

BY-LAWS
of
VILLAS OF OCEAN CREST
HOMEOWNERS' ASSOCIATION, INC.
(A FLORIDA CORPORATION NOT FOR PROFIT)

ARTICLE I

Definitions; Office

All terms used herein that are defined in the Declaration of Covenants and Restrictions for Villas of Ocean Crest (the "Declaration"), as amended and/or supplemented from time to time, shall be given the same meaning as in said Declaration. Any conflict between the provisions of these By-Laws and the provisions of the Declaration or the Articles of Incorporation shall be resolved in favor of the Declaration or the Articles of Incorporation (as applicable).

The principal office of the Corporation shall be 2115 South Ocean Boulevard, Delray Beach, Florida 33444, or such other place as the Board of Directors shall determine from time to time.

ARTICLE II

Seal; Members

Section 1. Seal. The Corporation shall have a corporate seal which shall have inscribed thereon the name of the Corporation, the year of organization, and the words "Corporation Not For Profit" or such inscription as the Board of Directors may determine. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed, or in any manner reproduced.

Section 2. Members. The members of the Corporation shall be the Developer and the Owners.

ARTICLE III

Meetings

Section 1. Place of Meetings. All meetings of the members shall be held at the principal office of the Corporation or at such other place as the Board of Directors may direct.

FROM THE BY-LAWS OF OCHA

Section 2. Annual Meetings. Annual meetings for the election of Directors (at such time as the Developer no longer elects all of the Directors) and the transaction of other proper business shall be held at the time and place designated by the Board of Directors. The annual meeting for any year shall be held no later than thirteen (13) months after the last preceding annual meeting.

Section 3. Special Meetings. Special meetings shall be held when directed by the President, by the Board of Directors or upon the request of members representing not less than ten percent (10%) of all the votes in the Corporation. Upon receipt of such request, it shall be at such time as the President may fix, not less than three (3) nor more than sixty (60) days after receipt of the request. If the President neglects or refuses to issue the call, the members making the request may do so.

Section 4. Notice. Written notice of the place, day, and hour of all meetings and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each member. Except as otherwise provided by law, or in Section 3, such notice shall be given at least ten (10), but not more than sixty (60), days before the day named for the meeting, by or at the direction of the officers or persons calling the meeting. If a meeting is adjourned, notice need not be given of the adjourned meeting or of the business to be transacted at the adjourned meeting, if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. If, however, after the adjournment the Board fixes a new record date for the adjourned meeting, notice shall be given in compliance with this section to each member. Any business may be transacted at the adjourned meeting that might have been transacted on the original date of such meeting.

Section 5. Quorum. Unless otherwise provided in the Articles of Incorporation, at any meeting representation of at least one-third (1/3) of the votes in the Corporation shall constitute a quorum.

Section 6. Voting. Unless otherwise provided herein or by law, the Declaration, or the Articles of Incorporation, all questions shall be decided by a majority vote of the votes represented at any meeting.

Section 7. Election of Directors. Election of Directors need not be by ballot. Any meeting at which Directors are to be elected shall be adjourned only from day to day, or for such longer periods not exceeding fifteen days each, as may be directed by a majority of the votes represented at the meeting, until such Directors have been elected.

Section 8. Order of Business. All meetings shall be called to order and presided over by the President, or in his absence by a Director or officer of the Corporation appointed by the President, or in the absence of such an appointee or the failure of the President to make such an appointment, by a Chairman elected by a majority of the votes represented at the meeting.

ARTICLE IV

Directors

Section 1. Board of Directors. The business and affairs of the Corporation shall be managed under the direction of a Board of not less than three (3) and not more than nine (9) Directors. The initial Board shall have three (3) Directors. The number of Directors may be established or changed by resolution of the members at any meeting thereof, provided that the consent of the Developer shall be required as long as it elects the members of the Board of Directors. Except in the case of vacancies, Directors elected by the Developer, newly created Directorships resulting from any increase in the authorized number of Directors, and Directors constituting the initial Board of Directors, Directors shall be elected at the annual meeting. Each Director so elected shall hold office until his successor has been elected and qualified.

Section 2. Vacancies. As long as the Developer elects the members of the Board of Directors, a vacancy in the Board of Directors, including a vacancy created by reason of an increase in the authorized number of Directors, shall be filled by an appointee of the Developer. Thereafter, a vacancy on the Board of Directors shall be filled by majority vote of the remaining Directors, even if less than a quorum of the Board of Directors. A Director appointed or elected to fill a vacancy shall hold office only until the next election of Directors.

Section 3. Removal of Directors. The entire Board of Directors, or any individual member of the Board of Directors, may be removed from office with or without cause at any meeting called expressly for that purpose. No individual Director may be removed if the votes cast against his removal would be sufficient to elect him if then voted at an election of the entire Board of Directors. A Director elected by the Developer may be removed only by the Developer.

FROM OCHA BY-LAWS

Section 4. Meetings. The Board of Directors shall hold meetings at such times and places as it may determine. Special meetings of the Board of Directors may be called by the President or any three Directors and may be held at such places within Palm Beach County, Florida as the person(s) calling the meeting may direct.

Section 5. Notice. Notice of a meeting of the Board of Directors need not be given to any Director who signs a waiver of notice either before or after the meeting. A written notice of each special meeting of the Board of Directors specifying the place, day and hour shall be given to each Director at least five (5) days before the day named for the meeting, either personally or by sending a copy thereof by first-class mail or by facsimile, telegram, telex or similar method of communication, charges prepaid, to the principal residence or place of business of the Director or to his address appearing on the books of the Corporation or supplied by him to the Corporation for the purpose of notice. A majority of the Directors present at any meeting, whether or not a quorum exists, may adjourn any meeting of the Board of Directors to another time and place. Notice of any such adjourned meeting need not be given to the Directors who were not present at the time of the adjournment, nor to the other Directors unless the time and place of the adjourned meeting are not announced at the time of the adjournment.

Section 6. Quorum. A majority of the number of Directors fixed by these By-Laws shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If at any meeting a quorum is not present, the meeting may be adjourned from time to time until a quorum is present.

Section 7. Interested Directors. No contract or transaction between the Corporation and one or more of its Directors, or between the Corporation and any other corporation, firm, association or entity in which one or more of its Directors are Directors or officers or are financially interested, shall be either void or voidable because of such relationship or interest, because such Director or Directors are present at or participate in the meeting of the Board of Directors or a committee thereof which authorizes, approves, or ratifies the contract or transaction, or because the Director's vote is counted for such purpose, if:

(a) the fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for such purpose without counting the vote of the interested Director or Directors; or

(b) the fact of such relationship or interest is disclosed or known to the members entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent; or

(c) the contract or transaction is fair and reasonable as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee, or the members.

Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves, or ratifies such contract or transaction.

Section 8. Election of Officers. The Directors shall elect the President, a Vice President, a Secretary, and a Treasurer. The Directors may also elect such other officers and agents as are deemed necessary or advisable. Unless sooner removed from office each officer shall hold office for the term for which such officer is elected, and until his or her successor is elected except in the event of his or her earlier death, resignation or removal. Except as otherwise provided in the Articles, any number of offices may be held by the same person. The failure to elect officers shall not affect the existence of the Corporation or the conduct of any business by the Corporation.

Section 9. Removal of Officers. Any officer or agent may be removed by the Board whenever, in its judgment, the best interests of the Corporation will be served thereby. The Directors may fill any vacancies in any office occurring in any manner.

Section 10. Committees. The Board of Directors may, by resolution adopted by a majority of the Directors, designate one or more committees, each committee to consist of two or more of the Directors of the Corporation. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution creating it, shall have and exercise the authority of the Board of Directors in the management of the Corporation. No committee, however, shall have the authority to approve any action required by law to be approved by the members, designate candidates for the office of Director, fill vacancies on the Board of Directors or any committee thereof, or amend the By-Laws.

Section 11. Other Powers. In addition to the powers expressly conferred by these By-Laws, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts as are not by law, by the Declaration, by the Articles of Incorporation or by these By-Laws required to be exercised or done by the members.

ARTICLE V

Officers

Section 1. President. The President shall be the chief executive officer and chief operating officer of the Corporation. The President shall preside at all meetings at which he is present. Such individual shall see that all orders and resolutions of the Board of Directors are carried into effect, shall have the power to appoint and remove such subordinate officers and agents other than those actually appointed or elected by the Directors as the business of the Corporation may require.

Section 2. Vice President. The Corporation may have one or more Vice Presidents, each of whom shall have such title and perform such duties as shall be assigned to him by the Board of Directors or the President, and, in the absence or disability of the President, the Vice President designated by the Board shall perform the duties of the President.

Section 3. Secretary. The Secretary shall attend all meetings and keep minutes of those meetings in suitable books kept for that purpose. Such individual shall give, or cause to be given, all notices as are required by law, by the Declaration, by the Articles of Incorporation or by these By-Laws. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or by the President, as well as the usual duties incident to the office of Secretary. Any duty of the Secretary may be performed by an Assistant Secretary elected by the Board.

Section 4. Treasurer. The Treasurer shall have custody of the corporate funds and securities and shall keep, or cause to be kept, full and accurate accounts of receipts and disbursements in books kept for that purpose. He shall deposit all monies, and other valuable effects, in the name and to the credit of the Corporation, in such depository as the Board of Directors shall designate. As directed by the Board of Directors or the President, the Treasurer shall disburse monies of the Corporation, taking proper vouchers for such disbursements and shall render to the President and the Board of Directors an account of all his transactions as Treasurer and of the financial condition of the Corporation. In addition, the Treasurer shall

perform all the usual duties incident to the office of Treasurer. Any duty of the Treasurer may be performed by an Assistant Treasurer elected by the Board.

ARTICLE VI

Waiver of Notice; Action Without Meeting; Meetings By Conference Telephone

Section 1. Waiver of Notice. Whenever any written notice is required to be given by law, by the Declaration, by the Articles of Incorporation or by these By-Laws, a waiver thereof in writing, signed by the person entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of the meeting need be specified in the waiver of notice of such meeting. The attendance of a person, either in person or by proxy, at any meeting shall constitute a waiver of notice of the meeting, except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 2. Action by Consent. Any action which may be taken at a meeting may be taken without a meeting if a consent in writing, setting forth the action so to be taken, is signed by persons representing not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all persons entitled to vote thereon were represented and voted. The written consent of the Directors, or a committee thereof, shall be filed in the minutes of the Board or the committee. In the case of consent to action by the members, notice must be given within thirty (30) days from the authorization of action by consent to each member. The notice shall summarize the material aspects of the authorized action, and such other facts as shall be required by law.

Section 3. Meetings by Conference Telephone. Meetings may be conducted by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

ARTICLE VII

Inspection Rights

Each member shall have a right to examine, at a reasonable time and for a proper purpose, the books and records of the Corporation. A proper purpose shall mean a purpose reasonably related to the interests of the members of the Corporation.

ARTICLE VIII

Indemnification and Release

Section 1. Indemnification. The Corporation shall indemnify to the full extent authorized or permitted by law any person made, or threatened to be made, a party to an action, suit or proceeding (whether civil, criminal, administrative or investigative), by reason of the fact that the person is or was a Director or officer of the Corporation or serves or served as a Director or officer of any other enterprise at the request of the Corporation, unless the person admits or is adjudged to have been grossly negligent or wilfully malfeasant in the performance of his or her duties hereunder. The indemnification provided herein and by the law of Florida shall not be deemed exclusive of any other rights to which any person indemnified may be entitled under any agreement, vote of members or disinterested Directors or otherwise. Notwithstanding the foregoing, the Corporation shall have no obligation to purchase insurance on behalf of any person who is or was a Director or officer of the Corporation against any liability asserted against or incurred by him in any such capacity, or arising out of his status as such. Such insurance may be provided by the Corporation at the sole discretion of the Board of Directors.

Section 2. Release. The resignation or removal of a Director who has been appointed by the Developer, or the resignation or removal of an officer who was elected or appointed while the Developer had the right to appoint all or a majority of the Board of Directors, shall remise, release, acquit, and forever discharge such Director or officer of and from any and all manner of action(s), cause(s) of action, suits, debts, dues, claims, bonds, bills, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or in equity, which the Corporation or any members had, now have, or will have, or which any personal representative, successor, heir or assign of the Corporation or any members hereafter may have, against such Director or officer by reason of such person having been a Director or officer of the Corporation.

ARTICLE IX

Amendments

These By-Laws may be repealed or amended, and new By-Laws may be adopted by a majority vote of the members of the Board of Directors at any regular meeting or at a special meeting duly convened after notice of that purpose. Notwithstanding the foregoing, no amendment shall be effective without the prior written consent of the Developer so long as the

Developer owns any portion of the Property (or any other property brought within the Declaration as provided therein). The rights of the Developer under this paragraph shall extend to (i) any person or entity to whom the Developer transfers any portion of the Property for purposes of development thereof, but only if the Developer no longer owns any portion of the Property and designates such person or entity in writing as its successor hereunder, and (ii) any mortgagee of the Developer who acquires all of the Developer's remaining interest in the Property by foreclosure or by a deed in lieu thereof.

CERTIFICATE

The undersigned, being the duly appointed Secretary of Villas of Ocean Crest Homeowners' Association, Inc., hereby certifies the foregoing to be the By-Laws of the Corporation as adopted by consent of the Directors as of _____, 19____.

Dated: _____

_____, Secretary

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11/13/90/jalc

RETURN TO:
 MOORE, FARMER MENKHAUS + JURAN, P.A.
 5550 GLADES ROAD, SUITE 400
 BOCA RATON, FL 33431

ORB 6693 Pg 794

DECLARATION OF COVENANTS AND RESTRICTIONS
 FOR VILLAS OF OCEAN CREST

THIS DECLARATION OF COVENANTS AND RESTRICTIONS ("Declaration"), made as of this 21st day of November, 1990, by Ocean Crest Joint Venture Limited Partnership, a Florida limited partnership, which declares that the real property hereinafter described is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes hereinafter referred to as "Covenants and Restrictions") hereinafter set forth for the purpose of protecting the value and desirability of, and which shall run with, said real property and be binding on all parties having any right, title or interest in said real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof as hereinafter defined.

I. DEFINITIONS

The following words, when used in this Declaration (unless the context clearly indicates otherwise), shall have the following meanings:

A. "Architectural Control Committee" or "ACC" shall mean the Architectural Control Committee as established pursuant to this Declaration.

B. "Association" shall mean and refer to Villas of Ocean Crest Homeowners' Association, Inc., a Florida corporation not for profit. This is the Declaration of Covenants and Restrictions to which the Articles of Incorporation (the "Articles") and By-Laws (the "By-Laws") of the Association make reference.

C. "Board" shall mean the Board of Directors of the Association, as constituted from time to time.

D. "Club" shall mean Bermuda High Beach and Tennis Club, Inc., a Florida not-for-profit corporation.

E. "Common Area" shall mean those portions of the Property designated on the Plat (as hereinafter defined) as Tracts A, B, C, D, E, F, and G; together with the landscaping and any improvements thereon, including, without limitation, all structures, recreational facilities, open space, walkways, walls, seawalls, streets, sprinkler systems and street lights, if any; but excluding any public utility installations thereon,

and all portions of any cable television or electronic security system not made Common Area and any other property of the Developer not intended to be made Common Area.

F. "Developer" shall mean and refer to Ocean Crest Joint Venture Limited Partnership, a Florida limited partnership, and its successors and assigns if any such successor or assign acquires the undeveloped portion of the Property from the Developer for the purpose of development and is so designated by the Developer.

G. "Lot" shall mean and refer to any lot, together with any and all improvements thereon, numerically designated and shown or described on the Plat of the Property, on which a residential structure has been or is intended to be constructed.

H. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers (but not contract purchasers). Notwithstanding any applicable theory of mortgage, Owner shall not mean or refer to a mortgagee of a Lot unless and until such mortgagee has acquired title to the Lot pursuant to foreclosure or any proceeding in lieu of foreclosure.

I. "Property" shall mean and refer to all such properties as are subject to this Declaration or any supplemental Declaration under the provisions of Article II hereof, and shall include the real property described in said Article II, together with all improvements on any such real property.

II. PROPERTY SUBJECT TO DECLARATION.

Section 1. Legal Description. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the City of Delray Beach, Palm Beach County, Florida, and is more particularly described as Villas of Ocean Crest, according to the plat thereof, recorded at Plat Book 65, Pages 161-162 inclusive, of the Public Records of Palm Beach County, Florida (the "Plat"), less and except Tracts H, I and J as shown on the Plat.

Section 2. Re-Platting. The Developer intends to develop the Property in accordance with the Plat, but hereby reserves the right, at any time and from time to time, to replat all or any part of the Property, regardless of the fact that such actions may alter the rights and obligations, including but not limited to the voting rights and amount and timing of assessments, of any one or more members of the Association or the number of Owners in the Property. The Developer shall not be required to follow any predetermined order of improvement and

development within the Property, and the Developer reserves the right, without the consent or joinder of the Association or of any Owner, to amend and supplement this Declaration at any time and from time to time to bring within this Declaration additional lands and develop them before, during or after completion of development of the Property.

III. CONVEYANCE OF COMMON AREA

Section 1. Conveyance of Property by Developer to Association. The Developer shall have the right to convey its title, or any easement or interest therein, to any property located within the Property to the Association to be held as Common Area, and any such conveyance shall be effective upon recording the deed or instrument of conveyance in the public records of Palm Beach County. Conveyance of the Common Area to the Association shall occur at such time as shall be determined in the sole discretion of the Developer, but in no event later than the time when the last Lot has been sold to an Owner.

The conveyance by the Developer to the Association of any portion of or any fixtures, equipment or property located in, on or under the Common Area, including (without limitation) any streets, roads, paths, street lamps, hydrants, sewer lines, water lines, waterworks, sewer works, force mains, lift stations, water mains, sewer mains, water distribution systems, sewage disposal systems, effluent disposal systems, pipes, wires, syphons, valves, gates, pipelines, cable television service, electronic security system and all machinery and apparatus appurtenant to all of the foregoing shall not constitute a warranty or guarantee, express or implied, by the Developer or any other person or entity of the merchantability or fitness of any such real or personal property for the installation or use thereof. The sole obligation of the Developer shall be to install or improve all such property in accordance with applicable requirements (if any) of the City of Delray Beach and the ACC, and to obtain inspection approvals (as applicable) by the City of Delray Beach upon the completion thereof. In no event shall the Developer be responsible to the Association, any Owner or any other person or entity for the condition of any such real or personal property at the time of conveyance to the Association or thereafter.

Section 2. Conveyance of Property by Any Other Person. Subject to prior approval by the Developer for as long as it owns at least one Lot in the Property, and thereafter by majority approval of the Association, the Association may accept title to property conveyed by any person other than the Developer and any such conveyance shall be effective only upon due authorization thereof by the Board and proper execution by an officer of the Association of the deed or other instrument of

conveyance or of an instrument of acceptance and the recording of such deed or instrument in the Public Records of Palm Beach County.

IV. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every Owner, including the Developer as long as the Developer owns one or more Lots, shall be a member of the Association, and by acceptance of a deed or other instrument evidencing his ownership interest, each Owner accepts his membership in the Association, acknowledges the authority of the Developer and the Association as herein stated, and agrees to abide by and be bound by the provisions of this Declaration and any supplement thereto, as well as the Articles, the By-Laws and other rules and regulations of the Association. In addition to the foregoing, the employees, agents, guests, invitees and tenants of said Owners shall, while in or on the Property, abide and be bound by the provisions of all of the foregoing. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of any Lot.

Section 2. Classes and Voting. The Association shall have two classes of members for purposes of voting:

A. Class A members shall be all Owners, with the exception of the Developer. Each Class A member shall be entitled to one (1) vote; provided that no voting rights in the Association may be exercised by any Class A member while any assessments due from said member are in default. When any or all of two or more Lots have been consolidated for the purpose of building a single residence thereon, the Owner of said Lots shall be entitled to one (1) vote for each such Lot.

B. The Class B member shall be the Developer. The Class B member shall be entitled to one vote for each Lot that it owns; provided, however, that notwithstanding any provision of this Declaration, the Articles of Incorporation or the By-laws to the contrary, the Developer shall have the right to elect the entire Board of Directors of the Association until such time as the Developer no longer holds title to any portion of the Property.

Section 3. Change of Membership. Change of membership in the Association shall be established by recording in the Public Records of Palm Beach County, Florida, a deed or other instrument conveying record fee title to any Lot and by the delivery to the Association of a copy of such recorded instrument. The Owner designated by such instrument shall, by his acceptance of such instrument, become a member of the Association, and the membership of the prior owner shall be terminated. In the event that a copy of said instrument is not delivered to the

Association, said Owner shall not be entitled to voting privileges enjoyed by his predecessor in interest but shall in all other respects be considered a member of the Association. The foregoing shall not limit the Association's powers or privileges. The interest, if any, of a member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to his real property. Membership in the Association by each Owner shall be compulsory and shall continue until such time as the Owner transfers or conveys of record his interest in the real property upon which his membership is based or until said interest is transferred or conveyed by operation of law, at which time the membership shall automatically be conferred upon the transferee. Membership shall be appurtenant to, run with, and shall not be separated from the real property interest upon which the membership is based.

Section 4. Multiple Owners. When any Lot is owned of record by two or more persons or entities, whether fiduciaries, joint tenants, tenants by the entirety or any other form of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship with respect to the same property, then unless the instrument or order creating the tenancy or appointing them designates an official representative to vote for such property and the instrument or order is filed with the Secretary of the Association, such owners shall select one official representative to vote for such property and shall notify the Secretary of the Association in writing of the name of such representative. The vote of such representative shall be considered for all purposes the will of all of the owners of such property.

Section 5. Developer Rights in the Association. For so long as the Developer owns one or more Lots in the Property, the Board or the Association shall have no authority to, and shall not, undertake any action, without the consent of the Developer or its agent expressly authorized for such purpose, to the extent that such action may:

A. Prohibit or restrict in any manner the sales and marketing program of the Developer or restrict or limit in any manner the use by the Developer of any portion of the Property for the sale and/or resale of Lots or improvements thereon;

B. Decrease the level of maintenance services provided by the Association;

C. Make any special or individual assessment against or impose any fine upon the Developer or any portion of the Property owned by the Developer;

D. Modify, amend or alter the Plat of the Property;

E. Terminate or cancel any contracts of the Association entered into by the Board;

F. Terminate or waive any rights of the Association under this Declaration;

G. Convey, lease, mortgage, alienate or pledge any easements or any part of the Common Area;

H. Accept the conveyance, lease, mortgage, alienation or pledge of any real or personal property to the Association;

I. Terminate or cancel any easements granted hereunder or by the Association;

J. Terminate or impair in any fashion any easements, powers or rights of the Developer hereunder;

K. Restrict the Developer's right of use, access and enjoyment of any of the Property;

L. Cause the Association to default on any obligation under any contract or this Declaration; or

M. Restrict in any respect the use by the Developer of any office or other facility in the Property for any purpose, including (without limitation) managing or operating the Association.

V. FUNCTIONS OF THE ASSOCIATION

Section 1. Maintenance.

A. The Association shall be responsible for the maintenance of the Common Area and any improvements and personal property thereon in a manner consistent with the maintenance standards of similar communities. The Association shall also be responsible for exterior maintenance of the residential unit constructed on each Lot, including paint, gutters and downspouts and exterior building surfaces, ~~but excluding roof repair or replacement, fences erected by an Owner and glass surfaces.~~ In addition, the Association shall be responsible for routine maintenance of all sod and landscaping within the Property, whether located upon any Lot or on the Common Area, except for any screened-in or fenced-in area, which shall be the responsibility of the Owner. Routine maintenance shall include the cutting, trimming and spraying of sod and landscaping, as well as the replacement of dead or diseased landscaping or sod, all as required in the sole discretion of the Board of Directors (or its delegate). In the event an Owner desires to plant landscaping

on a Lot in addition to or in substitution of the landscaping originally planted by the Developer, said Owner must first obtain the consent of the Architectural Control Committee as provided in this Declaration, which consent may be conditioned upon the payment of a continuing special assessment to reimburse the Association for the cost of additional routine maintenance required in connection therewith.

B. The Association shall at all times maintain in good repair, and shall replace as often as necessary, any and all improvements situated on the Common Area as well as Tract C as shown on the Plat, including, but not limited to, all landscaping, paving, drainage structures, sprinkler systems, street lighting fixtures and appurtenances, sidewalks located within the Common Area, telecommunication and surveillance systems and appurtenances installed by the Developer or the Association for common use, and other structures, except public utilities. All such work shall be done as ordered by the Board of Directors of the Association. In addition, the Association shall be responsible for replacement of any paving or other such improvements damaged as a result of utility repairs or replacements, regardless of whether any such obligation has previously been assumed or undertaken by the Developer. The Association may also maintain property adjacent to or bordering the Property as the Board deems appropriate to the extent that the deterioration of such property would adversely affect the appearance of the Property. The Association shall also maintain in good working order the sprinkler system serving each Lot.

C. The Association shall be responsible for the payment of taxes assessed against the Common Area accruing from and after the date this Declaration is recorded. Such taxes shall be prorated between the Developer and the Association as of the date of such recordation.

D. All work pursuant to this Section 1 and all expenses hereunder shall be paid for by the Association through assessments (uniform, special or individual, as applicable) imposed in accordance with Article VII hereof.

E. The Association shall have the obligation for maintenance of street lighting fixtures. Maintenance of such fixtures shall include payment for electricity consumed in the illumination of such lights. The Developer shall be entitled to all rebates or refunds of the installation charges. The Association hereby assigns such rebates or refunds to the Developer, and shall forthwith pay same to the Developer upon receipt thereof.

F. In addition to the foregoing, the Association shall have the right to assume, or to designate an agent to assume, the obligation to operate and/or maintain any property

within the Property that is not owned by the Association (including any Lot and the structures thereon, but excluding any property owned by the Developer) if the Board, in its sole discretion, determines that the operation and/or maintenance of said property by the Association is in the best interests of the residents of the Property. In such event, the Association shall give notice of the same to the owner of said property and thereupon said property shall be operated and/or maintained solely by the Association to the extent deemed necessary by the Board, until such time as the Board determines that the assumption of such obligation by the Association is no longer necessary and gives notice to such effect to the owner of the affected property.

G. The Association, or an agent designated by the Association, shall operate and/or maintain any portion of the Property, and any improvements thereon, on or near any road, body of water or boundary of the Property. For this purpose, the Association (and such agent) shall have an easement and right to enter upon any portion of the Property (including a Lot) in connection with said operation and/or maintenance activities, and no such entry shall constitute a trespass. Notwithstanding the foregoing or any other provision of this Declaration to the contrary, neither the Developer nor the Association guarantees, or shall otherwise be held responsible for, the continuing existence of, or the maintenance at any minimum level of, body of water within or adjacent to the Property. Specifically, neither the Developer nor the Association shall be responsible for any effect on any body of water within or adjacent to the Property of any drilling or other activity by any governmental entity with respect to any wellsite easement, or any other action of any governmental or quasi-governmental entity with respect to any water located on, under or adjacent to the Property.

H. The Association shall further maintain any portion of the Property as to which the Association has accepted a maintenance easement by a duly recorded instrument granting said easement to the Association.

Section 2. Additional Services. Additional services to be provided by the Association shall be determined in the sole discretion of the Board. Such services may include, but shall not be limited to, the following:

A. Insect, pest and aquatic control to the extent that it is necessary or desirable in the judgment of the Association to supplement the service provided by any governmental authorities.

B. Performing any of the functions or services delegated to the Association in any covenants, conditions or restrictions applicable to the Property or in the Articles or By-Laws, and taking any and all actions necessary to enforce all covenants, conditions and restrictions affecting the Property, including but not limited to the covenants, conditions and restrictions contained in this Declaration. In connection therewith, the Association may obtain injunctive or other equitable relief where appropriate.

C. Conducting business of the Association, including but not limited to, obtaining administrative services, such as legal, accounting and financial, and communication services, such as informing members of activities, meetings, and other events. Subject to the limitations of Article VII, Sections 9 and 17, the Association may prosecute or defend any action with respect to the interests of the Association, and in accordance therewith may expend sums for attorneys' fees and other costs and expenses related thereto.

D. Purchasing general liability, hazard or any other appropriate insurance covering improvements and activities on the Common Area, as well as directors' and officers' liability insurance and such other insurance as the Board deems necessary. Hazard insurance proceeds for damage to the Common Area may not be used other than for repair, replacement or reconstruction of such property unless agreed to otherwise by the Developer for so long as it owns any portion of the Property and thereafter by a majority of the members of the Association.

E. Publishing and enforcing such rules and regulations as the Board deems necessary or appropriate.

F. Conducting recreation and cultural programs of interest to members, their families, tenants, invitees and guests and, in the discretion of the Board, charging admission fees for such programs.

G. Constructing improvements on the Common Area and granting such easements as may be required to provide the services as authorized herein.

H. Protection and security, including but not limited to the employment of a security service system, maintenance of control centers for the protection of persons and property within the Property, and assistance in the apprehension and prosecution of persons who violate any laws within the Property. Security services to be provided by the Association may include, to the extent deemed necessary by the Board for the protection of the Owners, inclusion within the security system of any and all construction entrances to the Property.

I. To the extent deemed appropriate or necessary by the Board, providing and enforcing reasonable rules and regulations governing the rights of Owners in connection with the leasing of residential units located on the Property, including but not limited to restrictions on the frequency and term of any such leases.

J. To the extent deemed appropriate or necessary by the Board, providing and enforcing reasonable rules and regulations governing the maintenance of the Property as a residential community, including but not limited to the restriction of residence within a single dwelling unit, other than on a fixed short-term basis, to persons of specified consanguinity or marital relationship.

K. Supervision of architectural review and control functions within the Property as provided herein.

Section 3. Obligation of the Association. The Association shall carry out the functions and services specified in Sections 1 and 2 of this Article V as deemed appropriate but only to the extent such maintenance and services can be provided from annual assessments and, as applicable, from special assessments or individual assessments. Particular functions and services provided by the Association from time to time shall be determined by the Board after taking into consideration proceeds of assessments and the needs of the members of the Association.

Notwithstanding anything contained herein or in the Articles, By-Laws, any rules or regulations of the Association or any other document governing or binding the Association (collectively the "Association Documents"), the 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 Property including, without limitation, Owners and their families, guests, lessees, licensees, invitees, agents, servants, contractors and/or subcontractors, or for any property of any such persons. Without limiting the generality of the foregoing:

The various provisions of the Association Documents which are enforceable by the Association and which govern or regulate the uses of the Property have been written, and are to be interpreted and enforced, for the sole purpose of enhancing and maintaining the enjoyment of the Property and the value thereof, and the Association is not empowered, and has not been created, to act as an agency which enforces or ensures compliance with the laws of the State of Florida and/or Palm Beach County or prevents tortious activities. The provisions of the Association Documents setting forth the uses of assessments which relate to health, safety and welfare shall be interpreted and applied only as limitations on the uses of assessment funds and not as creat-

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ing a duty of the 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 acceptance of title to a Lot) and each other person having an interest in or lien upon, or making any use of, any portion of the Property (by virtue of accepting such interest or lien or making such use) shall be bound by this Section 3 and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against the Association arising from or connected with any matter for which the liability of the Association has been disclaimed in this Section 3 or otherwise.

As used in this Section 3, "Association" shall include within its meaning all of the Association's directors, officers, committee and board members, employees, agents and contractors (including management companies, subcontractors, successors and assigns).

In addition, neither the Developer, the Association, nor their franchisees or contractors guarantee or warrant, expressly or impliedly, the merchantability or fitness for use of any security system or services, or that any such system or services will prevent intrusions, fires or other occurrences, or the consequences of such occurrences, which the system or services are designed to monitor; and every Owner or occupant of property serviced by such systems acknowledges that the Developer, the Association or any successor, assign, franchisee or contractor of any of the foregoing will not be responsible or liable for losses, injuries or deaths resulting from such occurrences. It is extremely difficult and impractical to determine the actual damages, if any, which may proximately result from a failure on the part of a security service provider to perform any of its obligations with respect to security services, and therefore every Owner or occupant of property receiving security services through any such system agrees that the Developer, the Association or any successor, assign, franchisee or contractor of any of the foregoing assumes no liability for loss or damage to property or for personal injury or death to persons due to failure in transmission of an alarm, interruption of security service or failure to respond to an alarm because of (a) any failure of the Owner's security system, (b) any defective or damaged equipment, device, line or circuit, (c) negligence of the security service provider or its officers, agents or employees, or (d) fire, flood, riot, war, act of God or other similar causes beyond the control of the security service provider. Every Owner or occupant of property obtaining security services through any central telecommunications system further agrees for himself, his guests, invitees and licensees that if any loss or damage should result from a failure of performance or operation, or from defective performance or operation, or from improper installation, monitoring or servicing of the system, the liability, if any, of the Developer, the As-

sociation or any successor, assign, franchisee or contractor of any of the foregoing for loss or damage sustained shall be limited to a sum not exceeding Two Hundred Fifty and No/100 U.S. Dollars (\$250.00), which limitation shall apply notwithstanding that the loss or damage results directly or indirectly from negligent performance or non-performance by any officer, agent or employee of the Developer, the Association or any successor, assign, franchisee or contractor of any of the foregoing. Further, in no event will the Developer, the Association or any successor, assign, franchisee or contractor of any of the foregoing be liable for consequential damages, wrongful death, personal injury or commercial loss.

Section 4. Mortgage and Pledge. The Board shall have the power and authority to mortgage the property of the Association and to pledge the revenues of the Association as security for any loans made to the Association, provided that the proceeds of such loans are to be used by the Association in performing its functions.

Section 5. Delegation by Association. The Association may delegate any of its functions, by contract or otherwise, to any person or entity, including the Developer or any affiliate of the Developer, and the expense of any such arrangement shall be a valid expense of the Association for which assessments may be made as provided in Article VII. The Association may delegate or convey any of its functions or properties to any governmental unit for any purposes consistent with the intent of this Declaration.

Section 6. Transaction with Developer. The fact that the Developer or any affiliate, partner, officer or employee thereof is directly or indirectly interested in any transaction with the Association, involving the performance of any service or the provision of any merchandise or goods with respect to the Association, or the Property, shall not prohibit the Association from employing or dealing with such person or entity, and neither the Association nor any other person or entity, including any Owner, shall have any rights in or to any income or profits derived therefrom by the Developer or any other such person or entity.

VI. EASEMENTS

Section 1. Appurtenant Easements. Subject to this Declaration, as well as the Articles, By-Laws and the rules and regulations of the Association, the Developer hereby grants to all Owners, their guests, lessees and invitees, but only as an appurtenance to the ownership of fee title interest to one or more Lots, a perpetual non-exclusive easement for ingress and egress over, across and through, and for the use and enjoyment

of, all the Common Area. Such use and enjoyment shall be shared in common with the other Owners, their guests, lessees and invitees; the employees, agents, guests, lessees and invitees of the Developer; and any other person or entity having easement rights with respect to any portion of the Common Areas, including, without limitation, the members of the Club. The easements granted to the Owners hereunder are subject to the following:

A. The right of the Association to take such steps as are reasonably necessary to protect the Common Area against foreclosure.

B. All provisions of this Declaration, any plat of all or any parts of the Property, and the Articles and By-Laws of the Association.

C. Rules and regulations governing use and enjoyment of the Common Area adopted by the Association. Without limiting the foregoing, the Association specifically has the right to place any reasonable restrictions upon the use of any roadways owned by the Association including, but not limited to, the maximum and minimum speeds of vehicles using such roads, all other reasonable traffic and parking regulations, and the maximum noise levels of vehicles using said roads. Such restrictions on the use of such roads may be more restrictive than the laws of any state or local government having jurisdiction.

D. Restrictions contained on any and all plats of all or any part of the Common Area or filed separately with respect to all or any part or parts of the Property.

E. The right of the Association to suspend voting rights and right of use of recreational portions of the Common Area by an Owner during any period in which any assessment against his Lot remains unpaid and for a period not to exceed sixty (60) days for any infraction of the restrictions set forth herein or in the Association's rules and regulations. Notwithstanding the foregoing, the Association shall in no event have the right to limit in any respect the rights and powers reserved or granted to the Developer under this Declaration for any failure of the Developer to pay any assessment or for any breach by the Developer of the published rules and regulations of the Association.

F. The right of the Developer and the Association to have, grant and use general ("blanket") and specific easements over, under and through the Common Area for the benefit of the Association and to make such use of the Common Area as the Board deems to be in the best interests of the Owners, including, but not limited to, the establishment at any time of any community facilities.

G. The right of the Developer or the Association to borrow money from any lender for the purpose of improving and/or maintaining the Common Area and providing services authorized herein and, in aid thereof, to mortgage the Common Area.

Section 2. Utility Easement. The Developer reserves to itself, its successors and assigns, including the Association and any party designated by the Developer or the Association, a perpetual easement upon, over, under and across the Property, including the Lots and the Common Area, for the purpose of maintaining, installing, repairing, altering and operating sewer lines, water lines, waterworks, sewer mains, force mains, lift stations, water mains, sewer mains, water distribution systems, sewage disposal systems, effluent disposal systems, pipes, wires, syphons, valves, gates, pipelines, cable television service, electronic security systems and all machinery and apparatus appurtenant to all of the foregoing as may be necessary or desirable for the installation and maintenance of utilities or other such services for the Property, all such easements to be of a size, width and location as the Developer, in its discretion, deems best but selected in a location so as not to unreasonably interfere with the use of any improvements which are now, or hereafter will be, located upon the Property.

Section 3. Maintenance Easement. The Developer reserves to itself, its successors and assigns, including the Association and any party designated by the Developer or the Association, a perpetual easement upon, over, under and across the Property, including the Lots and the Common Area, for the purpose of maintaining, repairing or improving any portion of the Property as may be necessary or desirable in accordance with the provisions and intent of this Declaration, provided that such access or use does not unreasonably interfere with the use of any improvements which are now, or hereafter will be, located upon the Property. This easement shall include the right to enter any residential unit or other structure on a Lot as necessary, provided that such entry is at reasonable times and with prior notice (except in the event of an emergency).

Section 4. Developer Easement. The Developer hereby reserves to itself, its successors and assigns, and to such other persons as the Developer may from time to time designate, a perpetual easement, privilege and right in and to, over, under, on and across the Property, including the Lots and the Common Area, for ingress, egress and use as needed by its officers, directors, employees, agents, independent contractors, invitees and designees, provided that such access or use does not unreasonably interfere with the use of any improvements which are now, or hereafter will be, located upon the Property.

Until the Developer has completed all of the proposed improvements and all Lots have been sold to Owners, neither an Owner, the Association, nor anything contained herein or in the Articles of Incorporation or By-Laws shall interfere with the construction of the improvements and/or any activity of the Developer, or any employee or agent thereof, with respect to the sale of Lots, including but not limited to the use by the Developer (or any employee or agent thereof) of the Common Area. The Developer may make use of any building or structure (other than residences) erected upon the Property, including but not limited to the Common Area, as may facilitate such completion and sale, including, but not limited to, maintenance of sales offices, the showing of the Property and the display of signs.

Section 5. Service Easement. In order to service the Property, the Developer hereby grants to delivery, pickup, fire protection and security services, police and other authorities of the law, United States mail carriers, representatives of electrical, telephone, cable television and other utilities authorized by the Developer, its successors and assigns, and to such other persons as the Developer from time to time may designate, the non-exclusive, perpetual right of ingress and egress over and across the Property, including the Lots and the Common Area, for the purposes of performing their authorized services and investigation.

Section 6. Easement for Unintentional and Non-Negligent Encroachments. If any building or improvement on a Lot shall encroach upon any portion of the Common Area, another Lot or upon an easement by reason of original construction or by the non-purposeful or non-negligent act of the Developer or Owner of such improvement, then an easement for such encroachment shall exist so long as the encroachment exists. If a Lot contains an improvement with roof overhangs, eaves and other protrusions passing over an adjacent Lot, a perpetual non-exclusive easement is herein granted to allow such roof overhangs, eaves and other protrusions and to permit any natural water or other runoff from such overhangs, eaves and other protrusions onto the adjacent Lot.

Section 7. Extent of Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

A. The right of the Developer or the Association to borrow money from any lender for the purpose of improving and/or maintaining the Common Area and providing services authorized herein and, in aid thereof, to mortgage said properties;

B. The right of the Association to suspend the rights and easements of enjoyment of any member or any tenant of any member for any period during which any assessment remains unpaid, and for a period not to exceed sixty (60) days for each

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infracton of its published rules and regulations. Any suspension for either nonpayment of any assessment or breach of any rule or regulation of the Association shall not constitute a waiver or discharge of the member's obligation to pay the unpaid assessment or any other assessments. Notwithstanding the foregoing, the Association shall in no event have the right to limit in any respect the rights and powers reserved or granted to the Developer under this Declaration for any failure of the Developer to pay any assessment or for any breach by the Developer of the published rules and regulations of the Association.

C. The right of the Association to place any reasonable restrictions upon the use of any roadways owned by the Association including, but not limited to, the maximum and minimum speeds of vehicles using said roads, all other reasonable traffic and parking regulations, and the maximum noise levels of vehicles using said roads. The fact that such restrictions on the use of such roads shall be more restrictive than the laws of any state or local government having jurisdiction over the Property shall not make such restrictions unreasonable.

D. The right of the Association to give, dedicate or sell all or any part of the Common Area (including a leasehold interest therein) to any public agency, authority or utility for such purposes and subject to such conditions as may be determined by the Association, provided that no such gift or sale or determination of such purposes or conditions shall be effective unless the same shall be approved by the Developer (for so long as the Developer owns any Lot in the Property) and authorized by the affirmative vote of the members at a duly called meeting of the Association (with written notice of the meeting and of the proposed agreement and action thereunder being sent at least three (3) days prior to such meeting to each Owner). A true copy of such resolution, together with a certificate of the results of the vote taken thereon, shall be made and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Association and such certificate shall be annexed to any instrument of dedication or transfer affecting the Common Area prior to the recording thereof. Such certificate, bearing thereon the approval of the Developer, shall be conclusive evidence of authorization of such action.

Section 8. Further Restrictions. Nothing other than storm water may be discharged into any body of water located within or adjacent to the Property. Any device through which water is drawn other than a pumping device from any body of water onto or within any portion of the Property must not be visible or pose a hazard to navigation or water recreation. The construction

and/or installation of any such device through which water is drawn shall be subject to the prior approval of the Architectural Control Committee.

SECTION 9. Party Walls. The following provisions shall apply with respect to each wall that is common to the improvements constructed on two lots (a "Party Wall").

(a) Each Party Wall shall be for the benefit of and use by the Owner, including his heirs, assigns, successors and grantees, of each Lot sharing such Party Wall.

(b) The Owner of any Lot sharing a Party Wall may use such Party Wall for any lawful use whatsoever, provided however:

(i) No use shall impair, injure or infringe upon the value of the Party Wall or the rights or the enjoyment of any other Owner sharing such Party Wall;

(ii) No window, door or other opening may be cut in any Party Wall; and

(iii) No alterations, additions, improvements or structural changes may be made to any Party Wall or, to the extent they might impair, injure or infringe upon a Party Wall, to any other improvements on a Lot.

(c) The costs of routine maintenance of each Party Wall shall be borne equally by the Owners of the Lots sharing such Party Wall.

(d) In the event of damage or destruction of a Party Wall, the Party Wall shall be repaired or reconstructed by the Owners of the Lots sharing such Party Wall and the costs thereof shall be borne equally by such Owners. However, if such damage or destruction is attributable solely to the negligent or willful misconduct of one Owner of a Lot sharing a Party Wall, then the cost of repair or replacement shall be borne solely by such Owner. The repair and reconstruction shall be done in a timely fashion and in the same or similar manner, location, size, materials and quality as the original construction.

(e) A perpetual non-exclusive easement is hereby reserved for the Developer, the Association, and each Owner of a Lot sharing a Party Wall, their authorized agents and contractors, for entry in or to any portion of the Property necessary to maintain, repair or reconstruct a Party Wall in accordance herewith.

VII. COVENANTS FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. Each Owner, by acceptance of a deed for a Lot, whether or not it shall be so expressed in any such deed or other conveyance, including any purchaser at a judicial sale, covenants and agrees to pay to the Association, with respect to each Lot, any annual assessments, fees or charges; any special assessments for capital improvements, major repairs and/or other extraordinary items, including but not limited to operating deficits, deemed necessary by the Board; and any individual assessments levied by the Board; such assessments to be fixed, established and collected from time to time as provided in this Declaration. All such assessments, fines, fees and charges, together with interest thereon from the due date at the rate of interest provided under Section 12 hereof and costs of collection thereof (including reasonable attorneys' fees), shall be a charge and a continuing lien upon each Lot against which an assessment is made, and shall also be the personal obligation of the Owner. Liability for the assessments and any other amounts provided for hereunder shall not be waived or otherwise released as the result of nonuse of the Common Area or abandonment.

Section 2. Purpose of Assessments. The annual and special assessments levied by the Association shall be used for the purpose of promoting the recreation, health, safety and welfare of the residents of the Property, and their invitees and guests, and in particular for the improvement and maintenance of the residential units, the Lots and the Common Area, and of any easement in favor of the Association, including, but not limited to, the cost of taxes, insurance, labor, equipment, materials, management, maintenance and supervision thereof, as well as for the payment of the Owners' dues and assessments as members of the Club and such other purposes as are obligatory or permissible activities of the Association under the Plat, this Declaration, the Articles or the By-laws or otherwise with respect to the Club as provided in any document hereafter recorded in the Public Records of Palm Beach County or in any agreement between the Association and the Club. Notwithstanding any provision herein to the contrary, any use of the annual or special assessments that provides benefit to the Developer or any employee or agent thereof shall not be deemed to violate this section or any other provision of this Declaration as a result of said benefit.

Section 3. Determination of Assessments. The Board shall fix the assessments, which shall be in amounts determined in accordance with the projected financial needs of the Association, as to which the decision of the Board shall be dispositive.

Section 4. Uniform Assessments. Except as otherwise provided in this Article, each Owner of a Lot shall pay the same annual and/or special assessments as each other Owner of a Lot, with such assessments to be established by the Board in its discretion for each assessment year.

Section 5. Special Assessments. In addition to any annual assessments, the Association may levy in any assessment year one or more special assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of a capital improvement as approved by the Board, including the necessary fixtures and personal property related thereto, and any other extraordinary item, including a judgment rendered against the Association by a court of competent jurisdiction, as determined by the Board.

Section 6. Individual Assessments. The Association may impose an individual assessment upon any Owner (i) whose use or treatment of his Lot or any improvements thereon is not in conformance with the standards as adopted by the Association or in compliance with the use restrictions imposed by this Declaration and as to which any work is performed by or on behalf of the Association pursuant to Article VIII, Section 4 or otherwise, or (ii) for the repair or replacement of damage to any portion of the Common Area (including without limitation, improvements and landscaping thereon) caused by the misuse, negligence or other action or inaction of an Owner or his family members, guests, tenants or invitees. The amount of such assessment may be enforced and collected in the manner provided for any other assessment.

Section 7. Assessments for Reserves. Any assessment authorized by the Board for the purpose of creating or increasing a reserve for future expenses or capital expenditures of the Association shall be placed in a segregated account of the Association and held in trust by the Association solely for the purpose or purposes for which it was authorized.

Section 8. Developer Contribution. Notwithstanding any provision to the contrary in this Declaration, the Developer shall not be liable for assessments against any Lot owned by the Developer provided that the Developer funds any deficit in the actual cash expenses of the Association. At its option, the Developer may at any time commence paying assessments on all Lots that it owns and thereby automatically terminate its obligation to fund deficits as set forth above. The Developer shall have no obligation to contribute any amount to the Association at any time for the purpose of providing a reserve or reserves for future expenses and/or capital expenditures of the Association.

Section 9. Assessments to Finance Litigation Against the Developer; Attorneys' Fees. If the Association, on its behalf or on behalf of some or all of its members, commences or seeks to commence litigation against the Developer and attempts to levy an assessment of any nature to finance such actual or contemplated litigation or an appeal therefrom, the Developer and any portion of the Property owned by the Developer shall be exempt from such assessment. The Developer shall be entitled to reasonable attorneys' fees in any litigation with the Association in which the Developer is the prevailing party.

Section 10. Date of Commencement of Annual Assessments; Due Date; Working Capital Fund. The assessments for which provision is made herein shall commence on the date or dates (in each case, the first day of a month) fixed by the Board for commencement. The due date of any assessment shall be fixed in the resolution authorizing such assessment, and any such assessment shall be payable in advance in monthly, quarterly, semiannual or annual installments, as determined by the Board. The Board shall establish a working capital fund for the Association, which fund shall be in an amount equal to two (2) months of the annual assessment for each Lot and shall be collected from each Lot purchaser at the time of conveyance of the Lot to such purchaser. Amounts paid into the fund are not to be considered as advance payment of regular assessments.

Section 11. Duties of the Board. The Board shall fix the date of commencement and the amount of each assessment at least thirty (30) days in advance of such date and shall, at that time, prepare a roster of the assessments which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the assessment shall be sent to each Owner not later than fifteen (15) days prior to the due date thereof.

Section 12. Effect of Nonpayment of Assessment: The Lien, The Personal Obligation, Remedies of Association. The lien of the Association shall be effective from and after recording, in the Public Records of Palm Beach County, Florida, a claim of lien stating the description of the Lot or other property encumbered thereby, the name of the Owner, and the amount and the date when due. Such claim of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claim of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record.

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If the assessment is not paid within thirty (30) days after the date due, the assessment shall bear interest from the date due at a rate of interest determined by the Board (or, in the absence of such determination, at the rate of eighteen percent (18%) per annum), up to the highest rate of interest then allowed by Florida law, and the Association may, at any time thereafter, bring an action to foreclose the lien in like manner as foreclosure of a mortgage on real property, and/or bring suit on the personal obligation against the Owner. There shall be added to the amount of such assessment the cost of preparing and filing the complaint in such action, including a reasonable attorney's fee, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the Court, together with the costs of the action.

Section 13. Subordination to Lien of Mortgages. The lien of the assessments for which provision is made in this Declaration shall be subordinate to the recorded lien of any first mortgage to a Federal or State chartered bank, life insurance company, Federal or State savings and loan association, real estate investment trust, recognized secondary market mortgage lenders or other recognized lending institution, or any other mortgagee approved by the Board. This subordination shall apply only to assessments that are due and payable prior to a sale or transfer of property pursuant to a decree of foreclosure or in any other such proceeding, or by a deed in lieu of foreclosure. No sale or other transfer shall relieve any property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment. The written opinion of either the Developer or the President or Vice-President of the Association that a mortgagee is a recognized lending institution and accordingly that the lien is subordinate to a mortgage shall be dispositive of any question of subordination.

Section 14. Exempt Property. The following portions of the Property subject to this Declaration shall be exempt from the assessments, charges and liens created herein provided that such part of the Property exempted is used (and only as long as it is used) for its intended purposes:

A. Any easement or other interest therein of the Club or dedicated and accepted by the local public authority and devoted to public use;

B. The Common Area; and

C. Any of the Property exempted from ad valorem taxation by the laws of the State of Florida, to the extent agreed to by the Association.

Section 15. Consolidated Lots. If two or more Lots are consolidated for the purpose of constructing a single residence thereon, the Owner of such Lots shall be liable for the full annual, special and individual assessments for each such Lot.

Section 16. Fines. The Board shall be authorized to levy fines for non-payment of annual, special or individual assessments, or any interest on or costs of collection related thereto, in accordance with a schedule of such fines to be provided to the Owners. The Board shall be entitled to collect from the offending party reasonable attorneys' fees and other costs of any action or proceeding to enforce any provision of this Declaration, the Articles, the By-Laws or its rules and regulations.

Section 17. Approval of Association Lawsuits by Members. The Association shall be required to obtain the approval of members holding not less than three-fourths (3/4) of the votes of all members (at a duly called meeting of the members at which a quorum is present) prior to the payment of legal or other fees to persons or entities engaged by the Association for the purpose of making, preparing, investigating or commencing any lawsuit, other than for: (a) the collection of assessments; (b) the collection of other charges which members are obligated to pay pursuant to this Declaration; (c) the enforcement of the use and occupancy restrictions contained in this Declaration, including, but not limited to, those against tenants; or (d) in an emergency where waiting to obtain the approval of the members creates a substantial risk of irreparable injury to the Property.

VIII. MAINTENANCE OBLIGATIONS OF OWNERS

Section 1. Exteriors of Improvements. Except with respect to the maintenance obligations of the Association set forth under Article V, Section 1, each Owner shall maintain all structures and improvements located on his Lot in a neat, orderly and attractive manner and consistent with the general appearance of the Property. The minimum (though not sole) standard for the foregoing shall be consistency with the general appearance of the Property as initially constructed and otherwise improved by the Developer.

Section 2. Other Obligations. The maintenance obligation of an Owner hereunder shall include the repair or replacement (as applicable) of any improvement located in or on an easement within the Owner's Lot, as well as the Owner's obligations with respect to any Party Wall. Such obligation of the Owner shall not be diminished in any respect by the compliance of the Association with any requirement of the City of Delray Beach, Palm Beach County or any utility that the Association assume such

obligation. If the Owner fails to repair or replace any such damaged improvement, the Association shall cause such work to be performed and shall assess the cost thereof (and such other amounts as may be applicable) as provided in Section 4 below.

Section 3. Remedies for Noncompliance. In the event of the failure of an Owner to maintain his Lot and improvements thereon in accordance with this Declaration, the 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 Association (except in an emergency, in which case prior notice shall not be required), to enter upon the Owner's Lot and perform such work as is necessary to bring the Lot or improvements thereon into compliance with the standards set forth in this Declaration. The remedies provided for herein shall be cumulative with all other remedies available to the Association (including, without limitation, the imposition of fines and the filing of legal or equitable actions).

Section 4. Assessment of Cost. The cost of any work performed by the Association pursuant to Section 3 above shall be assessed against the Lot or Lots upon which such work is performed or which, in the opinion of the Board, benefit therefrom. The assessment shall be apportioned among the Lots involved in the manner determined to be appropriate by the Board. If no allocation is made, the assessment shall be uniformly assessed against all of the Lots in the affected area. In order to discourage Owners from abandoning their duties hereunder, and additionally to reimburse the Association for the administrative expenses incurred as a result of such abandonment, the Association may impose an additional charge of not more than thirty-five percent (35%) of the cost of the applicable remedial work, such charge to be a part of the assessment. No bids need be obtained for any of the work performed by the Association pursuant to this Article VIII and the person(s) or companies performing such work may be selected by the Board or the Architectural Control Committee in their sole discretion.

IX. ARCHITECTURAL CONTROL

Section 1. Architectural Control Committee. The architectural review and control functions of the Association shall be administered and performed by the Architectural Control Committee (the "ACC"), which shall consist of three (3) members who need not be members of the Association. The Developer shall have the right to appoint all of the members of the ACC, or such lesser number as it may choose, as long as it owns at least one Lot in the Property. Members of the ACC as to whom the Developer may relinquish the right to appoint, and all members of the ACC after the Developer no longer owns at least one Lot in the Property, shall be appointed by, and shall serve at the

pleasure of, the Board. A majority of the ACC shall constitute a quorum to transact business at any meeting of the ACC, and the action of a majority present at a meeting at which a quorum is present shall constitute the action of the ACC. Any vacancy occurring on the ACC because of death, resignation, or other termination of service of any member thereof shall be filled by the Board; except that the Developer, to the exclusion of the Board, shall fill any vacancy created by the death, resignation, removal or other termination of services of any member of the ACC appointed by the Developer. A majority of the ACC may take any action of the committee and may designate a representative to act for it. The members of the ACC may be entitled to compensation from the Association for their services, with such compensation to be fixed by the Board from time to time.

Section 2. Architectural Review and Approval. The ACC shall have the right of specific approval or veto of all architectural, engineering, platting, replatting, planning, dividing, subdividing, and landscaping proposals for improvement or development of any Lot; provided, further, that the ACC may, in its sole discretion, impose standards for approval of such proposals that are more stringent than standards prescribed in applicable building, zoning, planning or other local governmental codes.

No improvement or structure of any kind, including, without limitation, any building, fence, wall, swimming pool, screen enclosure, sewer, drain, disposal system, decorative building, landscape device or object, or other improvement (including, without limitation, any modification of any courtyard), shall be commenced, erected, placed or maintained upon any Lot, nor shall any addition, change, modification or alteration therein or thereof be made, unless and until the plans and specifications of the same showing the nature, kind, shape, height, materials, floor plans, color scheme, location and any other aspects deemed relevant by the ACC shall have been submitted to, and approved in writing by, the ACC. All plans and specifications shall be evaluated as to harmony of external design and location in relation to surrounding structures and topography.

Section 3. Powers and Duties of the ACC. In pursuance of and (where appropriate) in addition to the foregoing, the ACC shall have the following powers and duties:

A. To require submission to the ACC of two (2) complete sets of all plans and specifications, prepared in accordance with the requirements of the ACC, and prepared by such preparer(s) as specified by the ACC, for any improvement or structure of any kind, including, without limitation, any building, fence, wall, swimming pool, enclosure, sewer, drain, disposal system, decorative building, landscape device or object, or other improvement, or any addition, change, modification or

alteration to any pre-existing improvement, the construction or placement of which is proposed upon any Lot in the Property. The ACC may also require submission of samples of building materials proposed for use on any Lot, and may require such additional information as reasonably may be necessary for the ACC or the Board to completely evaluate the proposed structure or improvement. If the information submitted to the ACC is, in its opinion, incomplete or insufficient in any manner, it may request and require the submission of additional or supplemental information.

B. To condition approval of any improvement on completion of the same within a specified period of time. Unless specifically excepted by the ACC, all improvements for which approval of the ACC is required under this Declaration shall be completed within a reasonable time from the date of commencement of said improvements.

C. To refuse to commence consideration of, or grant approval to, any proposed improvement if the owner of the property with respect to which said improvement is proposed is delinquent in the payment of any annual, special or individual assessment, whether or not said assessment relates to the property with respect to which said improvement is proposed.

D. To adopt a schedule of fees for processing requests for ACC approval of proposed improvements, and to require in each instance such deposit, if any, as is deemed appropriate by the ACC to secure the performance of construction of improvements. Such fees, if any, shall be payable to the Association, in cash, at the time that plans and specifications are submitted to the ACC, and such deposit, if any, shall be payable to the Association, in cash or by cashier's check, at the time that approval of the improvements is granted. In no event shall the Developer be required to pay any fees to the ACC with respect to the improvement of any Lot or other portion of the Property.

E. In its absolute discretion, to bar any contractor or subcontractor, or any employee or agent thereof, from participating in the construction of any improvements on the Property, and to condition continuing approval of the construction of any improvements on the satisfactory performance and conduct of any and all contractors and subcontractors and the employees and agents thereof. In connection with the foregoing, the ACC may (but shall not be required to) adopt any such rules or regulations as it deems appropriate.

Section 4. ACC Procedures. Any party aggrieved by a decision of the ACC, or by the failure of the ACC to render a decision within sixty (60) days after submission of plans and specifications in final form, shall have the right to make a written request to the Board, within thirty (30) days there-

after, for a review of the ACC's action or failure to act. The determination of the Board upon any such review shall in all events be dispositive; provided, however, that for so long as the Developer owns any Lot(s) within the Property, the Developer shall have the right to override any decision of the ACC, and/or any decision of the Board pursuant to this Section 4, and, in the Developer's sole discretion, to reinstate the determination of the ACC or make any adjustments or amendments to the decision of the ACC (whether or not reviewed by the Board) or the Board or both.

Section 5. ACC Easement. There is specifically reserved unto the ACC a right of entry and inspection upon any Lot or improvement or structure thereon for the purpose of determination by the ACC whether there exists any construction of any improvement that has not received prior approval by the ACC or which violates the terms of any approval by the ACC or the terms of this Declaration or of any other covenants, conditions and restrictions to which its deed or other instrument of conveyance makes reference. The ACC is specifically empowered to enforce the provisions of this Declaration by any legal or equitable remedy, and in the event it resorts to litigation to determine the propriety of any constructed improvement, or to remove any unapproved improvements, the prevailing party shall be entitled to recovery of all court costs, expenses and reasonable attorney's fees in connection therewith. The Association shall indemnify and hold harmless the ACC and each of its members from all costs, expenses and liabilities, including attorney's fees, incurred by virtue of any action or inaction of the ACC or any member of the ACC's service as a member of the ACC.

X. RESTRICTIONS

Section 1. Residential Use. Except as provided below, the Property subject to these Covenants and Restrictions may be used for residential living units and as Common Area, and for no other purpose. No commercial building may be erected on any Lot and no commercial enterprise may be conducted on any Lot. No portion of any residential living unit as originally constructed may be sold, leased, rented or otherwise disposed of as a separate living unit apart from the remainder of such unit. The foregoing is not intended to restrict in any manner the sale, lease, rental or other disposition of an entire residential unit; provided, however, that so long as the Developer owns at least one Lot that is being offered for sale, no residential living unit within the Property may be leased or rented without the prior written approval of the Developer.

Notwithstanding the foregoing, nothing herein is intended to restrict the right of the Developer or any designee or affiliate of the Developer, to carry on any sales or other ac-

tivity within the Property related to or connected with the development of the Property and/or the sale, resale, lease or other disposition of any Lot (including improvements thereon) or other portion of the Property, or the right of the Developer or the Association to permit, carry out and/or give support to any event or function in the Property for the benefit of the Developer and/or any resident or nonresident of the Property.

Section 2. No Temporary Buildings. No tents, trailers, awnings, commercial vans, shacks, tanks or temporary or accessory buildings or structures shall be erected or permitted to remain on any Lot or Common Area without the written consent of the Board. In addition, no personal property of any kind shall be left or stored in view on any Lot, or on or about any portion of the Common Area, except as permitted in writing by the ACC.

Section 3. Antennae; Basketball Courts. No aerial, antenna, satellite dish or other television or telecommunication equipment or apparatus, or any basketball or other sports apparatus, shall be placed or erected upon any Lot, or affixed in any manner to the exterior of any residence.

Section 4. Boats and Motor Vehicles. No boats or other water vehicles, motorcycles, recreational vehicles or other motor vehicles, except four-wheel passenger automobiles, shall be placed, parked or stored upon any Lot or any Common Area (including the beach), nor shall any maintenance or repair be performed upon any boat or motor vehicle upon any Lot or Common Area, except within a building totally isolated from public view. Notwithstanding the foregoing, the Board may waive the restrictions of this Section 4 in any instance on such terms and conditions as it shall provide, but no such waiver shall estop the full enforcement of this Section 4 or a waiver on any other terms as the Board shall provide in any other instance.

Section 5. Trees. No tree or shrub, the trunk of which exceeds two (2) inches in diameter, shall be cut down, destroyed or removed from a Lot without the prior written consent of the ACC. No vegetation of any kind shall be planted on the portion of Lots 8 through 14 between the residence thereon and the ocean without the prior approval of the ACC.

Section 6. Artificial Vegetation. No artificial grass, plants or other vegetation shall be placed or maintained upon any Lot (except within a residence), unless approved by the ACC.

Section 7. Automobile Storage Areas. No automobile garage shall be permanently enclosed or converted to any use other than its intended purpose as originally constructed. No carports shall be permitted. All garages must have doors that are to be maintained in an operable condition.

Section 8. Clothes Drying Area. No portion of any Lot shall be used as a drying or hanging area for laundry of any kind. All such facilities shall be provided within the residence to be constructed on a Lot and shall not be visible from any other Lot.

Section 9. Nuisances. Nothing shall be done or maintained on any Lot or Common Area which may be or become an annoyance or nuisance to any resident of the Property, including, without limitation, any activity within any courtyard that may be offensive to any other Owner, or the improper disposal of garbage or other waste, all as determined in the sole discretion of the Board. In the event of a dispute or question as to what may be or become a nuisance, such dispute or question shall be submitted to the Board, which shall render a decision in writing, and such decision shall be dispositive of such dispute or question. It is intended that the Board's discretion under this Section 9 shall extend to setting standards for the conduct of guests and invitees of Owners and their tenants in order to avoid public nuisances or offensive behavior.

Section 10. Signs. Except as permitted by the Board, no sign, including a "For Sale" or "For Rent" sign, shall be displayed or placed in public view on any Lot.

Section 11. Animals. No animals, livestock, or poultry of any kind, except for common household pets, shall be permitted within the Property at any time. Household pets may not be kept for commercial purposes and shall not be kept in a number or of a kind as to be a nuisance or annoyance to other residents of the Property or other persons lawfully on the Property. The determination of whether any pet is a nuisance or annoyance shall be in the sole discretion of the Board, which shall be authorized to order the immediate permanent removal of any pet from the property upon such a determination.

Section 12. Miscellaneous. No weeds, underbrush or other unsightly growths shall be permitted to grow or remain upon any Lot, and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon; and in the event that any Owner shall fail or refuse to keep his Lot free of weeds, underbrush or refuse piles or other unsightly growths or objects, then the Association may enter upon said Lot and remove the same at the expense of the Owner, and such entry shall not be deemed a trespass. All garbage or trash containers must be underground or placed in concealed areas so that they shall not be visible from any other portion of the Property, and such containers shall be placed in view on the Lot only for the minimum period necessary for garbage removal.

Section 13. Exception for Developer. The foregoing use restrictions shall not apply to the Developer or, in the discretion of the Developer, any other party connected with the development of the Property, or to the construction of any building or other improvements within the Property by the Developer. In particular, and without limiting in any respect the foregoing exceptions, the Developer and any other party designated by the Developer shall have the right to: construct any building, structure or other improvements on the Property, including any temporary structure or facility used for storage or other purposes; temporarily deposit, dump or accumulate trash or other refuse or rubbish in connection with the development of the Property or the construction of any improvements thereon; post, display, inscribe or affix to the exterior of any building or elsewhere upon the Property "For Sale" or other reasonable signs for promotional, marketing or other purposes reasonably related to the development of the Property; excavate fill from any body of water within or contiguous to the Property by dredge or dragline, store fill on the Property, or sell excess fill from the Property; and grow plants, trees or other vegetation on the Property and sell any of the same from the Property.

XI. CLUB MEMBERSHIP

Each Owner of a Lot shall be required to become a member of the Club. In accordance with procedures to be established by the Association and/or the Club, each Owner shall make application to the Club for membership and, upon approval thereof, shall become subject to all financial and other obligations of members of the Club. Membership in the Club by each Owner shall be compulsory and shall continue until such time as the Owner transfers or conveys of record his interest in the real property upon which his membership is based or until said interest is transferred or conveyed by operation of law, at which time the membership must be transferred to the transferee indirectly through the Club, in accordance with the governing documents of the Club (provided that the foregoing shall not create any implication with respect to any compensation that may be due to the member for transferring of said membership to the transferee). Membership in the Club shall be appurtenant to, run with, and shall not be separated from, the real property interest upon which the membership is based.

XII. GENERAL PROVISIONS

Section 1. Duration. The Covenants and Restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Developer, the Association, and/or the Owner of any Property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said

Covenants and Restrictions shall automatically be extended for successive periods of ten (10) years each. The number of ten (10) year renewal periods hereunder shall be unlimited, with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if during the last year of the initial fifty (50) year period, or during the last year of any subsequent ten (10) year renewal period, the affirmative vote of three-fourths ($3/4$) of the members are cast at a duly held meeting of the Association in favor of terminating this Declaration at the end of its then current term. It shall be required that written notice of any meeting at which such proposal to terminate this Declaration is to be considered, setting forth the fact that such a proposal will be considered, shall be given at least twenty-five (25) days in advance of said meeting. In the event that the Association votes to terminate this Declaration, the President and Secretary of the Association shall execute a certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the number of votes necessary to adopt a resolution terminating this Declaration, the total number of votes cast in favor of such resolution, and the total number of votes cast against such resolution. Said certificate shall be recorded in the Public Records of Palm Beach County, Florida, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration.

Section 2. Amendments. This Declaration may be amended at any time provided that the affirmative vote of members holding not less than three-fourths ($3/4$) of the votes of all the members are cast at a duly held meeting of the Association in favor of the proposed amendment; provided, however, that if the affirmative vote required for approval of action under the specific provision to be amended is a higher or lower percentage, then such higher or lower percentage shall be required to approve amendment of that provision. Notice shall be given at least twenty-five (25) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved as set forth above, the President and Secretary of the Association shall execute an amendment to this Declaration which shall set forth the amendment, the effective date of the amendment which in no event shall be less than ten (10) days after the date of recording the amendment, and the date of the meeting of the Association at which such amendment was adopted. Such amendment shall be recorded in the Public Records of Palm Beach County, Florida. Notwithstanding the foregoing, as long as the Developer is the

Owner of any Lot or any portion of the Property, no amendment under this Section 2 will be effective without the express written joinder and consent of the Developer.

Section 3. Amendments by Developer. There is hereby reserved to the Developer the absolute and unconditional right to alter, modify, change, revoke, rescind, or cancel any or all of the restrictive covenants contained in this Declaration or hereinafter included in any subsequent Declaration for as long as the Developer owns at least one Lot in the Property; provided that nothing herein shall permit the Developer to prejudice or otherwise impair the security of any mortgagee of record as to any Lot.

Section 4. Remedies for Violation. Violation or breach of any condition, covenant or restriction herein contained shall give the Developer, the Association, and/or the Owner(s), in addition to all other remedies, the right to proceed at law or in equity to compel compliance with the terms of said conditions, covenants or restrictions, and to prevent the violation or breach of any of them, and the expense of such litigation shall be borne by the then Owner of the subject property, provided such proceeding results in a finding that such Owner was in violation of said covenants, conditions and restrictions. Expenses of litigation shall include reasonable attorneys' fees incurred by the prevailing party in seeking such enforcement. Failure by the Developer, the Association or any Owner to enforce any covenant, condition or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce the same thereafter.

Section 5. Review of Books and Records. The members of the Association shall have the right to review the books and records of the Association at any reasonable time and from time to time.

Section 6. Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the Owner on the records of the Association at the time of such mailing.

Section 7. Severability. Invalidation of all or any part of any one of these Covenants and Restrictions by judgment or court order shall in no way affect the remainder of any such provision or any other provisions, which shall remain in full force and effect.

Section 8. Usage. Whenever used, the singular shall include the plural and the plural the singular, and the use of any gender shall include all genders.

Section 9. Interpretation. The Board shall have the right, except as limited by any other provisions of this Declaration or the Articles or By-Laws, to determine all questions arising in connection with this Declaration and to construe and interpret its provisions, and its good faith determination, construction or interpretation shall be final and binding. In all cases, the provisions of this Declaration shall be given that interpretation or construction that will best tend toward the consummation of the general plan of the improvements.

Section 10. Execution of Documents. Development of the Property may require from time to time the execution of certain documents required by Palm Beach County or other government agencies or authorities. To the extent that said documents require the joinder of the Owners, the Developer by its duly authorized officers may, as the agent or the attorney-in-fact for the Owners, execute, acknowledge and deliver such documents and the Owners, by virtue of their acceptance of deeds, irrevocably nominate, constitute and appoint the Developer, through its duly authorized officers, as their proper and legal attorneys-in-fact for such purpose. Said appointment is coupled with an interest and is therefore irrevocable. Any document executed pursuant to this Section 10 shall so state.

Section 11. Inapplicability of Condominium Act. The Association is not intended to be a condominium association, and as such is not intended to be and shall not be governed by the provisions of Florida Statutes, Chapter 718.

Section 12. Representations. Except as hereinafter amended, this Declaration contains or provides for all of the Covenants and Restrictions for the Property, and no oral or written representations of any person or entity limiting, expanding or otherwise in conflict with this Declaration shall be relied upon by any person for any reason, nor shall the same be binding upon the Developer or any of its affiliates, successors or assigns.

Section 13. Effective Date. This Declaration shall become effective upon its recordation in the Public Records of Palm Beach County, Florida.

IN WITNESS WHEREOF, OCEAN CREST JOINT VENTURE LIMITED PARTNERSHIP, a Florida limited partnership, has caused these presents to be executed as required by law on this, the day and year first above written.

OCEAN CREST JOINT VENTURE LIMITED PARTNERSHIP, a Florida limited partnership

By: NVR, INC., a Florida corporation, its sole general partner

BY: *Theodore H. Boinis*
THEODORE H. BOINIS, PRESIDENT

(Corporate Seal)

WITNESS:

Darlene Power

STATE OF FLORIDA)
COUNTY OF PALM BEACH) SS

Be it known, that on the 28th day of December, 1990, before me, a duly authorized notary in and for the State of Florida, County of Palm Beach, personally came and appeared THEODORE H. BOINIS, well known to me to be the President of NVR, Inc., a Florida corporation, and he/she swore to and acknowledged executing the within Declaration of Covenants and Restrictions for Villas of Ocean Crest freely and voluntarily under authority duly vested in him/her by said corporation.

Darlene Power
Notary Public
State of Florida at Large

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA:
MY COMMISSION EXPIRES: NOV. 7, 1993.
BONDED THRU NOTARY PUBLIC UNDERWRITERS

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CONSENT AND JOINDER OF MORTGAGEE

First Federal Savings and Loan Association of the Palm Beaches (hereinafter called "Mortgagee") is the owner and holder of that certain Mortgage and Security Agreement dated May 14, 1990, by and between Ocean Crest Joint Venture Limited Partnership, a Florida limited partnership (hereinafter called "Mortgagor") and Mortgagee, recorded in Official Records Book 6461, page 728 of the Public Records of Palm Beach County, Florida; which document is hereinafter called the "Mortgage".

The real property liened by the Mortgage (the "Mortgaged Property") is the real property described in the attached Declaration of Covenants and Restrictions for Villas of Ocean Crest (the "Declaration"). Mortgagor has requested that Mortgagee consent to the submission of the Mortgaged Property to the Declaration, and Mortgagee hereby so consents to the submission of the Mortgaged Property to the Declaration.

It is understood and agreed that this Consent and Joinder of Mortgagee shall not affect any terms of the Mortgage and that, by consent to the provisions of said Declaration, Mortgagee does not undertake or assume any obligations or responsibilities of Mortgagor or any other person.

IN WITNESS WHEREOF, Mortgagee has executed this Consent and Joinder this 21st day of December, 1990.

First Federal Savings and Loan
Association of the Palm Beaches

Linda Heis
Rosalind H. M. Jones

By: [Signature]
Its: Senior Vice President

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 21st day of December, 1990 by JOHN M. AHRENHOLZ, Senior Vice President of First Federal Savings and Loan Association of the Palm Beaches, on behalf of said Association.

Rosalind H. M. Jones
Notary Public

My commission expires:

NOTARY PUBLIC, STATE OF FLORIDA.
MY COMMISSION EXPIRES: APRIL 5, 1993.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

RECORD VERIFIED
PALM BEACH COUNTY, FLA.
JOHN B. DUNKLE
CLERK CIRCUIT COURT