as provided elsewhere herein, including such reasonable reserves as the Neighborhood Association may deem necessary, capital improvement assessments, as provided in Section 8.5 hereof, special assessments as provided in Section 8.4 hereof and all other charges and assessments hereinafter referred to or lawfully imposed by or on the Neighborhood Association, all such assessments to be fixed, established and collected from time to time as herein provided. In addition, special assessments may be levied against particular Owners and Lots for fines, expenses incurred against particular Lots and/or Owners to the exclusion of others and other charges against specific Lots or Owners as contemplated in this Declaration. The annual, special and other assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who is the Owner of such property at the time when the assessment fell due and all subsequent Owners until paid, except as provided in Section 8.9 below. Reference herein to assessments shall be understood to include reference to any and all of said charges whether or not specifically mentioned. In addition, as provided in the Master Declaration, the Neighborhood Association may collect all assessments due from Owners to the Master Association.

8.2 Rates of Assessments. Regular annual assessments shall be made against each Lot equally. The amount attributable to each Lot shall be determined by the Board of Directors by multiplying the budget for the Neighborhood Association times a fraction, the numerator of which is one (1), and the denominator of which is the number of Lots; which number may change from time to time if Declarant increases or decreases the number of Lots within The Neighborhood Properties. The Board of Directors shall budget and adopt assessments for the Neighborhood Association's general expenses and for those expense items associated with any Neighborhood Limited Common Properties (which may be declared hereby or in any Supplemental Declaration by the Declarant alone, and, notwithstanding anything to the contrary contained in this Declaration, the expenses attributable to Neighborhood Limited Common Properties shall be borne solely by those persons entitled to use of the Neighborhood Limited Common Properties, unless otherwise provided herein or in such Supplemental Declaration).

Special assessments may be levied against particular Lots as provided in Section 8.4. Notwithstanding anything to the contrary contained in this Section 8.2, so long as Declarant is the Class B Member of the Neighborhood Association, assessments against Lots owned by Owners other than Declarant shall not be based upon a strict formula but shall be based upon approximately what the assessments will be upon build-out of The Neighborhood Properties, so that such assessments shall be a realistic estimate of the assessments upon build-out The Neighborhood Properties.

8.3 Purpose of Assessments. The regular assessments levied by the Master Association shall be used for the purposes expressed in Section 8.1 above and for such other purposes as the Neighborhood Association shall have within its powers and from time to time elect to undertake.

8.4 Special Assessments. In addition to the regular and capital improvement assessments which are or may be levied hereunder, the Neighborhood Association (through the Board of Directors) shall have the right to levy special assessments against an Owner(s) to the exclusion of other Owners (a) for the repair or replacement of damage to any portion of the Neighborhood Common Properties (including, without limitation, improvements and landscaping thereon) caused by the misuse, negligence or other action or inaction of an Owner or his Member's Permittee(s), (b) for the costs of work performed by the Neighborhood Association in accordance with Article 5 of this Declaration (together with any surcharges collectible thereunder), (c) to obtain funds for a specific purpose(s) which is of a non-recurring nature, for which no reserve funds (or inadequate reserve funds) have been collected or allocated, and which is not the appropriate subject of a capital improvement assessment, including, without limitation, unanticipated costs or expenses or (d) for the maintenance, management, operation and insurance of and repair or replacement of Neighborhood Limited Common Elements. Any such special assessment shall be subject to all of the applicable provisions of this Article including, without limitation, lien filing and foreclosure procedures and late charges and interest. Any special assessment levied hereunder shall be due within the time specified by the Board of Directors in the action imposing such assessment or may be of an ongoing nature, as provided in Article 5 hereof.

8.5 Capital Improvements. Funds which, in the aggregate, exceed the lesser of \$50,000.00 or 10% of the total amount of the current operating budget of the Neighborhood Association in any one fiscal year which are necessary for the addition of capital improvements (as distinguished from repairs and maintenance, including repairs and replacement per Article 11 hereof) relating to the Neighborhood Common Properties and which have not previously been collected as reserves or are not otherwise available to the Neighborhood Association (other than by borrowing) shall be levied by the Neighborhood Association as assessments only upon approval of a majority of the Board of Directors of the Neighborhood Association and upon approval by two-thirds (2/3) favorable vote of all of the votes of all of the Members of the Neighborhood Association. The costs of any of the aforesaid work which are less than the above-specified threshold amount shall be collected as general or special assessments upon approval of a majority of the Board of Directors.

8.6 Date of Commencement of Annual Assessments; Due Dates. The annual regular assessments provided for in this Article shall commence on the first day of the month next following the conveyance of the first Lot by Declarant to an unrelated party and shall be applicable through December 31 of such year. Each subsequent annual assessment shall be imposed for the year beginning January 1 and ending December 31. The annual assessments shall be payable in advance in monthly installments, or in annual, semi-annual or quarter-annual installments if so determined by the Board of Directors of the Neighborhood Association (absent which determination they shall be payable monthly). The assessment amount (and applicable installments) may be changed at any time by said Board from that originally stipulated or from any other assessment that is in the future adopted. The original assessment for any year shall be levied for the calendar year (to be reconsidered and amended, if necessary, at any appropriate time during the year), but the amount of any revised assessment to be levied during any period shorter than a full calendar year shall be in proportion to the number of months (or other appropriate installments) remaining in such calendar year. The due date of any special assessment or capital improvement assessment shall be fixed in the Board resolution authorizing such assessment. In addition, each Owner of a Lot (other than Declarant or a Builder) shall pay a capital contribution equal to two (2) months' regular assessment upon the initial conveyance of a Lot from Declarant or a Builder to an Owner, which shall be included in the income of the Association.

8.7 Duties of the Board of Directors. The Board of Directors of the Neighborhood Association shall fix the date of commencement and the amount of the assessment against the Lots for each assessment period, to the extent practicable, at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Neighborhood Association and shall be open to inspection by any Owner. Written notice of the assessment shall thereupon be sent to every Owner subject thereto. In the event no such notice of the assessments for a new assessment period is given, the amount payable shall continue to be the same as the amount payable for the previous period, until changed in the manner provided for herein. The Neighborhood 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 persons, firms or corporations (including affiliates of Declarant) for management services, including the administration of budgets and assessments as herein provided. The Neighborhood Association shall have all other powers provided in its Articles of Incorporation and By-Laws.

8.8 Effect of Non-Payment of Assessment; the Personal Obligation; the Lien; Remedies of the Neighborhood Association. If the assessments (or installments) provided for herein are not paid on the date(s) when due (being the date(s) specified herein or pursuant hereto), then such assessments (or installments) shall become delinquent and shall, together with late charges, interest and the cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot which shall encumber such property in the hands of the then Owner, his heirs, personal representatives, successors and assigns. Except as provided in Section 8.9 to the contrary, the personal obligation of an Owner to pay such assessment shall pass to his successors in title and recourse may be had against either or both. If any installment of an assessment is not paid within fifteen (15) days after the due date, at the option of the

Neighborhood Association, a late charge not greater than the amount of such unpaid installment may be imposed (provided that only one late charge may be imposed on any one unpaid installment and if such installment is not paid thereafter, it and the late charge shall accrue interest as provided herein but shall not be subject to additional late charges; provided further, however, that each other installment thereafter coming due shall be subject to one late charge each as aforesaid) or the next twelve (12) months' worth of installments may be accelerated and become immediately due and payable in full and all such sums shall bear interest from the dates when due until paid at the highest lawful rate and the Neighborhood Association may bring an action at law against the Owner(s) personally obligated to pay the same, may record a claim of lien (as evidence of its lien rights as hereinabove provided for) against the Lot on which the assessments and late charges are unpaid, may foreclose the lien against the Lot on which the assessments and late charges are unpaid, or may pursue one or more of such remedies at the same time or successively, and attorneys' fees and costs actually incurred in preparing and filing the claim of lien and the complaint, if any, and prosecuting same, in such action shall be added to the amount of such assessments, late charges and interest secured by the lien, and in the event a judgment is obtained, such judgment shall include all such sums as above provided and attorneys' fees actually incurred together with the costs of the action, through all applicable appellate and bankruptcy levels. In the case of an acceleration of the next twelve (12) months' of installments, each installment so accelerated shall be deemed, initially, equal to the amount of the then most current delinquent installment, provided that if any such installment so accelerated would have been greater in amount by reason of a subsequent increase in the applicable budget, the Owner of the Lot whose installments were so accelerated shall continue to be liable for the balance due by reason of such increase and special assessments against such Lot shall be levied by the Neighborhood Association for such purpose. In addition to the rights of collection of assessments stated in this Section 8.8, any and all persons acquiring title to or an interest in a Lot as to which the assessment is delinquent, including without limitation persons acquiring title by operation of law and by judicial sales, shall not be entitled to the occupancy of such Lot or the enjoyment of the Neighborhood Common Properties until such time as all unpaid and delinquent assessments due and owing from the selling Owner have been fully paid; provided, however, that the provisions of this sentence shall not be applicable to the mortgagees and purchasers contemplated by Section 8.9 below. All assessments, late charges, interest, penalties, fines, attorney's fees and other sums provided for herein shall accrue to the benefit of the Neighborhood Association. In addition to other remedies, the Neighborhood Association voting rights of any Owner whose regular annual assessments are past due for a period in excess of ninety (90) days shall be suspended.

If delegated to the Neighborhood Association by the Master Association, it shall be the legal duty and responsibility of the Neighborhood Association to enforce payment of the assessments of the Master Association.

The Neighborhood Association shall have such other remedies for collection and enforcement of assessments as may be permitted by applicable law. All remedies are intended to be, and shall be, cumulative.

8.9 Subordination of the Lien. The lien of the assessments provided for in this Article 8 shall be subordinate to real property tax liens and the lien of any bona fide first mortgage for value; provided, however, that any such mortgage lender when in possession or any receiver, and in the event of a foreclosure, any purchaser at a foreclosure sale, and any such mortgage lender acquiring a deed in lieu of foreclosure, and all persons claiming by, through or under such purchaser or mortgage lender, shall hold title subject to the liability and lien of any assessment coming due after such foreclosure (or conveyance in lieu of foreclosure). Any unpaid assessment which cannot be collected as a lien against any Lot by reason of the provisions of this Section shall be deemed to be an assessment divided equally among, payable by and a lien against all Lots subject to assessment by the Neighborhood Association, including the Lots as to which the foreclosure (or conveyance in lieu of foreclosure) took place.

8.10 Declarant's Assessments. Notwithstanding anything herein to the contrary, (including, without limitation, Section 8.2 of this Declaration). Declarant shall have the option, in its sole discretion, to (i) pay assessments on the Lots owned by it, or (ii) not pay assessments on any Lots and in lieu thereof fund any resulting deficit in the Neighborhood Association's operating expenses not produced by assessments receivable from Owners other than Declarant and any other income receivable by the Neighborhood Association. The deficit to be paid under option (ii), above, shall be the difference between (a) actual operating expenses of the Neighborhood Association (exclusive of capital improvement costs and reserves) and (b) the sum of all monies receivable by the Neighborhood Association (including, without limitation, assessments, interest, late charges, fines and incidental income) and any surplus carried forward from the preceding year(s). Declarant may from time to time change the option under which Declarant is making payments to the Neighborhood Association by written notice to such effect to the Neighborhood Association. When all Lots within The Neighborhood Properties are sold and conveyed to purchasers, neither Declarant or its affiliates shall have further liability of any kind to the Neighborhood Association for the payment of assessments, deficits or contributions. Notwithstanding anything to the contrary contained in this Declaration, Declarant intends not to include any reserves in the budget of the Neighborhood Association during the time Declarant is entitled to elect the majority of the members of the Board of Directors of the Neighborhood Association.

8.11 Neighborhood Association Funds. The portion of all regular assessments collected by the Neighborhood Association for reserves for future expenses, and the entire amount of all special and capital assessments, shall be held by the Neighborhood Association and may be invested in interest bearing accounts or in certificates of deposit or other like instruments or accounts available at banks or savings and loan institutions, the deposits of which institution are insured by an agency of the United States.

ARTICLE 9.

MASTER ASSOCIATION AND NEIGHBORHOOD ASSOCIATION

9.1 Architectural Control, Maintenance and Use Restrictions. As provided in the Master Declaration, the Master Association may delegate to the Neighborhood Association all or

any part of all architectural control and use restrictions in the Master Declaration, on an exclusive or non-exclusive basis, upon written notice recorded in the Public Records of the County. As long as the Master Association performs architectural control functions, the Neighborhood Association shall not do so unless such functions are specifically delegated to it by the Master Association.

9.2 Collection of Assessments. The Master Association shall have the option to collect its assessments directly from the Lot Owners, or such collection process may be delegated to the Neighborhood Association.

9.3 Delegation of Other Duties. The Master Association shall have the right to delegate to the Neighborhood Association, on an exclusive or non-exclusive basis, such duties not specifically described in this Section as the Master Association shall deem appropriate, provided that such duties have a reasonable relationship (by virtue of function or location) to the Neighborhood Association. Such delegation shall be made by written notice to the Neighborhood Association, which shall be effective no earlier than thirty (30) days from the date it is given. Any delegation made pursuant hereto may be modified or revoked by the Master Association at any time.

9.4 Acceptance of Delegated Duties. Whenever the Master Association delegates any duty to the Neighborhood Association, the Neighborhood Association shall be deemed to have automatically accepted same and to have agreed to indemnify, defend and hold harmless the Master Association for all liabilities, losses, damages and expenses (including attorneys' fees actually incurred and court costs, through all appellate levels) arising from or connected with the Neighborhood Association's performance, non-performance or negligent performance thereof. The Neighborhood Association shall be responsible to the Master Association for maintaining adequate liability and other insurance covering injuries, deaths, losses or damages arising from or connected with the Neighborhood Association's performance or nonperformance of its duties hereunder.

9.5 Expense Allocations. The Master Association may, by written notice given to the Neighborhood Association at least sixty (60) days prior to the end of the Neighborhood Association's fiscal year, allocate and assess to the Neighborhood Association a share of the expenses incurred by the Master Association which are reasonably allocable to the Neighborhood Association and/or the portion of The Properties within its jurisdiction (e.g., for utilities which are billed to the Master Association, but serve in certain instances, only the Neighborhood Association, and street lighting systems and maintenance of roadways within the Neighborhood Properties). In such event, the expenses so allocated shall thereafter be deemed common expenses of the Neighborhood Association payable by it (with assessments collected from its members) to the Master Association.

In the event of a failure of the Neighborhood Association to budget or assess its members for expenses allocated as aforesaid, the Master Association shall be entitled to pursue all available legal and equitable remedies against the Neighborhood Association or, without waiving its right to the foregoing, specially assess the members of the Neighborhood Association and

their Lots for the sums due (such special assessments, as all others, to be secured by the lien provided for in this Declaration).

9.6 Non-Performance of Neighborhood Association Duties. In addition to the specific rights of the Master Association provided in Section 9.5 above, of this Declaration, in the event that the Neighborhood Association fails to perform any duties delegated to, or required of, it under this Declaration or to otherwise be performed by it pursuant to this Declaration, the Articles of Incorporation, By-Laws or related documents, which failure continues for a period in excess of thirty (30) days after the Master Association's giving notice thereof, then the Master Association may, but shall not be required to, assume such duties. In such event, the Neighborhood Association shall not perform such duties unless and until such time as the Master Association directs it to once again do so.

9.7 Conflict. In the event of conflict between this Article 9, as amended from time to time, and any of the other covenants, restrictions or provisions of this Declaration or the Articles of Incorporation, By-Laws or rules and regulations of the Neighborhood Association all as amended from time to time, the provisions of this Article shall supersede and control.

ARTICLE 10.

RULES; ENFORCEMENT

10.1 Compliance by Owners. Every Owner of a Lot and his Member's Permittees shall comply with the restrictions and covenants set forth herein. In addition, the Neighborhood Association may, from time to time, adopt rules and regulations, with the prior written consent of Declarant (so long as the Declarant owns any portion of The Properties), the Master Association and the Club Owner, and each Owner of a Lot shall comply with such rules and regulations.

10.2 Enforcement. Failure of an Owner of a Lot or his Member's Permittee to comply with such restrictions, covenants or rules and regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. The Neighborhood Association shall have the right to suspend the rights of use of Neighborhood Common Properties (except for legal access over roadways, driveways and golf cart paths) of defaulting Owners. The offending Owner of a Lot shall be responsible for all costs of enforcement including attorneys' fees actually incurred and court costs.

10.3 Fines. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of the Board of Directors of the Neighborhood Association, a fine or fines may be imposed upon an Owner of a Lot for failure of such Owner or his Member's Permittees to comply with any covenant, restriction, rule or regulation, provided the following procedures are adhered to:

(a) Notice: The Neighborhood Association shall notify the Owner of the Lot the alleged infraction or infractions. Included in the notice shall be the date and time of a

meeting of a committee of at least three (3) members appointed by the Board of Directors who are not officers, directors, or employees of the Neighborhood Association, or the spouse, parent, child, brother, or sister of an officer, director or employee, at which time the Owner shall present reasons why a fine(s) should not be imposed. At least fourteen (14) days' prior notice of such meeting shall be given.

(b) Hearing: The alleged non-compliance shall be presented to such committee after which such committee shall hear reasons why a fine(s) should not be imposed. A written decision of such committee shall be submitted to the Owner of a Lot by not later than twenty-one (21) days after the committee's meeting. The Owner of a Lot shall have the right to be heard at such hearing.

(c) Amounts: The committee may impose special assessments against the Lot owned by the Owner of a Lot of a fine not in excess of One Hundred Fifty Dollars (\$150.00) per violation if a majority of the committee votes in favor of such fine, and a fine may be issued on each day of a continuing violation, except that no such fine shall exceed One Thousand Dollars (\$1,000.00) in the aggregate.

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

(e) Collection of Fines: Fines shall be treated as an assessment subject to the provisions for the collection of assessments in Article 8 hereof, and the lien securing same, as set forth herein.

(f) Application of Proceeds: All monies received from fines shall be allocated as directed by the Board of Directors.

(g) Non-exclusive Remedy: These fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Neighborhood Association may be otherwise legally entitled; provided, however, any penalty paid by the offending Owner of a Lot shall be deducted from or offset against any damages which the Neighborhood Association may otherwise be entitled to recover by law from such Owner of a Lot.

ARTICLE 11.

DAMAGE OR DESTRUCTION TO NEIGHBORHOOD COMMON PROPERTIES

11.1 Damage or Destruction. Damage to or destruction of all or any portion of the Neighborhood Common Properties shall be addressed in the following manner, notwithstanding any provision in this Declaration to the contrary:

(a) In the event of damage to or destruction of the Neighborhood Common Properties, if the insurance proceeds are sufficient to effect total restoration, then the

Neighborhood Association shall cause such portions of the Neighborhood Common Properties to be repaired and reconstructed substantially as it previously existed.

(b) If the insurance proceeds are within One Hundred Thousand Dollars (\$100,000.00) or less of being sufficient to effect total restoration of the Neighborhood Common Properties, then the Neighborhood Association shall cause such portions of the Neighborhood Common Properties to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a capital special (and not capital improvement) assessment against each of the Owners in certain shares in accordance with the provisions of Article 8 of this Declaration.

(c) If the insurance proceeds are insufficient by more than One Hundred Thousand Dollars (\$100,000.00) to effect total restoration of the Neighborhood Common Properties, then by written consent or vote of a majority of the total number of votes of all of the Members, they shall determine, subject to Article 13 hereof, whether (1) to rebuild and restore the Neighborhood Common Properties in substantially the same manner as they existed prior to damage and to raise the necessary funds over the insurance proceeds by levying capital improvement assessments against all Members, (2) to rebuild and restore in a way which is less expensive than replacing the Neighborhood Common Properties in substantially the same manner as they existed prior to being damaged, or (3) subject to the approval of the Board, to not rebuild and to retain the available insurance proceeds. Notwithstanding the above, roadways within the Neighborhood Common Properties shall always be rebuilt in substantially the same manner they existed prior to the damage.

(d) Each Member shall be liable to the Neighborhood Association for any damage to the Neighborhood Common Properties not fully covered by collected insurance which may be sustained by reason of the negligence or willful misconduct of any Member or his Member's Permittees. Notwithstanding the foregoing, the Neighborhood Association reserves the right to charge such Member an assessment equal to the increase, if any, in the insurance premium directly attributable to the damage caused by such Member. In the case of joint ownership of a Lot, the liability of such Member shall be joint and several. The cost of correcting such damage shall be an assessment against the Member and may be collected as provided herein for the collection of assessments.

ARTICLE 12.

INSURANCE

12.1 Neighborhood Common Properties. The Neighborhood Association shall keep all improvements, facilities and fixtures located within the Neighborhood Common Properties insured against loss or damage by fire or other casualty for the full insurable replacement value thereof (with reasonable deductibles and normal exclusions for land, foundations, excavation

costs and similar matters), and may obtain insurance against such other hazards and casualties as the Neighborhood Association may deem desirable. The Neighborhood Association may also insure any other property, whether real or personal, owned by the Neighborhood Association, against loss or damage by fire and such other hazards as the Neighborhood Association may deem desirable, with the Neighborhood Association as the owner and beneficiary of such insurance for and on behalf of itself and all Members. The insurance coverage with respect to the Neighborhood Common Properties shall be written in the name of, and the proceeds thereof shall be payable to, the Neighborhood Association. Insurance proceeds shall be used by the Neighborhood Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Neighborhood Association are common expenses included in the assessments made by the Neighborhood Association.

To the extent obtainable at reasonable rates, the insurance policy(ies) maintained by the Neighborhood Association shall contain provisions, or be accompanied by endorsements, for: agreed amount and inflation guard, demolition costs, contingent liability from operation of building laws and increased costs of construction.

All insurance policies shall contain standard mortgagee clauses, if applicable.

The Neighborhood Association shall also maintain flood insurance on the insurable improvements on the Neighborhood Common Properties in an amount equal to the lesser of 100% of the replacement costs of all insurable improvements (if any) within the Neighborhood Common Properties or the maximum amount of coverage available under the National Flood Insurance Program, in either case if the insured improvements are located within an "A" flood zone.

12.2 Replacement or Repair of Property. In the event of damage to or destruction of any portion of the Neighborhood Common Properties, the Neighborhood Association shall repair or replace the same from the insurance proceeds available, subject to the provisions of Article 11 of this Declaration.

12.3 Waiver of Subrogation. As to each policy of insurance maintained by the Neighborhood Association which will not be voided or impaired thereby, the Neighborhood Association hereby waives and releases all claims against the Board, the Members, Declarant and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

12.4 Liability and Other Insurance. The Neighborhood Association shall have the power to and shall obtain comprehensive public liability insurance, including medical payments and malicious mischief, with coverage of at least \$1,000,000 (if available at reasonable rates and upon reasonable terms) for any single occurrence, insuring against liability for bodily injury, death and property damage arising from the activities of the Neighborhood Association or with respect to property under its jurisdiction, including, if obtainable, a cross liability endorsement insuring each Member against liability to each other Member and to the Neighborhood

Association and vice versa and coverage for legal liability resulting from lawsuits related to employment contracts shall also be maintained. The Neighborhood Association may also obtain Worker's Compensation insurance and other liability insurance as it may deem desirable, insuring each Member and the Neighborhood Association and its Board of Directors and officers, from liability in connection with the Neighborhood Properties, the premiums for which shall be Common Expenses and included in the assessments made against the Owners of Lots. The Neighborhood Association may also obtain such other insurance as the Board deems appropriate. All insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion. The Board may also obtain such errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board or any management company engaged by the Neighborhood Association against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board or any committee thereof. At a minimum, however, there shall be blanket fidelity bonding of anyone (compensated or not) who handles or is responsible for funds held or administered by the Neighborhood Association, with the Neighborhood Association to be an obligee thereunder. Such bonding shall cover the maximum funds to be in the hands of the Neighborhood Association or management company during the time the bond is in force.

12.5 "Blanket" Insurance. The requirements of this Article may be met by way of the Neighborhood Association being an insured party under any coverage carried by the Declarant or under coverage obtained by the Neighborhood Association as long as such coverage is in accordance with the amounts and other standards stated in this Article.

ARTICLE 13.

MORTGAGEE PROTECTION

13.1 Mortgagee Protection. To the extent these added provisions conflict with any other provisions of the Declaration, these added provisions shall control:

(a) The Neighborhood Association shall be required to make available to all Owners and Mortgagees, and to insurers and guarantors of any first Mortgage, for inspection, upon request, during normal business hours or under other reasonable circumstances, current copies of this Declaration (with all amendments) and the Articles, By-Laws and rules and regulations, if any, and the books and records of the Neighborhood Association. Furthermore, such persons shall be entitled, upon written request, to (i) receive a copy of the Neighborhood Association's financial statements for the immediately preceding fiscal year, (ii) receive notices of and attend the Neighborhood Association meetings, (iii) receive notice from the Neighborhood Association of an alleged default by an Owner in the performance of such Owner's obligations under this Declaration, the Articles of Incorporation or the By-Laws of the Neighborhood Association, which default is not cured within thirty (30) days after the Neighborhood Association learns of such default, and (iv) receive notice of any substantial damage or loss to The Neighborhood Properties.

(b) Any holder, insurer or guarantor of a Mortgage on a Unit shall have, if first requested in writing, the right to timely written notice of (i) any condemnation or casualty loss affecting a material portion of the Neighborhood Common Properties, (ii) a sixty (60) day delinquency in the payment of the Assessments on a mortgaged Lot, (iii) the occurrence of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Neighborhood Association, and (iv) any proposed action which requires the consent of a specified number of Mortgage holders.

(c) Any holder, insurer or guarantor of a Mortgage on a Unit on a Lot shall have the right to pay, singly or jointly, taxes or other charges that are delinquent and have resulted or may result in a lien against any portion of the Neighborhood Common Properties and receive immediate reimbursement from the Neighborhood Association.

(d) Any holder, insurer or guarantor of a Mortgage on a Unit on a Neighborhood Lot shall have the right to pay, singly or jointly, any overdue premiums on any hazard insurance policy covering the Neighborhood Common Properties or obtain, singly or jointly, new hazard insurance coverage on the Neighborhood Common Properties upon the lapse of a policy and, in either case, receive immediate reimbursement from the Neighborhood Association.

(e) The Neighborhood Association may charge reasonable fees for copies and other services provided pursuant to this Article 13.

ARTICLE 14.

ENCROACHMENTS; EASEMENTS

14.1 Encroachment. If (a) any portion of the Neighborhood Common Properties (or improvements constructed thereon) encroaches upon any other portion of a Lot or upon any Unit; (b) any portion of a Lot (or improvements constructed thereon) encroaches upon the Neighborhood Common Properties; or (c) any encroachment shall hereafter occur as the result of (i) construction of any improvement; (ii) settling or shifting of a any improvement; (iii) any alteration or repair to the Neighborhood Common Properties (or improvements thereon) after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any improvement or portion of the Neighborhood Common Properties, then, in any such event, a valid easement is granted and shall exist for such encroachment and for the maintenance of the same so long as the structure causing said encroachment shall stand.

14.2 Pipes, Wires, Ducts, Cables, Conduits, Public Utility Lines, Etc. Each portion of The Neighborhood Properties shall have an easement in common with all other portions thereof to use, maintain, repair, alter and replace all pipes, wires, ducts, vents, cables, conduits, utility lines, and similar or related facilities now or hereafter located in The Neighborhood Properties. Each portion of The Neighborhood Properties shall be subject to an easement in favor of all other portions thereof to use, maintain, repair, alter and replace the pipes, wires, ducts, vents, cables,

conduits, utility lines and other similar or related facilities now or hereafter located in such portion of The Neighborhood Properties and serving other portions thereof.

14.3 Easements of Support. Whenever any structure included in the Neighborhood Common Properties adjoins any structure included in any other portion of The Properties, each said structure shall have and be subject to an easement of support and necessity in favor of the other structure.

14.4 Construction and Sales. The Declarant (and its agents, employees, contractors, subcontractors and suppliers) shall have an easement of ingress and egress over and across the Neighborhood Common Properties for construction purposes and to erect, maintain, repair and replace, from time to time, one or more signs on the Neighborhood Common Properties for the purposes of advertising the sale or lease of Units.

ARTICLE 15.

PROVISOS AS TO BUILDERS

15.1 Preamble. In light of the benefits accruing to the Declarant, Owners and the Master Association by virtue of the orderly and efficient development of The Properties not only by Declarant but also by independent Builders, this Article has been adopted to further such benefits as well as to cause this Declaration to accurately and reasonably reflect the operations and needs of Builders.

15.2 Voting and Assessments. All Builders shall be Class A Members of the Neighborhood Association and shall have all rights, benefits, duties and obligations pertaining to such class of membership. A Builder shall have one (1) vote for each Lot owned by it and shall pay the same rate of assessment on each such Lot as would any other Class A Member. However, notwithstanding anything to the contrary contained in this Declaration, Builders shall not pay any Neighborhood Association assessments related to cable television or security system monitoring, unless a certificate of occupancy has been issued for the Unit on a Lot owned by a Builder and such Unit is using such services.

15.3 Use Restrictions. No Builder shall be deemed to be in violation of any of the other restrictions or requirements of Article 7 of this Declaration by virtue of any activities which are normally and customarily associated with the construction and marketing of Units (or the development of land therefore) of the number, nature and type being constructed/developed by the Builder, including, without limitation, the construction and operation of a temporary sales office and/or model homes and the erection of signage. Notwithstanding the foregoing, no Builder may make any installations which, once installed, would constitute a violation of Article 7 of this Declaration. By way of example only, the privileges granted to Builders hereunder may not extend to permit the installation of prohibited gas tanks, obstructions of visibility at intersections, window-mounted air conditioning units, or artificial vegetation.

ARTICLE 16.

SPECIAL COVENANTS

16.1 Special Covenants. Articles 5, 6, 17 and other provisions of the Master Declaration grants certain easements over the "Common Properties", as such term is defined in the Master Declaration. All such easements granted shall be deemed to be easements granted over and encumbering the Neighborhood Common Properties and Neighborhood Limited Common Properties, as well as the "Common Properties".

ARTICLE 17.

GENERAL PROVISIONS

17.1 Duration. The covenants and restrictions of this Declaration shall run with and bind The Neighborhood Properties, and shall inure to the benefit of and be enforceable by the Neighborhood Association, Declarant (at all times) and the owner of any land subject to this Declaration, and their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) 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 75% of all the Lots subject hereto and of 100% of the mortgagees thereof has been recorded, agreeing to revoke said covenants and restrictions; provided, however, that no such agreement to revoke shall be effective unless made and recorded three (3) years in advance of the effective date of such revocation, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any signatures being obtained. In the event of revocation, all owners of Master Lots and all owners of other land within The Properties and the Club Owner shall continue to have the benefit of all easements granted herein (including, without limitation, an easement of pedestrian and vehicular ingress and egress to their property).

17.2 Notice. Any notice required to be sent to any Member or Owner of a Lot under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner of a Lot on the records of the Neighborhood Association at the time of such mailing.

17.3 Enforcement. Without limiting the generality of Article 10, enforcement of these covenants and restrictions shall be accomplished 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 Lots to enforce any lien created by these covenants; and failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

17.4 Interpretation. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions and interpretation or construction. Unless the context requires a contrary construction, the singular

shall include the plural and the plural the singular, and the masculine, feminine and neuter genders shall each include the others.

17.5 Severability. Invalidation of any one of these covenants or restrictions or any part, clause or word hereof, or the application thereof in specific circumstances, by judgment or court order shall not affect any other provisions or applications in other circumstances, all of which shall remain in full force and effect.

17.6 Effective Date. This Declaration shall become effective upon its recordation in the Public Records of the County.

17.7 Amendment. In addition, but subject, to any other manner herein provided for the amendment of this Declaration, any provision of this Declaration, and of the Articles and By-Laws may be amended, changed or added to at any time and from time to time upon the execution and recordation of an instrument executed solely by Declarant, for so long as it or its affiliate holds title to any Lot or Unit or any of The Neighborhood Properties and prior to the time Members other than the Developer are entitled to elect the majority of the members of the Board of the Neighborhood Association as described in Section 617.307, Florida Statutes; or alternatively, this Declaration may be amended by an instrument signed by the President of the Neighborhood Association, attested to by its Secretary and certifying that the amendment set forth in the instrument was adopted by a vote of at least 66-2/3% of the total number of votes of all Members of the Neighborhood Association represented at a duly called meeting thereof at which a quorum is present, provided that so long as Declarant or its affiliates is the Owner of any Lot or any of The Neighborhood Properties affected by this Declaration, Declarant's consent must be obtained if such amendment, in the sole opinion of Declarant, affects its interest or affects the Broker (as defined below). Furthermore, Club Owner's consent must be obtained if such amendment, in the sole opinion of Club Owner, affects its interest.

17.8 Conflict. This Declaration shall take precedence over conflicting provisions in the Articles of Incorporation and By-Laws of the Neighborhood Association and said Articles shall take precedence over the By-Laws.

17.9 Standards for Consent, Approval and Other Actions. Whenever this Declaration shall require the consent, approval, completion, substantial completion, or other action by the Declarant or its affiliates, the Neighborhood Association, or the Club Owner, such consent, approval or action may be withheld in the sole and unfettered discretion of the party requested to give such consent or approval or take such action, and all matters required to be completed or substantially completed by the Declarant or its affiliates or the Neighborhood Association shall be deemed so completed or substantially completed when such matters have been completed or substantially completed in the reasonable opinion of the Declarant or Neighborhood Association, as appropriate.

17.10 Easements. Should the intended creation of any easement provided for in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not

to have been so created shall nevertheless be considered as having been granted directly to the Neighborhood Association as agent for such intended grantees for the purpose of allowing the original party or parties to whom the easements were originally intended to have been granted the benefit of such easement and the Owners designate hereby the Declarant and the Neighborhood Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such Owners' behalf as may hereafter be required or deemed necessary for the purpose of later creating such easement as it was intended to have been created herein. Formal language of grant or reservation with respect to such easements, as appropriate, is hereby incorporated in the easement provisions hereof to the extent not so recited in some or all of such provisions.

17.11 No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Neighborhood Common Properties to the public, or for any public use.

17.12 Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot and/or Unit or other property located on or within The Neighborhood Properties, shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition, lien and covenant contained herein, whether or not any reference hereto is contained in the instrument by which such person acquired an interest in such Lot, Unit or other property.

17.13 No Representations or Warranties. NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, HAVE BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE NEIGHBORHOOD COMMON PROPERTIES, THEIR PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF, EXCEPT (A) AS SPECIFICALLY AND EXPRESSLY SET FORTH IN THIS DECLARATION OR IN DOCUMENTS WHICH MAY BE FILED BY DECLARANT FROM TIME TO TIME WITH APPLICABLE REGULATORY AGENCIES, AND (B) AS OTHERWISE REQUIRED BY LAW. AS TO SUCH WARRANTIES WHICH CANNOT BE DISCLAIMED, AND TO OTHER CLAIMS, IF ANY, WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED. ALL OWNERS, BY VIRTUE OF ACCEPTANCE OF TITLE TO THEIR RESPECTIVE LOTS AND/OR UNITS (WHETHER FROM THE DECLARANT OR ANOTHER PARTY) SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ALL OF THE AFORESAID DISCLAIMED WARRANTIES AND INCIDENTAL AND CONSEQUENTIAL DAMAGES.

17.14 Covenants Running With The Land. Anything to the contrary herein notwithstanding and without limiting the generality (and subject to the limitations) of Section

17.1 hereof, it is the intention of all parties affected hereby (and their respective heirs, personal representatives, successors and assigns) that these covenants and restrictions shall run with The Neighborhood Properties and with title to The Neighborhood Properties. Without limiting the generality of Section 17.13 hereof, if any provision or application of this Declaration would prevent this Declaration from running with The Neighborhood Properties as aforesaid, such provision and/or application shall be judicially modified, if at all possible, to come as close as possible to the intent of such provision or application and then be enforced in a manner which will allow these covenants and restrictions to so run with The Neighborhood Properties; but if such provision and/or application cannot be so modified, such provision and/or application shall be unenforceable and considered null and void in order that the paramount goal of the parties (that these covenants and restrictions run with The Neighborhood Properties as aforesaid) be achieved.

17.15 Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Neighborhood Association unless approved by a vote of the Members as hereinafter provided. The Neighborhood Association shall prepare a budget of the total estimated cost of the litigation which shall be submitted to the Members for a vote along with the notice of the proposed litigation. The budget shall be based upon an estimate of the total cost of the litigation made by the attorney being retained by the Neighborhood Association for the litigation. The Neighborhood Association shall assess all Owners (other than the Declarant) by Special Assessment for the total estimated costs and fees of the proposed litigation and no funds from Common Assessments or capital contributions may be used for such purpose. Both the proposed litigation, the budget and the assessment for the litigation must be approved by a vote of the Members representing seventy-five percent (75%) of the total number of votes of all Members of the Neighborhood Association. This Section shall not apply, however, to (a) actions brought by the Neighborhood Association against parties other than the Declarant to enforce the provisions of this Neighborhood Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of Assessments as provided herein, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Neighborhood Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above. Any amendment of this Section shall also require the approval of the Declarant in writing.

ARTICLE 18.

DISCLAIMER OF LIABILITY OF NEIGHBORHOOD ASSOCIATION

18.1 Disclaimer of Liability of Neighborhood Association. NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BY-LAWS, ANY RULES OR REGULATIONS OF THE NEIGHBORHOOD ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING OR BINDING THE NEIGHBORHOOD ASSOCIATION (COLLECTIVELY, THE "ASSOCIATION DOCUMENTS"), THE NEIGHBORHOOD ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR

WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF THE NEIGHBORHOOD PROPERTIES INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

(a) IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY THE NEIGHBORHOOD ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF THE PROPERTIES HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF THE NEIGHBORHOOD PROPERTIES AND THE VALUE THEREOF;

(b) THE NEIGHBORHOOD ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN ENTITY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE UNITED STATES, THE STATE OF FLORIDA, THE COUNTY, AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTUOUS ACTIVITIES; AND

(c) ANY PROVISIONS OF THE NEIGHBORHOOD ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE NEIGHBORHOOD ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

EACH OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS LOT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE NEIGHBORHOOD PROPERTIES (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USES) SHALL BE BOUND BY THIS ARTICLE AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE NEIGHBORHOOD ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE NEIGHBORHOOD ASSOCIATION HAS BEEN DISCLAIMED IN THIS ARTICLE.

AS USED IN THIS ARTICLE, "NEIGHBORHOOD ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF THE NEIGHBORHOOD ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES), SUBCONTRACTORS, SUCCESSORS AND ASSIGNS. THE PROVISIONS OF THIS

ARTICLE SHALL ALSO INURE TO THE BENEFIT OF DECLARANT, WHICH SHALL BE FULLY PROTECTED HEREBY.

ARTICLE 19.

ADDITIONAL RIGHTS OF THE DECLARANT

19.1 General. Notwithstanding any other provision in this Declaration to the contrary, the Declarant shall have, in addition to its other rights, the rights described below in Paragraphs (a) through (f). There is hereby created and reserved a blanket easement for the Declarant and its assigns to enable each of them and (to the extent authorized in writing by Declarant) Builders to exercise those rights free of any interference by the Master Association, by the Neighborhood Association or by any Owner:

(a) The right to execute all documents and take all actions affecting any portion of The Properties owned or controlled by it which, in its sole discretion, are desirable or necessary to effectuate or facilitate the development of The Properties;

(b) The right to change zoning or density, plat, re-plat, subdivide and re-subdivide, increase or reduce any portion or portions of The Properties owned or controlled by it;

(c) The right to determine, in its sole discretion, the type of improvements, if any, to be constructed on any portion of The Properties and the Neighborhood Common Properties owned or controlled by it and the right to revise its plans concerning such improvements;

(d) The right to construct and maintain, on any portion of The Properties or the Neighborhood Common Properties owned or controlled by it, any improvements it considers desirable (which right shall include, but not be limited to, a right of ingress and egress by any and all types of vehicles and equipment to, through, over and about the Neighborhood Common Properties during whatever period of time the Declarant or a Builder is engaged in any construction or improvement work on or within The Properties as well as an easement for the parking and storage of materials, vehicles, tools, equipment and the like which are being utilized in such work), and the right to construct walks, drives, ramps and parking facilities and as a continuance of similar improvements located on portions of The Properties not owned or controlled by it even if doing so entails an encroachment upon the latter property;

(e) The right to sell, lease and otherwise dispose of existing and planned Lots and Units (and portions thereof), which right shall include (though not be limited to) the right to construct and maintain sales offices and models on any portion of The Properties and Neighborhood Common Properties owned or controlled by it, to solicit and receive the visits of unlimited numbers of prospective purchasers and tenants (all of whom shall have the right while visiting to use parking spaces on the Neighborhood Common

Properties), and to place signs and other promotional devices on any portion or portions of The Neighborhood Properties or Neighborhood Common Properties owned or controlled by it without regard to the size or aesthetic appeal of such signs or devices; and

- (f) The right to assign the foregoing rights, in whole or in part.

19.2 Injunctive Relief for Interference. The Declarant and each assignee of the Declarant shall be entitled to injunctive relief for any actual or threatened interference with its or their rights under this Article, in addition to whatever remedies at law it or they might be entitled to.

ARTICLE 20.

BROKER

20.1 Broker's Rights. In recognition of the benefit to Owners of a uniform marketing program for The Properties, Mizner Realty, L.L.C. and its successors and/or assigns ("Broker"), Broker shall have the right to operate an office for the sale, resale and leasing of Lots and Units, which office may be on any Lot in The Neighborhood Properties, the Neighborhood Common Properties or on the Club Property, so long as such use is allowed by applicable land use laws.

EXECUTED as of the date first above written.

Witnessed by:

TBI/PALM BEACH LIMITED
PARTNERSHIP, a Florida limited
partnership

Andrew Ginsburg
Name: Andrew Ginsburg

By: Toll FL GP Corp., a Florida
corporation, general partner

Daniel Grosswald
By: Daniel Grosswald
Name: Daniel Grosswald
Title: VICE PRESIDENT

Kathleen L. Murphy
Name: Kathleen L. Murphy

(Corporate Seal)

Address: 7495 W. ATLANTIC AVE
SUITE 220B
DELRAY BEACH, FL 33446

STATE OF FLORIDA)
COUNTY OF Palm Beach) ss:

The foregoing instrument was acknowledged before me this 6 day of July, 2000 by Daniel Grosswald as VICE President of Toll FL GP Corp., a Florida corporation, general partner on behalf of TBI/PALM BEACH LIMITED PARTNERSHIP, a Florida limited partnership. He/she is personally known to me or produced _____ as identification and did not take an oath.



My commission expires:

7/7/02

Jennifer Balton
Name: Jennifer Balton
Notary Public, State of Florida
Commission No.: CC 741491

**JOINDER BY ENCANTADA AT MIZNER COUNTRY CLUB NEIGHBORHOOD
ASSOCIATION, INC.**

The undersigned ENCANTADA AT MIZNER COUNTRY CLUB NEIGHBORHOOD ASSOCIATION, INC. hereby joins in the foregoing Neighborhood Covenants submitting itself to and consenting to the provisions of the Neighborhood Covenants.

WITNESSES:

**ENCANTADA AT MIZNER COUNTRY
CLUB NEIGHBORHOOD ASSOCIATION
INC., a Florida not-for-profit corporation**

Andrew Ginsburg
Print Name: Andrew Ginsburg
Kathleen L. Murphy
Print Name: Kathleen L. Murphy

By: *[Signature]*
Print Name: DANIEL GROSSWALD
Its: PRESIDENT

STATE OF FLORIDA

COUNTY OF PALM BEACH

Before me this 6 day of July, 2000, personally appeared DANIEL GROSSWALD, the PRESIDENT of ENCANTADA AT MIZNER COUNTRY CLUB NEIGHBORHOOD ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of said corporation. He ☒ is personally known to me or ☐ produced _____ as identification.

[NOTARIAL SEAL]



Notary: *Jennifer Balton*
Print Name: Jennifer Balton
Notary Public, State of Florida
My commission expires: 7/7/02

EXHIBIT "A"

**Articles of Incorporation for
Encantada at Mizner Country Club Neighborhood Association, Inc.**

BY-LAWS
OF
ENCANTADA AT MIZNER COUNTRY CLUB NEIGHBORHOOD
ASSOCIATION, INC.

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**BY-LAWS
OF
ENCANTADA AT MIZNER COUNTRY CLUB NEIGHBORHOOD ASSOCIATION,
INC.**

*A corporation not for profit organized
under the laws of the State of Florida*

1. **Identity.** These are the By-Laws of the ENCANTADA AT MIZNER COUNTRY CLUB NEIGHBORHOOD ASSOCIATION, INC. (the "Neighborhood Association"), a corporation not for profit incorporated under the laws of the State of Florida, and organized for the purposes set forth in its Articles of Incorporation.
 - 1.1 **Fiscal Year.** The fiscal year of the Neighborhood Association shall be the twelve month period commencing January 1st and terminating December 31st of each year.
 - 1.2 **Seal.** The seal of the Neighborhood Association shall bear the name of the corporation, the word "Florida", the words "Corporation Not for Profit", and the year of incorporation.
2. **Definitions.** For convenience, these By-Laws shall be referred to as the "By-Laws" and the Articles of Incorporation of the Neighborhood Association, as amended from time to time, as the "Articles". The other terms used in these By-Laws shall have the same definitions and meanings as those set forth in the Declaration of Neighborhood Covenants for Encantada at Mizner Country Club (the "Neighborhood Covenants"), unless herein provided to the contrary, or unless the context otherwise requires.
3. **Members.**
 - 3.1 **Annual Meeting.** The annual Members' meeting shall be held on the date, at the place and at the time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and, to the extent possible, no later than twelve (12) months after the last preceding annual meeting. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors, and to transact any other business authorized to be transacted by the Members, or as stated in the notice of the meeting sent to Owners in advance thereof. Unless changed by the Board of Directors, the first annual meeting shall be held in the month of November following the year in which the Neighborhood Covenants are filed.

3.2 Special Meetings. Special Members' meetings shall be held at such places as provided herein for annual meetings, and may be called by the President or by a majority of the Board of Directors of the Neighborhood Association, and must be called by the President or Secretary upon receipt of a written request from a majority of the Members of the Neighborhood Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting.

3.3 Notice of Meeting; Waiver of Notice. Notice of a meeting of Members (annual or special), stating the time and place and the purpose(s) for which the meeting is called, shall be given by the President or Secretary. A copy of the notice shall be posted at a conspicuous place within the Neighborhood Properties. The notice of the annual meeting shall be hand delivered or sent by regular mail to each Member.

Notice of specific meetings may be waived before or after the meeting and the attendance of any Member (or person authorized to vote for such Member), either in person or by proxy, shall constitute such Member's waiver of notice of such meeting, and waiver of any and all objections to the place of the meeting, the time of the meeting or the manner in which it has been called or convened, except when his (or his authorized representative's) attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

3.4 Quorum. A quorum at Members' meetings shall be attained by the presence, either in person or by proxy (limited or general), of persons entitled to cast at least thirty percent (30%) of the total votes of all Members entitled to vote at the subject meeting.

3.5 Voting.

(a) Number of Votes. Each Member shall be permitted to cast, the number of votes attributable thereto as set forth in Section 6.3 of the Articles. The vote of a Member shall not be divisible.

(b) Majority Vote. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum shall have been attained shall be binding upon all Owners for all purposes, except where otherwise provided by law, the Neighborhood Covenants, the Articles or these By-Laws. As used in these By-Laws, the Articles or the Neighborhood Covenants, the terms "majority of the Owners" and "majority of the Members" shall mean a majority of the votes entitled to be cast by all Members at such meeting and not a majority of the Members themselves and shall further mean more than 50% of the then total

authorized votes of all Members present in person or by proxy and voting at any meeting of the Members at which a quorum shall have been attained. Similarly, if some greater percentage of Members is required herein or in the Neighborhood Covenants or Articles, it shall mean such greater percentage of the votes of all Members and not of the Members themselves.

- (c) Voting Member. If a Lot is owned by more than one person, that person's right to vote shall be established by the roster of Members. If a Lot is owned by more than one person, those persons (including husbands and wives) shall decide among themselves as to who shall cast the vote of the Lot. In the event that those persons cannot so decide, no vote shall be cast. A person casting a vote for a Lot shall be presumed to have the authority to do so unless the President or Board of Directors is otherwise notified. If a Lot is owned by a corporation or other legal entity, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by an appropriate person having authority to do so and filed with the Secretary of the Neighborhood Association. Such person need not be an Owner. Those certificates shall be valid until revoked or superceded by a subsequent certificate or until a change in the ownership of the Lot concerned. If a certificate designating the person entitled to cast the vote for a Lot for which such certificate is required is not on file or has been revoked, the vote attributable to such Lot shall not be considered in determining whether a quorum is present, nor for any other purpose, and the total number of authorized votes in the Neighborhood Association shall be reduced accordingly until such certificate is filed.

3.6 Adjourned Meetings. If any proposed meeting cannot be organized because a quorum has not been attained, the Members who are present, may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting.

3.7 Order of Business. If a quorum has been attained, the order of business at annual Members' meetings, and, if applicable, at other Members' meetings, shall be:

- (a) Call to order by President;
- (b) Appointment by the President of a chairman of the meeting (who need not be a Member or a director);
- (c) Appointment of inspectors of election;
- (d) Counting of Ballots for Election of Directors;

- (e) Proof of notice of the meeting or waiver of notice;
- (f) Reading of minutes;
- (g) Reports of officers;
- (h) Reports of committees;
- (i) Unfinished business;
- (j) New business;
- (k) Adjournment.

Such order may be waived in whole or in part by direction of the chairman.

- 3.8 Minutes of Meeting. The minutes of all meetings of Members shall be kept in a book available for inspection by Owners or their authorized representatives and Board Members at any reasonable time. The Neighborhood Association shall retain these minutes for a period of not less than seven (7) years.
- 3.9 Action Without A Meeting. Anything to the contrary herein notwithstanding, to the extent lawful, any action required or which may be taken at any annual or special meeting of Members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the Members (or persons authorized to cast the vote of any such Members as elsewhere herein set forth) having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of Members at which all Members (or authorized persons) entitled to vote thereon were present and voted. In order to be effective, the action must be evidenced by one or more written consents describing the action taken, dated and signed by approving Members having the requisite number of votes and entitled to vote on such action, and delivered to the Secretary of the Neighborhood Association, or other authorized agent of the Neighborhood Association. Written consent shall not be effective to take the corporate action referred to in the consent unless signed by Members having the requisite number of votes necessary to authorize the action within sixty (60) days of the date of the earliest dated consent and delivered to the Neighborhood Association as aforesaid. Any written consent may be revoked prior to the date the Neighborhood Association receives the required number of consents to authorize the proposed action. A revocation is not effective unless in writing and until received by the Secretary of the Neighborhood Association, or other authorized agent of the Neighborhood Association. Within ten (10) days after obtaining such authorization by written consent, notice must be

given to Members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. A consent signed in accordance with the foregoing has the effect of a meeting vote and may be described as such in any document.

4. Directors.

4.1 Membership. The affairs of the Neighborhood Association shall be governed by a Board, initially consisting of three (3) Directors, all of whom shall be designated by Declarant. Directors must be natural persons who are 18 years of age or older. Directors may not vote at Board meetings by proxy or by secret ballot.

4.2 Election of Directors. Election of Directors shall be held at the annual Members' meeting, except as herein provided to the contrary.

The election of Directors shall be by written ballot. Elections shall be decided by a plurality of those ballots and votes cast. There shall be no quorum requirement. There shall be no cumulative voting.

4.3 Vacancies and Removal.

- (a) Vacancies in the Board of Directors occurring between annual meetings of Members shall be filled by the remaining Director(s) elected by the same constituency as elected the vacating Director at a Board meeting.
- (b) Any Director may be removed by the concurrence of a majority of the voting interests of the Members entitled to vote for that Director at a special meeting of Members called for that purpose or by written agreement signed by a majority of all such voting interests. The vacancy in the Board of Directors so created shall be filled in the manner set forth in (a) above.
- (c) If a vacancy on the Board of Directors results in the inability to obtain a quorum of directors in accordance with these By-Laws, any Owner may apply to the Circuit Court with jurisdiction for the appointment of a receiver to manage the affairs of the Neighborhood Association. At least thirty (30) days prior to applying to the Circuit Court, the Owner shall mail to the Neighborhood Association and post in a conspicuous place on the Neighborhood Properties a notice describing the intended action and giving the Neighborhood Association an opportunity to fill the vacancy(ies) in accordance with these By-Laws. If, during such time, the Neighborhood Association fails to fill the vacancy(ies), the Owner may proceed with the petition. If a receiver is appointed, the Neighborhood Association shall be responsible for the salary of the receiver, court costs

and attorneys' fees. The receiver shall have all powers and duties of a duly constituted Board of Directors, and shall serve until the Neighborhood Association fills the vacancy(ies) on the Board sufficient to constitute a quorum in accordance with these By-Laws.

- 4.4 Term. Except as provided herein to the contrary, the term of each Director's service shall extend until the next annual meeting of the Members and subsequently until his successor is duly elected and has taken office, or until he is removed or replaced in the manner elsewhere provided.
- 4.5 Organizational Meeting. The organizational meeting of newly-elected or appointed Directors shall be held within ten (10) days of their election or appointment. The Directors calling the organizational meeting shall give at least three (3) days advance notice thereof, stating the time and place of the meeting.
- 4.6 Meetings. Meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of meetings shall be given to each Director, personally or by mail, telephone or telegraph, and shall be transmitted at least seven (7) days prior to the meeting. Meetings of the Board of Directors and any Committee thereof at which a quorum of the Members of that Committee are present shall be open to all Owners. Adequate notice of such meetings, which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously on the Neighborhood Properties at least forty-eight (48) continuous hours preceding the meeting, except in the event of an emergency. Special meetings of the Directors may be called by the President, and must be called by the President or Secretary at the written request of one-third (1/3) of the Directors.
- 4.7 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by said Director of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting, and a waiver of any and all objections to the place of the meeting, to the time of the meeting or the manner in which it has been called or convened, except when a Director states at the beginning of the meeting, or promptly upon arrival at the meeting, any objection to the transaction of affairs because the meeting is not lawfully called or convened.
- 4.8 Quorum. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except only when approval by a greater number of Directors is specifically required by the Neighborhood Covenants, the Articles or these By-Laws.

- 4.9 Adjourned Meetings. If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required hereunder. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted as long as notice of such business to be conducted at the rescheduled meeting is given, if required (e.g., with respect to budget adoption).
- 4.10 Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the approval of that Director of the business conducted at the meeting, but such joinder shall not allow the applicable Director to be counted as being present for purposes of quorum.
- 4.11 Presiding Officer. The presiding officer at the Directors' meetings shall be the President (who may, however, designate any other party to preside).
- 4.12 Order of Business. If a quorum has been attained, the order of business at Directors' meetings shall be:
- (a) Proof of due notice of meeting;
 - (b) Reading and disposal of any unapproved minutes;
 - (c) Reports of officers and committees;
 - (d) Election of officers;
 - (e) Unfinished business;
 - (f) New business;
 - (g) Adjournment.
- Such order may be waived in whole or in part by direction of the presiding officer.
- 4.13 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Owners, or their authorized representatives, and Board Members at any reasonable time. The Neighborhood Association shall retain these minutes for a period of not less than seven years.
- 4.14 Committees. The Board may by resolution also create committees and appoint persons to such committees and vest in such committees such powers and responsibilities as the Board shall deem advisable.

5. Authority of the Board.

5.1 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Neighborhood Association and may take all acts, through the Board, except such acts which by law, the Neighborhood Covenants, the Articles or these By-Laws may not be delegated to the Board of Directors by the Owners. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:

- (a) Operating and maintaining the Neighborhood Association and all Neighborhood Common Properties.
- (b) Determining the expenses required for the operation of the Neighborhood Association and the Neighborhood Common Properties.
- (c) Employing and dismissing the personnel necessary for the maintenance and operation of the Neighborhood Common Properties.
- (d) Adopting and amending rules and regulations concerning the details of the operation and use of the Neighborhood Common Properties.
- (e) Maintaining bank accounts (which must be in an institution insured by the FDIC or FSLIC) on behalf of the Neighborhood Association and designating the signatories required therefor.
- (f) Purchasing, leasing or otherwise acquiring title to, or an interest in, property in the name of the Neighborhood Association, or its designee, for the use and benefit of its Members.
- (g) Obtaining and reviewing insurance for the Neighborhood Common Properties.
- (h) Making repairs, additions and improvements to, or alterations of, Neighborhood Common Properties and repairs to and restoration of Neighborhood Common Properties in accordance with the provisions of the Neighborhood Covenants after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or otherwise.
- (i) Enforcing obligations of the Owners, allocating profits and expenses and taking such other actions as shall be deemed necessary and proper for the sound management of the Neighborhood Association.

- (j) Borrowing money on behalf of the Neighborhood Association when required in connection with the operation, care, upkeep and maintenance of the Neighborhood Common Properties (if the need for the funds is unanticipated) or the acquisition of real property, and granting mortgages on and/or security interests in Neighborhood Association owned property.
- (k) Contracting for the operation, management and maintenance of the Neighborhood Association and the Neighborhood Common Properties and authorizing a management agent (who may be an affiliate of the Declarant) to assist the Neighborhood Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair, and replacement of the Neighborhood Common Properties with such funds as shall be made available by the Neighborhood Association for such purposes. The Neighborhood Association and its officers shall, however, retain at all times the powers and duties granted by the Neighborhood Covenants, the Articles and these By-Laws, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Neighborhood Association.
- (l) At its discretion, authorizing Owners or other persons to use portions of the Neighborhood Common Properties for private parties and gatherings and imposing reasonable charges for such private use.
- (m) Exercising (i) all powers specifically set forth in the Neighborhood Covenants, the Articles, these By-Laws and in the Act, (ii) all powers incidental thereto, and (iii) all other powers of a Florida corporation not for profit.
- (n) Taking all actions delegated to the Neighborhood Association by the Master Association.

6. Officers.

- 6.1 Executive Officers. The executive officers of the Neighborhood Association shall be a President, a Vice-President, a Treasurer and a Secretary (none of whom need be Directors), all of whom shall be elected by the Board of Directors and who may be peremptorily removed at any meeting by concurrence of a majority of all of the Directors. A person may hold more than one office, except that the President may not also be the Secretary. No person shall sign an instrument or perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect such other officers and designate their powers and

duties as the Board shall deem necessary or appropriate to manage the affairs of the Neighborhood Association. Officers, other than designees of the Declarant, must be Owners (or authorized representatives of corporate/partnership/trust Owners).

6.2 President. The President shall be the chief executive officer of the Neighborhood Association. He shall have all of the powers and duties that are usually vested in the office of president of an association.

6.3 Vice-President. The Vice-President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He also shall assist the President and exercise such other powers and perform such other duties as are incident to the office of the vice president of an association and as may be required by the Directors or the President.

6.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the Members. The Secretary shall attend to the giving of all notices to the Members and Directors and other notices required by law. The Secretary shall have custody of the seal of the Neighborhood Association and shall affix it to instruments requiring the seal when duly signed. The Secretary shall keep the records of the Neighborhood Association, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of an association and as may be required by the Directors or the President.

6.5 Treasurer. The Treasurer shall have custody of all property of the Neighborhood Association, including funds, securities and evidences of indebtedness. The Treasurer shall keep books of account for the Neighborhood Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. The Treasurer shall submit a treasurer's report to the Board of Directors at reasonable intervals and shall perform all other duties incident to the office of treasurer and as may be required by the Directors or the President. All monies and other valuable effects shall be kept for the benefit of the Neighborhood Association in such depositories as may be designated by a majority of the Board of Directors.

7. Fiduciary Duty. The officers and directors of the Neighborhood Association, as well as any manager employed by the Neighborhood Association, have a fiduciary relationship to the Owners. No officer, director or manager shall solicit, offer to accept, or accept any thing or service of value for which consideration has not been provided for his own benefit or that of his immediate family, from any person providing or proposing to provide goods or services to the Neighborhood Association.

8. Compensation. Neither Directors nor officers shall receive compensation for their services as such, but this provision shall not preclude the Board of Directors from employing a Director or officer as an employee of the Neighborhood Association, nor preclude contracting with a Director or officer for the management of the Neighborhood Association or for any other service to be supplied by such Director or officer. Directors and officers shall be compensated for all actual and proper out of pocket expenses relating to the proper discharge of their respective duties.
9. Resignations. Any Director or officer may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective.
10. Books and Papers; Financial Matters. The books, records, financial statements and papers of the Neighborhood Association shall be subject to the inspection of and copying by any Member of the Neighborhood Association, subject to reasonable restrictions, regulations and copying charges adopted by the Board.
11. Enforcement.
 - 11.1 Compliance by Owners. Every Owner, and his guests, tenants and invitees shall comply with the restrictions and covenants set forth in the Neighborhood Covenants and any and all rules and regulations which from time to time may be adopted by the Board of Directors of the Neighborhood Association, or any other agreement, document or instrument affecting the Neighborhood Common Properties or administered by the Neighborhood Association.
 - 11.2 Enforcement. Failure of an Owner or his guests, tenants and/or invitees to comply with such restrictions, covenants or rules and regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. The Neighborhood Association shall have the right to suspend the rights of use of Neighborhood Common Properties (except for legal access) of defaulting Owners. The offending Owner shall be responsible for all costs of enforcement including attorneys' and paralegals' fees actually incurred and court costs, including those relating to appeals.
12. Roster of Owners. Each Owner shall file with the Neighborhood Association a copy of the deed or other document showing his ownership. The Neighborhood Association shall maintain such information. The Neighborhood Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above. Only Owners of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such

meeting other Owners shall produce adequate evidence, as provided above, of their interest and shall waive in writing notice of such meeting.

13. Parliamentary Rules. Except when specifically or impliedly waived by the chairman of a meeting (either of Members or Directors), Robert's Rules of Order (latest edition) shall govern the conduct of the Neighborhood Association meetings when not in conflict with the Act, the Neighborhood Covenants, the Articles or these By-Laws; provided, however, that a strict or technical reading of said Robert's Rules shall not be made so as to frustrate the will of the persons properly participating in said meeting.
14. Amendments. Except as may be provided in the Neighborhood Covenants or the Articles to the contrary, these By-Laws may be amended by the Board of Directors in the following manner:
 - 14.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting of the Board of Directors at which a proposed amendment is to be considered.
 - 14.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed by a majority of the Board of Directors. Directors not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary at or prior to the meeting. The approval must be by not less than a majority of the Members of the Board of Directors.
 - 14.3 Proviso. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Declarant or Club Owner or mortgagees of Units without the consent of said Declarant or Club Owner or mortgagees in each instance. No amendment shall be made that is in conflict with the Articles or Neighborhood Covenants. No amendment to this Section 14.3 shall be valid.
 - 14.4 Declarant Amendments. Notwithstanding anything herein contained to the contrary, to the extent lawful, the Declarant may amend these By-Laws consistent with the provisions of the Neighborhood Covenants allowing certain amendments to be effected by the Declarant alone.
 - 14.5 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of these By-Laws, which certificate shall be executed by the President or Vice-President and attested by the Secretary or Assistant Secretary of the Neighborhood Association with the formalities of a deed, or by the Declarant alone if the amendment has been adopted consistent with the provisions of the Neighborhood Covenants allowing such action by the Declarant. The amendment

shall be effective when the certificate and a copy of the amendment is recorded in the Public Records of the County with an identification on the first page of the amendment of the Official Records Book and Page of said Public Records where the Neighborhood Covenants is recorded.

15. Construction. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.
16. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define or limit the scope of these By-Laws or the intent of any provision hereof.

The foregoing was adopted as the By-Laws of the ENCANTADA AT MIZNER COUNTRY CLUB NEIGHBORHOOD ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, as of the ____ day of _____, 2000.

Approved:



Dan Grosswald, Director



Joseph Pease, Director



Ronald A. Blum, Director

WPB/LAYMAND/276208/5x4g011.DOC/6/29/00/12597.011700

EXHIBIT "C"

The Neighborhood Properties

All of the Plat of Delray Training Center P.U.D. -
Parcel E, recorded in Plat Book 89, Pages 149
through 151, of the Public Records of Palm Beach
County, Florida; and any amended plats or
amendments thereto later recorded.

WPB/LAYMAND/276200/5x48011.DOC/3/19/01/12597.011700

PALM BEACH COUNTY - STATE OF FLORIDA
I hereby certify that the foregoing is a
true copy of the record in my office.
This 19 Day of March, 2001.
DOROTHY H. WILKEN
Clerk Circuit Court
BY Luis M. Clemente D.C.

Prepared by and Return to:
David M. Layman, Esq.
Greenberg Traurig, P.A.
777 South Flagler Drive
Suite 300 East
West Palm Beach, FL 33401

12478/1652
4/23/01

Will Call 42

**FIRST AMENDMENT TO
DECLARATION OF NEIGHBORHOOD COVENANTS FOR
ENCANTADA AT MIZNER COUNTRY CLUB**

THIS FIRST AMENDMENT (this "Amendment") TO DECLARATION OF NEIGHBORHOOD COVENANTS FOR ENCANTADA AT MIZNER COUNTRY CLUB is made as of the 4th day of April, 2001, by TBI/PALM BEACH LIMITED PARTNERSHIP, a Florida limited partnership ("Declarant"), having an address of 16450 One Mile Road, Delray Beach, FL 33446.

Background

- A. Declarant is the Declarant under that certain Declaration of Neighborhood Covenants for Encantada at Mizner Country Club (the "Declaration") dated as of July 14, 2000, and recorded March 19, 2001, in Official Records Book 12390, Page 395, of the Public Records of Palm Beach County, Florida. The Declarant wishes to withdraw certain property from the Declaration.
- B. Declarant is entitled to elect all of the Board of Directors of the Encantada at Mizner Country Club Neighborhood Association, Inc., and pursuant to Section 17.7 of the Declaration, Declarant has full power and authority to amend the Declaration. Furthermore, pursuant to Paragraph 2.3 of the Declaration, Declarant has the power to withdraw property from the Declaration. Declarant also owns all of the platted lots covered by the Declaration.

Specific Amendments

NOW, THEREFORE, Declarant hereby amends the Declaration as follows:

- 1. Exhibit "C" to the Declaration is hereby amended and replaced with Exhibit "C" attached to this Amendment. Therefore, Tract G of the Plat of Delray Training Center P.U.D. - Parcel E, recorded in Plat Book 89, Pages 149 through 151, of the Public Records of Palm Beach County, Florida, is hereby withdrawn from the Declaration.
- 2. Except as expressly set forth herein, the Declaration is not otherwise amended.

Executed as of the date first above written.

Witnessed by:

**TBI/PALM BEACH LIMITED
PARTNERSHIP**, a Florida limited
partnership

By: Toll FL GP Corp., a Florida
corporation, general partner

Douglas O. Brook
Print Name: DOUGLAS O. BROOK

By: *Dan Grosswald*
Name: Dan Grosswald
Title: Vice President

(Corporate Seal)

Jason Dalton
Print Name: Jason Dalton

STATE OF FLORIDA)
) ss:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 18 day of April, 2000, by Dan Grosswald as Vice President of Toll FL GP Corp., a Florida corporation, general partner on behalf of **TBI/PALM BEACH LIMITED PARTNERSHIP**, a Florida limited partnership. He ☒ is personally known to me or ☐ has produced _____ as identification.



Name: *Marci Saunders*
Notary Public, State of Florida
My commission expires: 7/28/03

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Prepared by and Return to:
David M. Layman, Esq.
Greenberg Traurig, P.A.
777 South Flagler Drive
Suite 300 East
West Palm Beach, FL 33401

12478/1652
4/23/01

Will Call 42

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DECLARATION OF NEIGHBORHOOD COVENANTS FOR
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- 2. Except as expressly set forth herein, the Declaration is not otherwise amended.

Executed as of the date first above written.

Witnessed by:

**TBI/PALM BEACH LIMITED
PARTNERSHIP**, a Florida limited
partnership

By: Toll FL GP Corp., a Florida
corporation, general partner

By: [Signature]
Name: Dan Grosswald
Title: Vice President

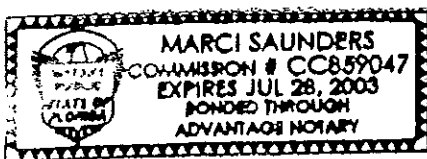
[Signature]
Print Name: DOUGLAS O BRUK

(Corporate Seal)

[Signature]
Print Name: JOSEPH DALLA

STATE OF FLORIDA)
) ss:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 18 day of April, 2000, by Dan Grosswald as Vice President of Toll FL GP Corp., a Florida corporation, general partner on behalf of **TBI/PALM BEACH LIMITED PARTNERSHIP**, a Florida limited partnership. He ☒ is personally known to me or ☐ has produced _____ as identification.



Name: Marci Saunders
Notary Public, State of Florida
My commission expires: 7/28/03

JOINDER

MIZNER COUNTRY CLUB, INC., which was reserved Tract G on the Plat of Delray Training Center P.U.D. - Parcel E, recorded in Plat Book 89, Pages 149-151, of the Public Records of Palm Beach County, Florida, hereby consents and agrees to this Amendment.

MIZNER COUNTRY CLUB, INC., a Florida not-for-profit corporation

By: [Signature]
Name: Dan Grossman
Title: Vice President

STATE OF FLORIDA)
) ss:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 18 day of April, 2003 as Vice President of MIZNER COUNTRY CLUB, INC., a corporation. He ☒ is personally known to me or ☐ has produced _____ as identification.



Name: Marci Saunders
Notary Public, State of Florida
My commission expires: 7/28/03