



CFN 20080449845
OR BK 22998 PG 1728
RECORDED 12/17/2008 14:05:06
Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 1728 - 1818; (91pgs)

W/C
108
Founders Title
5100 West Copans Road
Suite 600
Margate, Florida 33063

**DECLARATION OF COVENANTS,
RESTRICTIONS AND EASEMENTS FOR
PHIPPS VILLAGE**

Dated: December 15, 2008

Prepared By:

Michael D. Joblove, Esq.
GENOVESE JOBLOVE & BATTISTA
Bank of America Tower
44th Floor
100 S.E. Second Street
Miami, Florida 33131

DECLARATION OF COVENANTS,
RESTRICTIONS AND EASEMENTS
FOR
PHIPPS VILLAGE

TABLE OF CONTENTS

	<u>Page</u>
Article 1: <u>DEFINITIONS</u>	
1.01 Affiliate.....	2
1.02 Articles.....	2
1.03 Assessment(s)	2
1.04 Association	2
1.05 Board of Directors or Board	2
1.06 Bylaws	2
1.07 City.....	2
1.08 Common Assessment(s)	2
1.09 Common Expenses	2
1.10 Common Properties	3
1.11 County.....	3
1.12 Declarant.....	3
1.13 Declaration.....	3
1.14 Family	3
1.15 Guaranty Period	3
1.16 Improvement(s).....	3
1.17 Individual Assessments.....	4
1.18 Institutional Mortgage.....	4
1.19 Institutional Mortgagee.....	4
1.20 Lot.....	4
1.21 Management Company	4
1.22 Master Association	4
1.23 Master Covenants	4
1.24 Members	4
1.25 Notice and Hearing	4
1.26 Notice of Lien	4
1.27 Owner	5
1.28 Person	5
1.29 Property.....	5
1.30 Property Plan.....	5

1.31	Project	5
1.32	Residential Property	5
1.33	Rules	5
1.34	Special Assessment	5
1.35	Supplemental Declaration	5

Article 2: OWNER'S PROPERTY RIGHTS; EASEMENTS

2.01	Owner's Easements of Enjoyment	6
2.02	Delegation of Use	7
2.03	Waiver of Use	7
2.04	Title to the Common Properties	7
2.05	Access	8
2.06	Utilities	8
2.07	Declarant	8
2.08	Service	8
2.09	Lot Line Encroachments	8
2.10	Association	9
2.11	Execution	9
2.12	Drainage Easement	9

Article 3: MEMBERSHIP IN ASSOCIATION

3.01	Membership	9
3.02	Co-Ownership of Lots	9

Article 4: VOTING RIGHTS

4.01	Classes of Voting Membership	10
4.02	Declarant Control of Board; Turnover	11

Article 5: FUNCTIONS OF THE ASSOCIATION

5.01	Through Board Action	11
5.02	Required Services	11
5.03	Authorized Services	13
5.04	Surface Water Management and Drainage	14
5.05	Actions by Association	14

Article 6: COVENANT FOR ASSESSMENTS

6.01	Obligation for Assessments	15
6.02	Common Assessments	16

6.03	Amount of Common Assessments; When Payable	16
6.04	Deficit Funding, Guaranty of Assessments, Shortfalls and Surpluses	16
6.05	Individual Assessments.....	18
6.06	Special Assessments	18
6.07	Notice for any Special Assessment.....	19
6.08	Proportionate Share of Assessment	19
6.09	Financial Reports	19
6.10	Assessment Roster and Notices and Mortgage Certificates	19
6.11	Due Dates for Special or Individual Assessments.....	19
6.12	Working Capital Contribution	20

Article 7: EFFECT OF NON-PAYMENT OF ASSESSMENTS;
REMEDIES OF THE ASSOCIATION

7.01	Creation of Lien; Other Remedies of the Association	20
7.02	Notice of Lien	20
7.03	Subordination of the Lien to Certain First Mortgages	21
7.04	Foreclosure Sale.....	22
7.05	Curing of Default.....	22
7.06	Cumulative Remedies	22

Article 8: RIGHTS OF INSTITUTIONAL MORTGAGEES

8.01	General Lender Rights	22
8.02	Financial Statement	22
8.03	Amendments	22
8.04	Additional Lender Rights.....	23

Article 9: MAINTENANCE AND REPAIR OBLIGATIONS

9.01	Maintenance Obligations of Owners	23
9.02	Maintenance Obligations of Association	24

Article 10: USE RESTRICTIONS 25

Article 11: DAMAGE OR DESTRUCTION TO COMMON
PROPERTIES 27

Article 12: INSURANCE

12.01	Common Properties	28
12.02	Replacement or Repair of Project	28
12.03	Waiver of Subrogation	28
12.04	Liability and Other Insurance	28

Article 13: RENTAL RESTRICTION

13.01	Approval	29
13.02	Deposit	30

Article 14: GENERAL PROVISIONS

14.01	Enforcement	30
14.02	Severability	31
14.03	Term	31
14.04	Interpretation	31
14.05	Amendments	31
14.06	No Public Right or Dedication	32
14.07	Constructive Notice and Acceptance	32
14.08	Notices	32
14.09	No Representations or Warranties	33
14.10	Declarant Exemption	33
14.11	Information	33
14.12	Olympia	33
14.13	Assignability of Declarant's Rights	33
14.14	Cable Television and Telecommunication Rights of Declarant	34
14.15	Priority of Documents	34
14.16	Mandatory Binding Arbitration for Certain Disputes	34
14.17	Mandatory Mediation for Certain Disputes	34

Article 15: ARCHITECTURAL CONTROL

15.01	Architectural Standards/Board Approval	35
15.02	Liability of the Board	35
15.03	Declarant's Exemption	35
15.04	Master Association Approval	35

EXHIBITS

- A - Legal Description of Property
- B - Legal Description of Lots
- C - Legal Description of Common Properties
- D - Articles of Incorporation
- E - Bylaws
- F - Property Plan

**DECLARATION OF COVENANTS,
RESTRICTIONS AND EASEMENTS
FOR
PHIPPS VILLAGE**

THIS DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR PHIPPS VILLAGE ("Declaration") is made this 15 day of Dec, 2008, by MINTO COMMUNITIES, LLC, a Florida limited liability company, its successors and assigns, (hereinafter referred to as the "Declarant").

R E C I T A L S:

A. Declarant owns certain real property located in Palm Beach County, Florida (hereinafter defined as the "Property"), which is more particularly described on Exhibit "A" attached hereto, and is graphically described on the "Property Plan" (as hereinafter defined) attached hereto as Exhibit "F."

B. Declarant is developing the Property as part of "Olympia", a planned residential community (hereinafter defined as the "Project").

C. In order to provide for the orderly development and efficient operation of the Property and to maintain the values thereof, Declarant intends to develop the Property pursuant to a general plan, subject to certain protective covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges, all running with the Property as hereinafter set forth.

D. In connection with the foregoing, Declarant deems it desirable to create the Phipps Village Homeowners Association, Inc. (hereinafter referred to as the "Association"), a corporation not for profit, under the laws of the State of Florida, to which certain rights, powers, duties and obligations for the Property have been delegated and assigned, including, without limitation, operation, administration, maintenance and repair of portions of the Property, including the "Common Properties," as hereinafter defined, and administering and enforcing the provisions of this Declaration.

NOW, THEREFORE, Declarant hereby declares that the Property shall be hereafter owned, used, sold, conveyed, improved, encumbered, hypothecated, leased, demised and occupied, all subject to the covenants, restrictions, easements, reservations, conditions, regulations, burdens, liens, equitable servitudes and all other provisions of this Declaration as hereinafter set forth, which shall run with, benefit and burden all of the Property, and shall be binding on all parties having any right, title or interest in the Property, or any portion thereof, including the parties' heirs, personal representatives, successors and assigns.

ARTICLE 1

DEFINITIONS

1.01 "Affiliate" shall mean and refer to any "Person" (as hereinafter defined) which, directly or indirectly, has any ownership interest in Declarant or in which Declarant has any ownership interest, directly or indirectly.

1.02 "Articles" shall mean and refer to the Articles of Incorporation of the Association which have been filed in the office of the Secretary of the State of Florida, a copy of which is attached hereto as Exhibit "D," as such Articles may be amended from time to time.

1.03 "Assessment(s)" shall mean and refer to "Common Assessments," "Individual Assessments," and "Special Assessments" (as each is hereinafter defined) collectively, as the context may require.

1.04 "Association" shall mean and refer to Phipps Village Homeowners Association, Inc., a Florida corporation not for profit, its successors and assigns.

1.05 "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Association.

1.06 "Bylaws" shall mean and refer to the Bylaws of the Association, which have been adopted by the Board, a copy of which is attached hereto as Exhibit "E," as the Bylaws may be amended from time to time.

1.07 "City" shall mean the Village of Wellington, Florida, including all of its agents, divisions, departments, attorneys or agents employed to act on its behalf.

1.08 "Common Assessment(s)" shall mean and refer to the charge against all Owners and their "Lots" (as hereinafter defined), representing their proportionate share of the routine Common Expenses of the Association.

1.09 "Common Expenses" shall mean and refer to the actual and estimated costs of ownership, maintenance, management, operation, repair and replacement of the Common Properties, including reserves for the foregoing to the extent adopted as part of the Association's budget, as provided in the Bylaws, including, without limitation: (a) unpaid Assessments for the current year as well as amounts necessary to pay any deficits from prior years' operation; (b) the costs of any and all commonly-metered utilities, and other commonly-metered charges for the Common Properties; (c) costs of management, operation and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other agents, employees, or independent contractors; (d) costs of all gardening and other services benefiting the Common Properties, including any recreational facilities which may be thereon; (e) costs of fire, casualty and liability insurance, worker's compensation insurance, and other insurance covering or connected with the Association or the Common Properties; (f) costs of bonding the members of the Board and the "Management Company" (as hereinafter defined); (g) taxes paid by the Association,

including real property taxes for the Common Properties, if any; (h) amounts paid by the Association for the discharge of any lien or encumbrance levied against the Common Properties, or portions thereof; (i) costs required to be paid for landscaping and road maintenance required by the City; and (j) costs of any other items or expenses incurred by the Association for any reason whatsoever in connection with the Common Properties, duties delegated by the Master Association or the Community Development District, the Association's rights or duties hereunder, and/or for the benefit of the Owners or the Property. Expenses incurred in the production of nonassessment revenues, not in excess of the nonassessment revenues, shall be not included in Common Expenses.

1.10 "Common Properties" shall mean and refer to those portions of the Property which are declared as being Common Properties in this Declaration or in any "Supplemental Declaration" (as hereinafter defined), including, where the context requires or permits, any "Improvements" (as hereinafter defined) thereon or any personal property owned by the Association and used or useful in connection with the operation of the Common Properties. Common Properties are for the common use and enjoyment of the Owners, subject to the rights hereunder of Declarant and others. Declarant hereby declares the property described in Exhibit "C" attached hereto to be the initial Common Properties.

1.11 "County" shall mean and refer to Palm Beach County, Florida, including all of its agencies, divisions, departments, attorneys or agents employed to act on its behalf.

1.12 "Declarant" shall mean and refer to Minto Communities, LLC, a Florida limited liability company, presently having its principal place of business in Broward County, Florida, and any assignee of Declarant's rights hereunder in accordance with Section 14.13 hereof.

1.13 "Declaration" shall mean this instrument, as it may be amended from time to time.

1.14 "Family" shall mean and refer to (i) a group of natural persons related to each other by blood or legally related to each other by marriage or adoption, or (ii) a group of not more than three (3) persons not so related who maintain a common household on a Lot.

1.15 "Guaranty Period" shall mean and refer to the period during which Declarant has guaranteed to fund deficits in the Association's operating budget, as described in Section 6.04 hereof.

1.16 "Improvement(s)" shall mean and refer to all structures or artificially created conditions and appurtenances thereto of every type and kind located within the Property, including, but not limited to, buildings, fixtures, walkways, sprinkler pipes, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs and exterior air-conditioning and water-softener fixtures or equipment, if any.

1.17 "Individual Assessments" shall mean and refer to a charge against one or more Owners and their Lots, directly attributable to such Owner(s)' failure to duly perform their obligations hereunder, and the Association's enforcement of this Declaration against such Owner(s) and/or Lot(s), as further described in Section 6.05 hereof.

1.18 "Institutional Mortgage" shall mean and refer to any bona fide first mortgage encumbering a Lot which was made in favor of Declarant, a bank, life insurance company, federal or state savings and loan association, real estate or mortgage investment trust, mortgage company or other lender who makes residential mortgage loans in the ordinary course of its business and is generally recognized in the community as an institutional lender. Institutional Mortgage shall also mean and include a mortgage held by (i) any lender having advanced funds to Declarant for the purpose of acquiring or developing the Property or (ii) the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Veterans Administration and Federal Housing Administration or any other agency of the United States of America holding, guaranteeing or issuing a first mortgage on a Lot.

1.19 "Institutional Mortgagee" shall mean and refer to the holder of any Institutional Mortgage.

1.20 "Lot" shall mean and refer to each separate parcel described on Exhibit "B" attached hereto, or any other property designated as a Lot in any Supplemental Declaration, together with any Improvements which may be constructed thereon.

1.21 "Management Company" shall mean and refer to the person, firm, or other entity employed by the Association as its agent to assist it in fulfilling or carrying out certain duties, powers, obligations, or functions of the Association.

1.22 "Master Association" shall mean and refer to Olympia Master Association, Inc., a Florida corporation not for profit.

1.23 "Master Covenants" shall mean and refer to the Declaration of Covenants Restrictions and Easements for Olympia dated December 12, 2002, recorded on December 16, 2002, in Official Records Book 14541, at Page 1085, of the Public Records of the County, as amended from time to time.

1.24 "Members" shall mean and refer to any Persons who are entitled to membership in the Association, as provided in Article 3 hereof.

1.25 "Notice and Hearing" shall mean and refer to written notice and a public hearing before a tribunal appointed by the Board, at which the Owner charged with a particular offense shall have an opportunity to be heard in person or by counsel at such Owner's expense and as otherwise provided in the Bylaws.

1.26 "Notice of Lien" shall mean and refer to the notice described in Section 7.02 hereof.

1.27 "Owner" shall mean and refer to a record owner of any percentage of the fee simple interest in a Lot, including Declarant, but excluding those Persons having an interest in a Lot merely as security for the performance of an obligation. For purposes of Article 10 of this Declaration only, unless the context otherwise requires, the term Owner shall also include the Family, invitees, licensees, lessees and sublessees of any Owner, and any other permitted user or occupant of a Lot. If a Lot is owned by more than one Person, the term Owner shall mean each such Person, jointly and severally.

1.28 "Person" shall mean and refer to any of an individual, corporation, governmental agency, trust, estate, partnership, association, two or more persons having a joint or common interest, or any other legal entity with the legal right to hold title to real property.

1.29 "Property" shall mean and refer to that certain real property more particularly described on Exhibit "A" attached hereto, consisting of the "Residential Property," as hereinafter defined, and the Common Properties, as each may be amended in accordance with this Declaration.

1.30 "Property Plan" shall mean and refer to the graphic rendering of the Property attached hereto as Exhibit "F."

1.31 "Project" shall mean and refer to the entire planned residential community known as "Olympia", as such lands may be modified from time to time pursuant to the Master Covenants.

1.32 "Residential Property" shall mean and refer to all property within the Property which is not Common Properties, and which is not otherwise dedicated, restricted or limited for non-residential use. The initial Residential Property shall consist of the Lots described in Exhibit "B" attached hereto, as amended from time to time.

1.33 "Rules" shall mean and refer to the Rules and Regulations which are duly adopted by the Association from time to time.

1.34 "Special Assessment" shall mean and refer to a charge against all Owners and their Lots, representing their proportionate share of the cost incurred by the Association for: (i) reconstruction of any portion or portions of Improvements located on the Common Properties pursuant to the provisions of this Declaration; (ii) installation or construction of any capital Improvements on any portion of the Common Properties which the Association may from time to time authorize; or (iii) any other extraordinary expense of the Association, including, but not limited to, amounts necessary to pay shortages in Common Expenses of the Association, after collections of Common Assessments, as further described in Section 6.06 hereof.

1.35 "Supplemental Declaration" shall mean and refer to any declaration of covenants, restrictions and easements which may be recorded by Declarant for the purpose of supplementing or amending this Declaration or for the purpose of declaring certain portions of the Property as Common Properties or as Residential Property.

The foregoing definitions shall be applicable to this Declaration, as amended from time to

time, and also to any Supplemental Declaration, unless specifically stated to the contrary herein or therein.

ARTICLE 2

OWNER'S PROPERTY RIGHTS; EASEMENTS

2.01. Owner's Easements of Enjoyment. Every Owner shall have a non-exclusive, common right and easement of ingress and egress and of enjoyment in, to and over, and use of, the Common Properties, which shall be appurtenant to and shall pass with title to every Lot, subject to the following conditions:

A. The right of the Association to reasonably limit the number of guests or invitees of Owners using the Common Properties at any one time.

B. The right of the Association to establish Rules pertaining to the use of the Common Properties, and the right and obligation of the Association to enforce all parking and other restrictions within the Village.

C. The Common Properties shall not be used for "private events" (i.e., functions to which all Members are not invited and in good faith encouraged to attend), except that the Board may in its discretion establish Rules to permit portions of the Common Properties to be used for private parties by Owners at reasonable times and under reasonable circumstances.

D. The right of the Association, in accordance with the Articles, Bylaws and this Declaration, with the vote or written assent of Members entitled to cast at least two-thirds of the votes of Members in the Association, to borrow money for the purpose of improving the Common Properties, in aid thereof, to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of such mortgagee shall be subordinate to the use rights of the Owners.

E. The right of the Association to suspend the right of an Owner, except Declarant or an Affiliate, to use the Common Properties (except means of ingress and egress) after notice and hearing as more fully set forth in Section 18 of the Bylaws. The foregoing notwithstanding, no notice or hearing is required if the suspension is due to the failure of the Owner to pay Assessments when due.

F. The right of the Association to dedicate, grant, release, convey, alienate or transfer all or any part of the Common Properties to any public agency, authority, utility or private party or entity. No such dedication, grant, release, conveyance, alienation or transfer shall be effective unless approved by Members entitled to cast at least two-thirds of the votes of Members in the Association, except the granting of non-exclusive easements to public agencies or public utilities, including cable television and other telecommunication services, or for private purposes which do not materially adversely affect the rights of Owners to enjoy

the Common Properties (as determined in the reasonable discretion of the Board), may be made by the Board without approval of the Members.

G. The right of Declarant (and its sales agents, customers and representatives) to the non-exclusive use of the Common Properties and the facilities thereof, without charge, for sales, marketing, advertising, display, signs, access, construction, ingress, egress, parking, exhibit and any other activities or purposes. The foregoing activities of Declarant shall not be interfered with or obstructed by the Association or any Person, including any Owner or anyone acting through or on behalf of any Owner.

H. The right of the Association to construct, replace or refinish any Improvement or portion thereof upon the Common Properties, in accordance with the provisions of this Declaration.

I. The right of the Association to replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of the Common Properties.

J. The rights of the Master Association and its members as set forth in the Master Covenants.

K. The right of Declarant to grant such other easements over the Common Properties as Declarant deems appropriate (which easements shall be similarly granted by the Association).

Anything to the contrary herein notwithstanding, no action authorized in subparagraphs (A), (B), (C), (D), (F), (G), (H), (I), (J) or (K) above shall be taken without the prior written consent of Declarant as long as Declarant owns any Lot.

2.02. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Properties and facilities to the members of the Owner's Family, in accordance with the Bylaws. Any Owner may so delegate such rights to the Owner's tenants who reside on the respective Lot, subject to the Rules and other reasonable regulations imposed by the Board. However, no such delegation shall relieve the Owner from any of his obligations hereunder.

2.03. Waiver of Use. No Owner may be exempt from personal liability for Assessments duly levied by the Association, or cause a release of the Lot owned by the Owner from the liens and charges hereof, by waiver of the use and enjoyment of the Common Properties or by abandonment of the Owner's Lot.

2.04. Title to the Common Properties. After all Improvements anticipated to be constructed in the Project have been constructed and conveyed to purchasers, or sooner at the option of Declarant, Declarant shall convey to the Association the fee simple title to the Common Properties and the Association shall accept said conveyance. Declarant, and thereafter the Association, shall hold title to the Common Properties for the benefit of those Persons entitled to use same under the provisions hereof. Declarant may mortgage the Common Properties to finance the original

development and construction thereof, provided that the Common Properties shall be free and clear of all mortgages at the time of conveyance to the Association, and the Association shall not be liable for payment of the debt secured by such mortgage(s).

2.05. Access. Declarant reserves unto itself, and its designees, Affiliates, the Master Association, and all Owners, including their respective tenants, invitees and Institutional Mortgagees, perpetual, non-exclusive easements of ingress and egress over and across any private streets and access ways constructed on the Common Properties from time to time.

2.06. Utilities. The Property shall be subject to such non-exclusive easements as may be determined in the sole discretion of Declarant for utilities, including, but not limited to, water, sewer, drainage, electric, telephone, cable television, and other telecommunications services as may be reasonably required to properly and adequately serve the Property or other portions of the Project as it exists from time to time. Each of said easements, whether now in existence or hereafter created, shall constitute covenants running with the Property and, notwithstanding any other provisions of this Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with the proper and intended use thereof. Such easements shall survive any termination of this Declaration.

2.07. Declarant. Declarant hereby reserves such non-exclusive easements as are necessary (in Declarant's reasonable discretion) in order to exercise its rights hereunder and otherwise market and develop the Property. The Property shall be subject to any and all such easements deemed necessary by Declarant. Any easement rights created by this Declaration, generally or specifically, in favor of Declarant may be assigned by Declarant, partially or otherwise, without the consent or joinder of the Association or the Owners.

2.08. Service. Declarant hereby grants to delivery, pick-up and fire protection services, police and other authorities of the law, United States mail carriers, representatives of electrical, telephone, cable television, telecommunications services and other utilities authorized by Declarant to service the Property, and to such other persons as Declarant from time to time may designate, the non-exclusive, perpetual right of ingress and egress over and across the Common Properties and the Lots for the purposes of performing their authorized services and investigation. Such easements shall survive any termination of this Declaration.

2.09. Lot Line Encroachments. Certain dwellings and other Improvements constructed on Lots may be situated so that a portion thereof, including, without limitation, any exterior wall of such dwelling, roof overhangs, gutters, or fences may be located upon, immediately adjacent to, overhang, or encroach upon the boundary line between the Lot upon which said dwelling is located and an adjoining Lot. In all such cases, said adjoining Lot shall be subject to an easement and appurtenant rights, including the right of ingress and egress, in favor of the encroaching Lot and its respective Owner, which easement and appurtenant rights shall be for the purpose of (a) permitting the existence of the encroachment, and (b) allowing ingress and egress for the performance of proper and normal maintenance to the encroaching Improvement, including meter reading. As to each Lot, easements are granted to the adjoining Lot for the use and enjoyment of open space, landscaping irrigation and related purposes over any off-set areas between the Lot line and the outside face of the

building wall. However, no exercise of any such easement and appurtenant rights created pursuant to this Section 2.09 shall unreasonably interfere with the use of the Lot subject to same. Any easements and rights granted pursuant to this Section 2.09 shall survive any termination of this Declaration.

2.10. Association. Non-exclusive easements are hereby granted in favor of the Association throughout the Property as may reasonably be necessary for the Association to perform its services required and authorized hereunder. These easements shall include an easement in favor of the Association, including its agents and contractors, for the purpose of providing irrigation to any and all portions of each Lot pursuant to a common scheme which may be determined by the Association from time to time. The Common Properties and Lots will be subject to such non-exclusive easements for utilities, including, but not limited to, water, sewer, telephone, drainage, electric, cable television, and other telecommunication services as may be reasonably required to properly and adequately serve the Property or other portions of the Project as it exists from time to time.

2.11. Execution. If and to the extent that the creation of any of the easements described in this Article 2 requires the joinder of Owners, then Declarant may, by its duly authorized officers, as the agent or the attorney-in-fact for the Owners, execute, acknowledge and deliver such instruments required. The Owners, by the acceptance of deeds to their Lots, irrevocably nominate, constitute and appoint Declarant, through its duly authorized officers, as their proper and legal agent or attorney-in-fact for such purpose. This appointment is coupled with an interest and is therefore irrevocable. Any such instrument executed pursuant to this Article 2 shall recite that it is made pursuant to this Article 2.

2.12 Drainage Easement. Declarant hereby reserves to itself and grants to the Association and the Master Association a perpetual non-exclusive easement across the rear 3 feet of each Lot to perform all services necessary to maintain and insure proper drainage, and to allow for proper drainage. Fencing, landscaping and other structures may be constructed across this easement property, as long as they do not impede drainage flow, adversely affect Lots, and are otherwise in conformance with the requirements of the Project Documents. Notwithstanding anything herein to the contrary and except as may be otherwise indicated on any recorded plat, this Section 2.12 shall not be applicable to and there shall be no drainage easement across the rear of any Lot where at least thirty (30)% of that Lot's rear Lot line abuts a water body or mitigation or preserve area.

ARTICLE 3

MEMBERSHIP IN ASSOCIATION

3.01. Membership. Every Owner of a Lot, and Declarant, shall be a Member of the Association (hereinafter referred to as "Membership"). Membership in the Association, except for Membership of Declarant, shall be appurtenant to and may not be separated from the Lot. Except as to Declarant, ownership of a Lot shall be the sole qualification for Membership in the Association. Declarant shall be a Member of the Association until the date on which Declarant ceases to own any portion of the Property.

3.02. Co-Ownership of Lots. When more than one Person owns an interest in any Lot (a

"Co-Owner"), all such Co-Owners shall be Members, but only one such Co-Owner shall be entitled to exercise the vote to which the Lot is entitled. All Co-Owners of each Lot shall designate in writing to the Secretary of the Association one of their number to so vote the interests of their Lot. Fractional votes shall not be allowed. The vote for each Lot shall be exercised as a single vote or not at all. Where no voting Co-Owner is designated, the Lot shall not be entitled to vote until one individual is designated by all Co-Owners to vote the interests of the Lot. The nonvoting Co-Owner(s) shall be jointly and severally responsible for all of the obligations imposed upon the Lot and shall be entitled to all other benefits of ownership. All agreements and determinations lawfully made by the Association in accordance with the voting procedures established herein, or in the Bylaws, shall be binding on all Co-Owners, their successors and assigns. Said voting rights shall be subject to the restrictions and limitations provided in this Declaration, any Supplemental Declaration, and in the Articles and Bylaws (to the extent applicable). If a Lot is owned by a corporation or other entity, the individual entitled to vote for the Lot shall be designated by a certificate signed by an appropriate officer or agent of the entity and filed with the Secretary of the Association.

ARTICLE 4 **VOTING RIGHTS**

4.01. Classes of Voting Membership. The Association shall have two (2) classes of Members, each with voting rights as follows:

Class A. Class A Members shall be all Owners including Declarant. Class A Members shall be entitled to one (1) vote, in accordance with the Bylaws, for each Lot they own.

Class B. The Class B Member shall be Declarant. The Class B Member shall be entitled to one (1) vote, plus two (2) votes for each vote that all Class A Members are entitled to cast at any time, thus giving the Class B Member a 2/3 majority of votes in the Association. The Class B Membership shall cease upon the first to occur of the following:

- (1) January 1, 2030; or
- (2) the date on which Declarant ceases to own any portion of the Property;
or
- (3) termination of the Class B Membership by resignation of all Declarant-appointed directors and delivery to the Secretary of the Association of a certificate in recordable form, signed by Declarant and stating that Declarant elects to terminate the Class B Membership; or
- (4) such earlier time as may be required by law. In the event that the Class B Membership is terminated pursuant to this subsection (4), the Declarant shall be entitled to elect at least one member of the Board as long as the Declarant holds for sale in the ordinary course of business at least 5% of the Lots; or

- (5) Notwithstanding anything herein to the contrary, Declarant shall not turn over control of the Association earlier than required by law unless Declarant obtains the prior written consent of an Institutional Mortgage lender who advanced funds to Declarant for the purpose of acquiring or developing the Property (provided, however, that such consent shall only be required during the time that such Institutional Mortgage lender's loan remains outstanding and such consent shall not be unreasonably withheld).

Upon termination of the Class B Membership, Declarant shall retain any voting rights it may have as a Class A Member.

4.02 Declarant Control of Board; Turnover. So long as there shall be a Class B membership as set forth in the Declaration, vesting voting control of the Association in Declarant, Declarant shall have the right to appoint and replace all Directors and Officers; provided, however, upon the sale and transfer by Declarant of seventy three (73) Lots to Owners other than Declarant, the Members, other than Declarant, shall be entitled to elect, at a meeting of Members, one (1) Director to the Board. Upon the election of such Director by Members other than Declarant, Declarant shall designate one of the three (3) Directors appointed by it to resign. This procedure is intended to give Members other than the Declarant a non-controlling minority voice in the operation of the Association so as to (i) allow direct input from non-Declarant Members and (ii) to promote the ability of non-Declarant Members to manage the Association, in anticipation of turnover.

ARTICLE 5

FUNCTIONS OF THE ASSOCIATION

5.01. Through Board Action. The affairs and decisions of the Association shall be conducted and made by the Board; the Members shall only have such power or rights of approval or consent as is expressly specified herein, or in the Articles or Bylaws. In the absence of a specific requirement of approval by Members, the Board may act on its own through its proper officers.

5.02. Required Services. In addition to those other responsibilities specified in the Articles or Bylaws, the Association shall be required to provide the following services as and when deemed necessary and appropriate by the Board and shall have easement rights necessary to perform same:

A. All painting and maintenance of the Common Properties, and all Improvements thereon, as and when deemed necessary by the Board.

B. The Owner shall be responsible for the maintenance of the drainage, landscaping and irrigation system for his or her Lot together with (i) any property from the rear or side Lot line to the edge of any adjacent water surface (e.g., lake or canal), (ii) any property from the rear or side Lot line to the Common Properties (or Master Common Areas

as defined in the Master Covenants), through to and including the interior side of the rear or side hedge or centerline of such property if it is between two lots, and (iii) any property from the front or side Lot line to the adjacent road or street. No Owner shall be permitted to move, alter, or otherwise modify, any of the irrigation facilities, whether located on Common Properties or Master Common Areas or on any Lot, without the prior written consent of the Board with respect to the Common Properties or any Lot, and the Board of the Master Association with respect to Master Common Areas. Any alteration to the irrigation system must be performed by an Association approved party (or Master Association approved party with respect to Master Common Areas). None of the Association, Master Association, or Declarant shall at any time be liable for any loss or damage which may occur to any plants, trees, or similar landscaping, which the Owner has installed on the Lot due to or caused by insufficient irrigation to the Lot. The Board (or the Board of the Master Association with respect to Master Common Areas) shall be entitled to determine, in its sole discretion and without notice to any Owner, the time of day or night that various portions of the Common Properties, Master Common Areas, and the Lots will be irrigated.

C. Maintenance of any and all streets, roads, driveways, parking areas, sidewalks, paths and entry features, road and drainage, including curbs, gutters, storm sewers and swales, throughout the Lots and Common Properties which have not been dedicated to the public or any governmental body, or are not the maintenance responsibility of the Master Association or Owners.

D. Payment of property taxes with respect to the Common Properties both prior to and after conveyance of same by Declarant to the Association. This provision for payment of taxes by the Association prior to conveyance of legal title is predicated upon the Members' use of and benefit from the Common Properties by virtue of easements created herein.

E. Operation of the Common Properties in accordance with the Rules and other standards adopted by the Board from time to time both prior to and after conveyance of same by Declarant to the Association.

F. Taking any and all actions necessary to enforce all covenants, restrictions and easements affecting the Property and 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 Bylaws.

G. Conducting business of the Association, including, but not limited to, administrative services such as legal, accounting and financial, and communication services such as informing Owners of activities, notice of meetings, and other important events.

H. Purchasing insurance as may be required hereby or by the Bylaws and any other insurance to the extent deemed necessary or desirable by the Board.

I. Acceptance of any instrument of conveyance with respect to any Common Properties delivered to the Association by Declarant.

J. The Association shall not be responsible for maintenance on any Lot (except as may otherwise be provided in Sections 5.02.B & C hereof), including but not limited all Improvements on the Lots, provided, however, that the Association may, in its sole discretion, maintain all and/or any portion of the Lots, and the expenses of such maintenance shall constitute a Common Expense.

K. Performing any and all management, operation and maintenance of portions of the Property for which the Master Association has delegated to the Association the obligation to perform such function and services, as more fully described in Sections 3.2.C. and 8.2.I. of the Master Covenants, and the performance of any maintenance responsibilities for the Community Development District, as may be delegated by the District or the Master Association.

5.03. Authorized Services. The Association shall be authorized, but not required, to provide the following functions and services and shall have easement rights necessary to perform same:

- A. Lighting of roads, sidewalks, walks and paths throughout the Property;
- B. Fire protection and prevention;
- C. Garbage and trash collection and disposal;
- D. Conducting recreation, sport, craft and cultural programs of interest to Owners, including their families, tenants, guests, and invitees;
- E. Protection and security, including, but not limited to, the employment of security guards within the Property and operation of a guardhouse or electronic entrance gates. **The Declarant has assumed no responsibility to plan, provide for, or implement any kind of security measures. Moreover neither the Declarant nor the Village Association shall be held liable for injury, loss or damage by reason of their failure to provide adequate security or the ineffectiveness of any security measures undertaken. All Owners, including their families, tenants, guests and invitees, acknowledge that neither the Declarant nor the Village Association, nor any committee established by either, shall be liable for or insure against any injury, loss or damage suffered by any Owner, including its family, tenants, guests and invitees. All Owners, including their families, tenants, guests and invitees, acknowledge that neither the Declarant, nor the Village Association, represents or warrants that any fire protection system, burglar alarm system or other security system designated by or installed according to the Declarant's guidelines will in all cases provide the detection or protection for which the system is designed or intended. All Owners, including their families, tenants, guests and invitees, assume all risk of injury, loss or damage suffered or caused, whether to their person, or Dwelling Units (including contents thereof) and acknowledge that neither Declarant nor the Village Association has made any representations or**

warranties, express or implied, to any Owner, including the Owner's family, tenants, guests and invitees, concerning any security measures recommended or undertaken including any warranty of merchantability or fitness for a particular purpose relative to any fire or burglar alarm systems or other security systems recommended or installed;

F. Maintenance of electronic and other surveillance devices;

G. Such other services as are authorized in the Articles or Bylaws;

H. Cleanup, landscaping, maintenance, dredging, water treatment or other care of canals, roads or other property (public or private) adjacent to the Property to the extent such care would, in the reasonable determination of the Board, be beneficial to the Property and to the extent that the Association has been granted the right or been required to so care for the affected property by the owner thereof or other person authorized to grant such right, including, but not limited to, any appropriate governmental authority;

I. Emergency repairs and other work on Lots reasonably necessary for the proper maintenance and operation of the Property.

5.04. Surface Water Management and Drainage. The surface water management and drainage system for the Property is part of one integrated system throughout the Project, and, accordingly, may be deemed part of the "Master Common Areas," as defined in the Master Covenants. An easement is hereby created over the Property in favor of the Master Association, including its agents or other designees, for surface water drainage, for mitigation and for the installation and maintenance of the surface water management and drainage system for the Property; provided, however, that such easement shall be subject to Improvements constructed within the Property as permitted by controlling governmental authority from time to time. The surface water management and drainage systems shall be developed, operated and maintained in conformance with the requirements of the South Florida Water Management District, Lake Worth Drainage District, and/or any other controlling governmental authority. The Master Association shall maintain the entire surface water management and drainage system including, but not limited to, all lakes, canals, swale areas, retention areas, culverts, pipes, and related appurtenances regardless of location or whether or not owned by the Master Association, as authorized by the appropriate governmental authorities. The Association shall have the right to limit or prohibit the use of certain fertilizers and pesticides anywhere within the Property which would adversely affect mitigation areas.

5.05. Actions by Association. Anything herein to the contrary notwithstanding, no general funds of the Association shall be utilized for bringing, supporting, investigating or otherwise abetting any legal action, claim or extra-judicial action except for (i) imposition, enforcement and collection of Assessments, including lien rights, pursuant to Article 7 hereof, (ii) collection of debts owed to the Association, (iii) bringing any contest or appeal of tax assessments relating to any property owned by the Association, (iv) actions brought by the Association to enforce the provisions of this Declaration, and (v) counterclaims brought by the Association in proceedings instituted against it, unless such legal action, claim or extra-judicial action shall be specifically approved for such purposes by 75% of

the total votes of all Members of the Association in existence at any time. If the Association's actions have been approved by the Members in accordance with this Section 5.05, all expenses incurred shall be deemed Common Expenses. Provided, however, that notwithstanding anything herein to the contrary, neither the Declarant nor its Affiliates shall be liable for the payment of any Assessments applicable to Lots they own which relate in any way to the payment of legal or other fees to persons or entities engaged for the purpose of suing, or making, preparing or investigating possible claims against the Declarant or its Affiliates. In any action brought by or against the Association, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. This Section 5.05 may not be amended.

ARTICLE 6

COVENANT FOR ASSESSMENTS

6.01. Obligation for Assessments. Except as otherwise provided herein with respect to Declarant, Affiliates and Lots owned by Declarant and/or Affiliates, each Owner of any Lot, regardless of how his or her title to property has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable to the Association for all Assessments (including Common Assessments, Individual Assessments, and Special Assessments) that come due while he or she is the Owner of the Lot. All Assessments are to be imposed and collected as hereinafter provided.

The Owner's liability for Assessments may not be avoided by waiver or suspension of the use or enjoyment of the Common Properties or abandonment of the Lot or Property. Subject to the provisions of Section 7.03 of this Declaration and except as provided by law, each Owner is jointly and severally liable with the previous Lot Owner for all unpaid assessments that came due up to the time of transfer of title; provided, however, that this shall not preclude the present Lot Owner from seeking to recover from the prior Lot Owner any amounts paid by the present Lot Owner. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. If a Lot is owned by more than one Owner (i.e., husband and wife), the obligation to pay Assessments shall be a joint and several obligation.

Neither Declarant nor any Affiliates shall have the obligation to pay Common Assessments on models or sales offices or any Lots they own during the Guaranty Period provided for in Section 6.04. After the expiration of the Guaranty Period, Declarant or an Affiliate will pay Common Assessments on Lots they own, prorated from the expiration date of the Guaranty Period. Common Assessments will be due on models or sales offices completed after the expiration of the Guaranty Period, from the latter of the recording of this Declaration, or the issuance of a certificate of occupancy on the Lot, and shall be prorated from that date. In the event Declarant or any Affiliate offers for rent Lots they own, Common Assessments will be due on such Lots from the latter of the recording of this Declaration, or the issuance of a certificate of occupancy, and shall be prorated from that date. Common Assessments on any such rentals will be due both during and after the Guaranty Period. Neither Declarant nor any Affiliate shall be obligated to pay any Assessments on any unbuilt Lots or on Lots which are offered for sale or which have been sold.

No diminution or abatement of Assessments or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Declarant in connection with the development of the Project or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

All Assessments, together with interest, costs, late charges and reasonable attorneys' fees for the collection thereof, shall be a charge on each Lot (except for Declarant and Affiliate-owned Lots) and shall be a continuing lien thereon as more particularly described in Article 7 hereof. Each such Assessment, together with interest, costs, late charges and reasonable attorneys' fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the Assessment fell due. Subject to the provisions of Section 7.03 of this Declaration and except as provided by law, the personal obligation for delinquent Assessments shall be the joint and several obligation of such Owner and the successors-in-title to such Owner. The Association shall be entitled to take such actions and to expend such sums as are reasonably believed by it to be necessary for the protection of its lien as to particular Lots, and to add the full cost thereof to its claim for Assessments due.

6.02. Common Assessments. The Common Assessments levied by the Association shall be used exclusively to pay routine Common Expenses. Disbursements shall be made by the Board of Directors for such purposes as are deemed necessary for the discharge of its responsibilities herein for the common benefit of the Owners and to reimburse Declarant for any start-up expenses advanced by Declarant.

6.03. Amount of Common Assessments; When Payable. At least ten (10) days prior to the beginning of each fiscal year, the Board of Directors shall prepare, adopt and distribute to the Members a written, itemized, estimated budget of the Common Expenses to be incurred by the Association during the coming year in performing its functions under this Declaration, which may include reasonable provision for contingencies and reserves for the periodic maintenance, repair and replacement of improvements to the Common Properties. The annual Common Assessment for each Lot shall equal the amount of the estimated operating budget, as adopted pursuant to the Bylaws (less any surplus or plus any deficit from prior years), divided by the total number of Lots reasonably expected to be paying Assessments during the current year. From time to time during the fiscal year, the Board may modify the budget for the fiscal year and, upon written notice to Members, change the amount, frequency, or due dates of Common Assessments. Subject to the right of the Association to accelerate Assessments for delinquencies as provided herein, annual Common Assessments shall be payable in equal quarterly installments unless determined by the Board, from time to time, to be payable more or less frequently. The budget and Assessment procedure shall be further subject to the provisions of the Bylaws.

6.04 Deficit Funding, Guaranty of Assessments, Shortfalls and Surpluses. Each Owner acknowledges that because Common Assessments, Special Assessments, and Reserves are allocated based on the formula provided herein, or upon the number of Lots conveyed to Owners on or prior to September 30 of the prior fiscal year, it is possible that Association may collect more or less than the

amount budgeted for Common Expenses.

(a) Deficit Funding. Except as may be otherwise provided by applicable law, prior to and including the Turnover Date, Declarant shall have the option to either (i) fund the shortfall in Common Assessments not raised by virtue of all income received by Association or (ii) to pay Common Assessments on Lots owned by Declarant. If Declarant has cumulatively over funded Common Expenses and/or prepaid expenses of Association which have not been reimbursed to Declarant prior to and including the Turnover Date, Association shall refund such amounts to Declarant on or prior to and including the Turnover Date or as soon as possible thereafter (*e.g.* once the amount is finally determined). Except as may otherwise be provided by applicable law, Declarant shall never be required to (i) pay Common Assessments if Declarant has elected to fund the deficit instead of paying Common Assessments on Lots owned by Declarant, or (ii) pay Special Assessments, management fees or Reserves.

(b) Guaranty of Assessments. Without limiting Declarant's option under Section 6.4(a) of this Declaration, at the time of the recording of this Declaration, the Declarant has the further option of either activating the below Guaranty of Assessments by checking the box contained on the signature page of this Declaration, or leaving such box empty, in which event the Declarant may still choose to fund all or any portion of the shortfall in Common Assessments pursuant Section 6.4(a) above and as provided in Section 720.308 of the Florida Statutes without establishing a Guaranty. Without limiting the provisions of Section 6.4(a) above, if the box contained on the signature page of this Declaration is checked, then Declarant shall be excused from the payment of the share of Assessments relating to Lots it is offering for sale for a period beginning with the recording of this Declaration and ending the earlier of the date upon which Owners control the Board or when Interval No. 3 (as described below) expires (the "Guaranty Expiration Date"), provided that the regular Common Assessments imposed on each Owner other than Declarant shall not increase during the following intervals of time over the amount set forth for each interval and in no event shall the Guaranty Expiration Date extend beyond the date upon which Owners control the Board:

Interval No. 1 shall commence with the recording of this Declaration and end on December 31st of the year that this Declaration is recorded. Common Assessments shall not exceed \$600.00 on an annualized basis during Interval No. 1.

Interval No. 2 shall commence on January 1st following the year when Interval No. 1 ends and end on December 31st of that same year. Common Assessments shall not exceed \$690.00 on an annualized basis during Interval No. 2.

Interval No. 3 shall commence on January 1st following the year when Interval No. 2 ends and end on December 31st of that same year. Common Assessments shall not exceed \$790.00 on an annualized basis during Interval No. 3.

(c) Declarant shall be obligated to pay any amount of Common Expenses during such periods and not produced by the Assessments at the guaranteed levels receivable from Owners. The Guaranty Expiration Date may be unilaterally extended by Declarant for one or more successive periods of six (6) months each until such time as Declarant does not own any Lots in the Property,

provided that the regular Common Assessments for Common Expenses equally imposed on each Owner other than Declarant shall not increase over the amount provided in Interval No. 3.

If an audit of the Association's financial records, performed for the period which includes the Guaranty Expiration Date (including any extensions thereof), reveals that Declarant has funded a greater amount than required under this Section, then any such excess shall be promptly refunded to the Declarant by Association.

(d) Surpluses. Any surplus Assessments collected by Association may be (i) allocated towards next year's Common Expenses (ii) used to fund Reserves, whether or not budgeted (to the extent permitted by applicable law), (iii) retained by Association, and/or (iv) used for any other purpose, in Association's sole and absolute discretion, except as prohibited by law. Under no circumstances shall Association be required to pay surplus Assessments to Owners.

(e) Expenses incurred in the production of nonassessment revenues, not in excess of the nonassessment revenues, shall not be included in the Common Assessments. If the expenses attributable to nonassessment revenues exceed nonassessment revenues, only the excess expenses must be funded by the Declarant pursuant to the Guaranty. Interest earned on the investment of Association funds may be used to pay the income tax expense incurred as a result of the investment; such expense shall not be charged to the Declarant; and the net investment income shall be retained by the Association.

6.05. Individual Assessments. Any maintenance, repair, or replacement within the Property arising out of or caused by the willful or negligent act of an Owner, including the Owner's family, tenants, guests or invitees, shall be effected at the Owner's expense and an Individual Assessment therefor shall be made against the Owner's Lot by the Association to the extent proceeds of insurance are not collected with respect to such loss. The Association shall not be required to file an insurance claim and may charge the Owner for the full amount of the damages. Any maintenance, repair, or replacement within the Property arising out of or caused by an Owner's failure to comply with the Master Covenants (and the discharge of any lien or claim of lien arising in favor of the Declarant under the Master Covenants as a result of such failure to comply) shall be effected at the Owner's expense and an Individual Assessment therefor shall be made against the Owner's Lot. Neither Declarant nor its Affiliates, nor Lots owned by either, shall be liable for Individual Assessments.

6.06. Special Assessments. In addition to the Common and Individual Assessments authorized above, the Board may levy, in any fiscal year, in accordance with the Bylaws, a Special Assessment on a one time basis for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a structure or capital Improvement upon the Common Properties, including fixtures and personal property related thereto, or for defraying any other extraordinary Common Expense of the Association, including shortfalls in Common Assessments; provided, however, that any such Special Assessment in excess of Twenty-Five Thousand Dollars (\$25,000.00) shall require the consent of a majority of the votes of Members present and entitled to vote, in person or by proxy, at a duly called special or annual meeting of Members. Special Assessments are not covered by Declarant's guaranty of maximum Common Assessments set forth in Section 6.04 hereof. Neither Declarant nor its Affiliates, nor Lots owned by either, shall be liable for Special Assessments.

6.07. Notice for any Special Assessment. Written notice of any meeting of Members called for the purpose of authorizing a Special Assessment shall be sent to all Members in accordance with the Bylaws.

6.08. Proportionate Share of Assessment. Common Assessments and Special Assessments provided for in this Article 6 shall be allocated and assessed equally among all Lots, except for Lots owned by Declarant or its Affiliates, to the extent permitted by this Article 6.

6.09. Financial Reports. The Board shall make available to each Owner (and to any Institutional Mortgagee that has made a written request) a complete annual financial report in accordance with Section 9.8 of the Bylaws.

Within ninety (90) days after control of the Association is turned over to Owners other than Declarant, Declarant shall cause to be prepared, at the Association's expense, a balance sheet and operating statement reflecting income and expenditures of the Association for the period from the commencement of operations of the Association through turnover, which shall be audited by an independent certified public accountant.

6.10. Assessment Roster and Notices and Mortgagee Certificates. The Association shall maintain a roster of the amount of all Assessments against each Lot (determined as set forth above) which shall be kept in the office of the Association and shall be open to inspection by any Owner or Institutional Mortgagee. Written notice of such Assessments and the due date(s) thereof shall be sent to every Owner subject to such Assessments. The Association shall, upon reasonable request of any Owner or mortgagee, or his or her designee, furnish to such Owner, mortgagee or designee within fifteen (15) days of a request in writing, a certificate in writing signed by an officer or agent of the Association setting forth the amount of current Assessments and whether any delinquencies exist. Such certificate may be relied upon by any prospective purchaser or mortgagee named in the certificate and, as to such purchaser or mortgagee, shall be conclusive as to the information set forth therein. The Association may charge a fee for each such certificate provided (to be established by written Board resolution or written management, bookkeeping or maintenance contract), and such fee shall be stated on the certificate. If the certificate is requested in conjunction with the sale or mortgage of a Lot and the closing does not occur and no later than 30 days after the closing date for which the certificate was sought the preparer receives a written request, accompanied by reasonable documentation that the sale did not occur from a payer that is not the parcel owner, the fee shall be refunded to that payer within 30 days of the request. The refund is the obligation of the Owner and the Association may collect it from the Owner in the same manner as assessments. The Association may also charge the Owner, lienholder, member or prospective purchaser a reasonable amount (as determined by the Board) in accordance with Chapter 720 of the Florida Statutes, plus attorney's fees, if any, and photocopying costs, for "requests for information" or "community questionnaires" submitted to the Association by or on behalf of an Owner, lienholder or prospective purchaser.

6.11. Due Dates for Special or Individual Assessments. Any Individual Assessment or Special Assessment shall be payable within thirty (30) days after the Owner shall have been notified thereof, unless any such Assessment is deemed by the Association to be of an emergency nature, in

which case such Assessment shall be payable within ten (10) days after notice thereof.

6.12. Working Capital Contribution. Upon the first conveyance of each Lot and completed residence to any Person, other than (i) an Affiliate, or (ii) an Institutional Mortgagee, acquiring title by foreclosure or deed in lieu of foreclosure, the purchasing Owner shall pay to the Association a one-time, non-refundable sum equal to One Hundred Dollars (\$100.00), as a working capital contribution ("Contribution") to the Association. The Contribution shall not be considered an advance payment of Assessments and shall be placed in a working capital fund so that the Association will have funds available to advance utility deposits and start-up expenses, including insurance premiums, as well as shortfalls in Common Expenses resulting from uncollected Assessments.

ARTICLE 7

EFFECT OF NON-PAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION

7.01. Creation of Lien; Other Remedies of the Association.

A lien is hereby imposed upon each Lot to secure the payment of all Assessments now or hereafter imposed on the Lot by the Association. Except as specifically set forth in Section 7.03, such lien shall relate back to and be effective from the date hereof, and shall include all costs of collection, including reasonable attorneys' fees at all tribunal levels, late charges and interest as herein provided. Any installment of a Common Assessment, Individual Assessment, or Special Assessment not paid within ten (10) days after the due date shall bear interest from the due date of such installment at the highest rate of interest allowed to be charged under applicable law, or any greater interest which may be lawfully charged under any amendments to applicable law, or if no such rate is applicable, then at the rate of eighteen percent (18%) per annum, computed from the due date until such payment is made. If any installment of an Assessment is not paid within ten (10) days after it is due, the Owner responsible therefor may be further required by the Board to pay an administrative late charge equal to the greater of \$25 or 5% of the amount of each installment that is paid past the due date. The Board may also at its option declare all of the unpaid balance of the Assessments for the then current fiscal year to be immediately due and payable and may enforce the collection thereof and all charges thereon in the manner authorized by law and this Declaration.

Any payments made to the Association by any Owner and accepted shall first be applied toward any interest accrued, then to any late fees, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent assessment.

7.02 Notice of Lien.

If the Owner fails to timely pay any installment of an Assessment, the Association shall, prior to filing or recording a lien, provide the Owner with written notice sent in accordance with Florida Statutes Section 720.3085, and provide the Owner with 45 days to pay all amounts due,

including but not limited to any attorney's fees and costs incurred with respect to the preparation and delivery of the written demand. The notice shall specify (1) the fact that the installment is delinquent, (2) the action required to cure the default, (3) a date, not less than forty five (45) days from the date the notice is mailed to the Owner, by which such default must be cured, and (4) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the installments of the Assessments for the then current fiscal year, the filing of a claim of lien against the Owner's Lot, and/or the commencement of a lawsuit by the Association for money damages (to collect amounts due from the Owner) or to foreclose a claim of lien.

The Notice of Lien must recite a good and sufficient legal description of any such Lot, the record Owner thereof, the amount claimed (which may at the Association's option include interest on the unpaid Assessment at the rate set forth in Section 7.01 hereof, plus reasonable attorneys' fees and expenses of collection in connection with the debt secured by said lien and late charges), and the name and address of the Association as claimant. Such Notice of Lien shall be signed and acknowledged by a duly authorized officer or agent of the Association. Filing of the Notice of Lien shall not be a prerequisite to creating the lien (which is created by this Declaration), nor shall the lien's priority be established by such Notice of Lien (priority being based on the date of recording this Declaration, subject to the provisions of Section 7.03 hereof). The lien shall continue until fully paid or otherwise satisfied, and shall secure any and all Assessments, costs, charges, interest and reasonable attorneys' fees which accrue subsequent to filing the Notice of Lien.

7.03 Subordination of the Lien to Certain First Mortgages. The lien for Assessments shall be subordinate to a bona fide first mortgage on any Lot if the mortgage is recorded in the Public Records prior to the date of recording of a claim of lien in the public records of the County. The lien for Assessments shall be a lien superior to all other liens except for tax liens and first mortgage liens, provided such mortgage liens are first liens against the property encumbered thereby (and such first mortgage is recorded prior to the date of recording of the claim of lien), subject only to tax liens. Notwithstanding anything in this Declaration to the contrary (including Sections 6.01 and 7.01), the lien for Assessments shall not be affected by any sale or transfer of a Lot, except in the event of a sale or transfer of a Lot pursuant to a foreclosure (or by deed in lieu of foreclosure or otherwise) of a bona fide first mortgage in which event the acquirer of title, its successors and assigns, shall not be liable for such sums secured by a lien for Assessments encumbering the Lot or chargeable to the former Owner of the Lot which became due prior to such sale or transfer except as otherwise expressly provided by law. However, any such unpaid Assessments for which such acquirer of title is not liable may be reallocated and assessed to all Owners (including such acquirer of title) as a part of Common Expenses included within Assessments. Any sale or transfer pursuant to a foreclosure (or by deed in lieu of foreclosure or otherwise) shall not relieve the Owner from liability for, nor the Lot from the lien of, any Assessments made thereafter. Nothing herein contained shall be construed as releasing the party liable for any delinquent Assessments from the payment thereof, or the enforcement of collection by means other than foreclosure. A first mortgagee shall give written notice to Association if the mortgage held by such mortgagee is in default; provided that the failure to provide such notice shall not affect (in any manner) the lien, priority or any terms and provisions of the mortgage, and shall not affect the rights and privileges of the first mortgagee under its mortgage or this Declaration or exhibits thereto.

7.04. Foreclosure Sale. The Assessment lien set forth herein may be foreclosed in the same manner as mortgages are foreclosed under Florida law. The Association, through a duly authorized officer or agent, shall have the power to bid on the Lot at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

7.05. Curing of Default. Upon the timely curing of any default for which a Notice of Lien was filed by the Association but prior to a final judgment of foreclosure thereof (including payment of all delinquent principal, interest, late charges, attorneys' fees and costs of collection), a duly authorized officer or agent of the Association shall record an appropriate release of lien upon payment by the defaulting Owner of a fee, to be determined by the Association, but not to exceed Fifty Dollars (\$50.00), to cover the cost of preparing and recording such release.

7.06. Cumulative Remedies. The Assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and under law or in equity, including a suit to recover a money judgment for unpaid Assessments, as above provided.

ARTICLE 8

RIGHTS OF INSTITUTIONAL MORTGAGEES

8.01. General Lender Rights. Upon written request to the Association by an Institutional Mortgagee, or the insurer or guarantor of any Institutional Mortgage encumbering a Lot or residence on a Lot, such Institutional Mortgagee, insurer or guarantor, if its request specifies the name, address and factual basis of entitlement of the requesting party, shall be entitled to prompt written notice of:

A. any condemnation or casualty loss that affects either a material portion of the Property or any Lot or residence on a Lot encumbered by its Institutional Mortgage;

B. any sixty (60) day delinquency in the payment of Assessments or charges owed by the Owner of any Lot or residence on a Lot on which it holds the Institutional Mortgage;

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

D. any proposed action which requires the consent of a specified percentage of Institutional Mortgagees.

8.02. Financial Statement. Any Institutional Mortgagee, upon written request, shall be entitled to receive from the Association a financial report for the immediately preceding fiscal year, pursuant to Section 6.09 hereof.

8.03 Amendments. Any Institutional Mortgagee who has registered its name with the

Association shall be provided with written notice prior to the effective date of any proposed, material amendment to this Declaration, or the Articles or Bylaws, or prior to the effective date of any termination of an agreement with the Management Company. The provisions of this Article 8 shall not be amended without the prior written consent of an Institutional Mortgage lender who advanced funds to Declarant for the purpose of acquiring or developing the Property (provided, however, that such consent shall only be required during the time that such Institutional Mortgage lender's loan remains outstanding).

8.04. Additional Lender Rights. In the event that any party which has financed the construction of the Project (the "Acquiring Party") acquires title to any Lot(s) owned by Declarant (or on which Declarant held a mortgage which was assigned to the Acquiring Party) as a result of the foreclosure of a mortgage(s) thereon or the giving of a deed in lieu of foreclosure or in satisfaction of debt, such party shall automatically succeed to all rights, benefits and privileges of Declarant hereunder (and under the Articles of Incorporation, By-Laws and Rules and Regulations of the Association), except to the extent the Acquiring Party specifically disclaims any of such rights, benefits or privileges in a written notice to the Association. Notwithstanding the foregoing or anything to the contrary contained in this Declaration (or in the aforesaid Articles of Incorporation, By-Laws or Rules and Regulations), the Acquiring Party shall in no manner be obligated or liable for any duties, obligations, warranties, liabilities, acts or omissions of Declarant (i) occurring or arising from facts existing (regardless of when same became known or should have become known) prior to the date the Acquiring Party succeeds to the rights, benefits and privileges of Declarant, including the obligation to fund budget deficits, or (ii) otherwise not directly attributable to the Acquiring Party solely in its own right. The foregoing shall be in addition to, and not in derogation of, the Acquiring Party's rights, benefits and privileges (i) as same may exist elsewhere in, under or in connection with this Declaration (or the aforesaid Articles of Incorporation, By-Laws or Rules and Regulations) and (ii) in its construction loan documents. Any holder, insurer or guarantor of a Mortgage on a Lot shall have the right to pay, singly or jointly, taxes or other charges that are delinquent and have resulted or may result in a lien against any portion of the Common Properties and receive immediate reimbursement from the Association. Any holder, insurer or guarantor of a Mortgage on a Lot shall have the right to pay, singly or jointly, any overdue premiums on any hazard insurance policy covering the Common Properties or obtain, singly or jointly, new hazard insurance coverage on the Common Properties upon the lapse of a policy and, in either case, receive immediate reimbursement from the Association.

ARTICLE 9

MAINTENANCE AND REPAIR OBLIGATIONS

9.01. Maintenance Obligations of Owners. Except for the duty of the Association to provide for maintenance and other services as enunciated in Section 5.02 of this Declaration, it shall be the duty of each Owner, at the Owner's sole cost and expense, to maintain in a neat, sanitary and attractive condition, and to repair, replace and restore the Lot (and any property (i) between the rear or side Lot line and any adjacent lake or canal or (ii) between the rear or side Lot line and any Common Properties or Master Common Areas (as defined in the Master Covenants) through to and including the interior side of the rear or side hedge, or (iii) any property between the front or side Lot line and any adjacent street or road, including all Improvements located thereon as may be subject to

the Owner's control.

A. The Owner of a Lot shall maintain all exterior surfaces and roofs, facias and soffits of the structures (including the Unit) and other improvements located on the Lot (including driveway and sidewalk surfaces) in a neat, orderly and attractive manner. The aforesaid maintenance shall include maintaining screens (including screen enclosures), windows and doors (including garage doors and sliding glass doors). The minimum (through not sole) standard for the foregoing shall be consistency with the general appearance of the Property as initially constructed and otherwise improved (taking into account, however, normal weathering and fading of exterior finishes, but not to the point of unsightliness). The Owner shall clean, repaint or restrain, as appropriate, the exterior portions of each Unit (with the same colors as initially used on the Unit unless approval of the Board of Directors and the ARC of the Master Association is obtained for a different color), including exterior surfaces of garage doors, as often as is necessary to comply with the foregoing standards.

B. All lawns shall be neatly edged and all landscaping shall be maintained in good, neat and living condition. No weeds, underbrush, dead or dying trees, or other unsightly growth shall be permitted to remain on any Lot, or any other property for which Owners have maintenance obligations, and no refuse, trash, junk, or other unsightly objects shall be allowed to be placed or remain thereof (except for trash placed for normal trash pick-up no more than 24 hours prior to such scheduled pick-up).

C. In the event that any portion of such Lot or any other property for which Owner has maintenance obligations falls into disrepair or is not so maintained so as to create a dangerous, unsafe, unsightly, or unattractive condition, or which otherwise violates this Declaration or ARC approvals, the Association or the Master Association with respect to Master Common Areas shall have the right, but not the duty, upon seven (7) days' prior written notice ("Notice"), to correct such condition and to enter upon such Lot or any other property for which Owner has maintenance obligations to make such repairs, perform such maintenance, or correct such violation. The cost thereof shall be charged to the appropriate Owner and shall be an Individual Assessment as to the respective Lot. The Owner of such Lot shall pay promptly all amounts due for such work. Any costs and expenses of collection may be added, at the option of the Board of Directors, or Master Association Board of Directors, to the Individual Assessment. Additionally, if the condition again occurs or exists at anytime within six months from the date of the first Notice, neither the Association nor the Master Association shall be required to provide any further Notice to Owner prior to correcting such condition.

9.02. Maintenance Obligations of Association. The Association shall maintain, or provide for the maintenance of, all of the Common Properties and all Improvements thereon, as more fully described in Section 5.02 hereof. The maintenance obligations of the Association shall include all recreational facilities, commonly metered utilities, the interior and exterior of the recreation buildings, and any and all utility facilities and buildings or other structures situated on the Common Properties. In addition, the Association shall provide all necessary landscaping and gardening to properly maintain and periodically replace when necessary the trees, plants, grass and other

vegetation which are on the Common Properties. The Association shall further maintain, reconstruct, replace and refinish any paved surface on the Common Properties. All of the foregoing obligations of the Association shall be performed in such manner as the Board shall determine, in its sole judgment, to be appropriate.

ARTICLE 10

USE RESTRICTIONS

The Property shall be held, used and enjoyed subject to the following limitations and restrictions; provided, however, no such restrictions shall apply to Declarant or its Affiliates or to the Lots of either:

A. Owners shall store personal property within their dwelling or appropriate enclosures on their respective Lots, except for outdoor furniture or play equipment maintained in good condition.

B. No unsightly articles (as determined by the Board) shall be placed or hung on the exterior portion of any Lot. To provide a healthy environment and in order to eliminate odors and vermin, all garbage must be placed in plastic bags and deposited ONLY in the areas and on the days designated by the Board. The Common Properties shall be kept free and clear of rubbish, debris, and other unsightly material.

C. Automobiles, Commercial Vehicles and Boats - The use or storage of automobiles, commercial vehicles and boats shall be limited as set forth in Article 4.1 of the Master Covenants. The Board of Directors may promulgate Rules regarding the use and storage of vehicles. However, any such Rules must be at least as restrictive as the requirements contained in the Master Covenants.

D. No Owner or resident may direct, supervise, or in any manner attempt to assert control over the employees or agents of the Association.

E. No Owner shall make or permit to be made by his family, tenants, invitees, employees, agents, visitors, and licensees, any disturbing noises, nor do or permit to be done by such persons anything that will interfere with the reasonable rights, comforts or conveniences of other Owners. No Owner shall unreasonably play or allow to be played any musical instrument or operate or allow to be operated, stereo equipment, televisions, radios or sound amplifiers, on the Owner's Lot in such a manner as to disturb or annoy other Owners.

F. No radio or television installation may be permitted on a Lot which interferes with the television or radio reception of another Lot. No antenna or aerial may be erected or installed anywhere in the Property unless approved in accordance with Article 10 of the Master Covenants and Article 15 of this Declaration.

G. Each Owner who plans to be absent from his Lot during the hurricane season shall prepare his Lot prior to his departure by:

(1) Removing all furniture, plants and other movable objects from his porch, terrace, patio, or elsewhere on his Lot, where appropriate; and

(2) Designating a responsible firm or individual to care for his Lot should same suffer hurricane damage, and furnishing the Board with the name of such firm or individual. Such firm or individual shall contact the Board for clearance to install or remove hurricane shutters, and such party may be subject to the approval of the Board.

H. No Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, patios, windows or roof, unless approved in accordance with Article 10 of the Master Covenants and Article 15 of this Declaration. The foregoing notwithstanding, an Owner may display one portable, removable United States flag or official flag of the State of Florida in a respectful manner, and on Armed Forces Day, Memorial Day, Flag Day, Independence Day, and Veterans Day may display in a respectful manner portable, removable official flags, not larger than 4 ½ feet by 6 feet, which represents the United States Army, Navy, Air Force, Marine Corps, or Coast Guard.

I. No Owner shall cause any garage on his Lot to be converted to an interior room without complying with any applicable City requirements. No such conversion shall obviate the Owner from complying with any parking or vehicle restrictions.

J. Fences, other than any provided by Declarant, shall not be erected, removed or maintained upon the Residential Property, except as approved in accordance with Article 10 of the Master Covenants and Article 15 of this Declaration.

K. In case of any emergency originating in or threatening any Lot, the Board or any individual authorized by it shall have the immediate right to enter any Lot for the purpose of remedying or abating the cause of such emergency, notwithstanding that the Owner of such Lot is present at the time of such emergency.

L. There shall be no solicitation by any person anywhere in the Property for any cause, charity, or any purpose whatsoever, unless specifically authorized by the Board.

M. Nothing shall be done by any Owner which would increase the rate for any insurance maintained by the Association.

N. No outdoor clothes drying areas shall be permitted in the Property, although laundry may be aired or dried from clotheslines as long as the clothesline is screened from the view of all persons except those within the Lot at which the clothesline is located.

ARTICLE 11
DAMAGE OR DESTRUCTION TO COMMON PROPERTIES

Damage to or destruction of all or any portion of the Improvements on Common Properties shall be handled in the following manner:

A. In the event of damage to or destruction of Improvements on the Common Properties, if insurance proceeds are sufficient to effect total restoration, then the Association shall cause such Improvements on Common Properties to be repaired and reconstructed substantially as they previously existed.

B. If the insurance proceeds are within Fifty Thousand Dollars (\$50,000.00) or less of being sufficient to effect total restoration to the Improvements on the Common Properties, then the Association shall cause such Improvements on the Common Properties to be repaired and reconstructed substantially as they previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a Special Assessment against each of the Owners and Lots and no consent of Owners shall be required as otherwise would be the case in the event of a Special Assessment over Twenty-Five Thousand Dollars (\$25,000.00). Declarant, its Affiliates, and Lots owned by either, shall be exempt from such Special Assessments, in accordance with Section 6.06 hereof.

C. If the insurance proceeds are insufficient by more than Fifty Thousand Dollars (\$50,000.00) to effect total restoration to the Improvements on the Common Properties, then the Members shall determine, by vote of two-thirds (2/3) of Member votes present in person or by proxy at a special meeting of the Members, duly called, whether (1) to rebuild and restore the Improvements on the Common Properties in substantially the same manner as they existed prior to damage and to raise the necessary funds over the insurance proceeds by levying a Special Assessment against all Lots, or (2) to rebuild and restore in a way which is less expensive than replacing these Improvements in substantially the same manner as they existed prior to being damaged, or (3) to not rebuild and to retain the available insurance proceeds. If a decision is made to rebuild in a manner which would result in a change in the Improvements such new plans must receive the written approval of the Board, which may pre-approve plans to be submitted to the Members at a special meeting of Members. Declarant, its Affiliates, and Lots owned by either shall be exempt from such Special Assessments, in accordance with Section 6.06 hereof.

D. Each Owner shall be liable to the Association for any damage to the Common Properties not fully covered by collected insurance which may be sustained by reason of the negligence or willful misconduct of any Owner, as well as the Owner's family, tenants, guests and invitees, both minor and adult. The Association shall not be required to file an insurance claim and may charge the Owner for the full amount of the damages. In addition, the Association shall have the right to charge such Owner an Individual Assessment equal to the increase, if any, in any insurance premium due from the Association directly attributable to the damage caused by such Owner. In the case of Co-Owners of a Lot, defined in Section 3.02 of this Declaration, the liability of such Owners shall be joint and several. The

cost of correcting such damage shall be an Individual Assessment against the Lot and may be collected as provided herein for the collection of Assessments.

ARTICLE 12

INSURANCE

12.01. Common Properties. The Association shall keep all buildings, structures, fixtures and other Improvements located on the Common Properties (excluding landscaping) insured against loss or damage by fire or other casualty for the full insurable replacement value thereof (with reasonable deductibles), and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property, whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance for and on behalf of itself and all Owners. The insurance coverage with respect to the Common Properties shall be written in the name of, and the proceeds thereof shall be payable to, the Association. Except as otherwise provided herein, insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are Common Expenses included in the Common Assessments made by the Association.

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

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

12.04. Liability and Other Insurance. The Association shall have the power to and shall obtain comprehensive public liability insurance, including medical payments and malicious mischief coverages, in such limits as it shall deem desirable, insuring against liability for bodily injury, death and property damage arising from the activities of the Association or with respect to property under its jurisdiction, including, if obtainable, a cross-liability endorsement insuring each Owner against liability to each other Owner and to the Association and vice versa. Declarant's construction lender, if any, shall be named as an additional insured under such policy. The Association may also obtain Workers' Compensation insurance and other liability insurance as it may deem desirable, insuring each Owner and the Association, Board of Directors and Management Company, from liability in connection with the Common Properties, the premiums for which shall be Common Expenses and included in the Common Assessments made against the Owners. All insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion. The Board may also obtain such directors' and officers' or errors and omissions insurance, indemnity

bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board, any officers of the Association and the Management Company against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their offices, membership on the Board or any committee thereof.

ARTICLE 13

RENTAL RESTRICTION

13.01. Approval. Lots shall not be leased without the prior written approval of the Association. Additionally, any guests of Owner (other than members of Owner's family or those who reside on the Lot with Owner) who occupy the Lot for more than 60 consecutive days shall be required to sign an occupancy agreement with Owner, which shall be subject to the prior written approval of the Association. The Association has the right to require that a substantially uniform form of lease or occupancy agreement be used, as approved by the Board. Any lease or occupancy agreement shall provide that the Association shall have the right to terminate the lease or occupancy agreement upon default by tenant or guest in observing any of the provisions of this Declaration, the Master Covenants, or any applicable Rules duly adopted by the Board or the Master Association from time to time. No lease shall be for a period of less than six (6) months. The proposed tenants or guests shall consist of not more than two (2) persons per bedroom in any dwelling. No portion of a Lot (other than an entire Lot) may be rented, and Lots may only be rented to one Family at a time. Subleases of Lots are prohibited. Lots shall not be leased more than once in any six (6) month period. Notwithstanding the lease or other occupancy of an Owner's Lot, all liabilities of the Owner under this Declaration shall continue unabated. The Association must either approve or disapprove a lease or occupancy agreement within ten (10) days after the next Board meeting following submission of a complete and accurate request for approval, which request shall be accompanied by such information as the Board may reasonably require, including but not limited to a background check/investigation of tenant/guest. If approved, a recordable Certificate of Approval shall be executed by the Secretary or other authorized agent of the Association at the expense of the tenant/guest. If the Association fails to give the Owner written notice of its approval or disapproval of the proposed lease or occupancy agreement within the aforesaid period, the lease or occupancy agreement shall be deemed acceptable to the Association. Grounds for the Association's disapproval of a lease of a Lot or occupancy agreement may include an Owner's delinquency in the payment of an assessment at the time the approval is sought, an unsatisfactory background check/investigation of the tenant/guest, and/or tenant's/guest's failure to observe any of the provisions of this Declaration, the Master Covenants, or any applicable Rules duly adopted by the Board or the Master Association, any or all of which as determined by the Board in its sole discretion. The provisions of this Article 13 shall not be applicable to Declarant or any Affiliate designated by Declarant or to an Institutional Mortgage lender who advanced funds to Declarant for the purpose of acquiring or developing the Property (but only for so long as such loan is outstanding). Notwithstanding anything herein or any Rule to the contrary, Declarant as well as any Person approved in writing by Declarant, shall be irrevocably empowered without any limitation at all times, whether for permanent or temporary occupancy, to sell, lease, rent or transfer Lots owned by Declarant or such Person, as the case may be, for any period and under any terms to any tenants, purchasers or transferees without the consent of any Person, including the Association, being required. Notwithstanding any provision of this

Declaration to the contrary, the provisions of this Section 13.01 may not be amended without the consent of Declarant.

13.02. Deposit. At the discretion of the Association, Owners wishing to lease their Lots shall be required to place in escrow with the Association a sum in the nature of a security deposit, as determined by the Association, which may be used by the Association to repair any damage to the Common Properties or other portions of the Property resulting from acts or omissions of tenants (as determined in the sole discretion of the Association). The Owner will be jointly and severally liable with the tenant to the Association for any amount in excess of such sum which is required by the Association to effect such repairs or to pay any claim for injury or damage to property caused by the negligence of the tenant. Any balance remaining in the escrow account, less an administrative charge as determined by the Association, shall be returned to the Owner within thirty (30) days after the Association has been advised in writing by the Owner that the tenant and all subsequent tenants have permanently vacated the Lot. The Association is hereby deemed the agent of the Owner for purposes of bringing any eviction proceedings deemed necessary by the Association because of tenant's violation of this Declaration or applicable Rules. The Association and the Owner shall both have the right to collect attorneys' fees against any occupant or tenant in the event that legal proceedings must be instituted against such tenant for his eviction or for enforcement of this Declaration, with the Association having priority as to the full amount of its claim. Declarant and any of its Affiliates, as well as their tenants, are exempt from the provisions of this Section 13.02 with respect to any Lots leased by Declarant or Affiliate.

ARTICLE 14

GENERAL PROVISIONS

14.01. Enforcement. This Declaration, including the Articles, Bylaws and Rules, may be enforced by the Declarant, any Institutional Mortgagee, Owner or the Association, and shall be subject to the following:

A. Breach of any of the covenants contained in this Declaration or the Bylaws and the continuation of any such breach may be enjoined, abated or remedied by appropriate legal proceedings by Declarant, or the Association or any Institutional Mortgagee or Owner. Any judgment rendered in any action or proceeding to enforce this Declaration or the Bylaws shall include a sum for attorneys' fees, in such amount as the court may deem reasonable, as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs.

B. The result of every act or omission whereby any of the covenants contained in this Declaration or the Bylaws are violated in whole or in part is hereby declared to be and shall constitute a nuisance, and every remedy allowed at law or in equity with respect to nuisances, either public or private, shall be applicable and may be exercised by Declarant, or the Association or any Institutional Mortgagee or Owner.

C. The remedies herein provided for breach of the covenants contained in this

Declaration or in the Bylaws shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

D. The failure of the Declarant, or the Association or any Institutional Mortgagee or Owner to enforce any of the covenants contained in this Declaration or in the Bylaws shall not constitute a waiver of the right to enforce any other covenants or the same covenant(s) thereafter.

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

14.03. Term. Subject to the amendment provisions of Section 14.05 hereof, this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Association, Declarant, and their respective successors and assigns, for a term of forty (40) years from the date this Declaration is recorded, after which time this Declaration shall be automatically extended for successive periods of ten (10) years, unless an instrument, approved by 75% of the Members and 75% of the Institutional Mortgagees has been recorded terminating this Declaration. If terminated in any other manner while Declarant owns any portion of the Property, title to the Common Properties shall remain in Declarant. No prescriptive rights shall be established regardless of the nature or duration of use of the Common Properties or any portion thereof.

Should the Members of the Association vote not to renew and extend this Declaration as provided herein, all Common Properties shall be transferred to a Trustee appointed by the Circuit Court for the County, which Trustee shall sell the Common Properties free and clear of the provisions hereof, upon terms established by the Trustee and approved by the Court. The proceeds of such a sale shall first be used for the payment of any debts or obligations constituting a lien on the Common Properties, then for the payment of any obligations incurred by the Trustee in the sale, operation, maintenance, repair and upkeep of the Common Properties, including a Trustee's fee approved by the Court. The excess of proceeds, if any, shall be distributed among the Owners equally. Only those easements which state that they shall survive termination hereof shall so survive unless otherwise required under Florida law.

14.04. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community and for the maintenance of community facilities and Common Properties. The article and section headings herein have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine and neuter genders shall each include the others. This Declaration shall be read as cumulative to and not in limitation of the Master Covenants. The Board shall be the ultimate interpreter of this Declaration and an opinion of counsel that any such interpretation is not unreasonable shall establish the validity of any such interpretation.

14.05. Amendments. This Declaration may only be amended (1) by the affirmative vote (at

any duly called annual or special meeting of Members at which a quorum has been obtained) of Members holding not less than seventy-five percent (75%) of the votes of the Class A Membership present, and (so long as there exists a Class B Membership in the Association) the affirmative vote of Declarant; or (2) so long as there exists a Class B Membership in the Association, by act (with or without a meeting or notice) of Declarant alone. However, no amendment shall be permitted which has a material adverse affect upon rights of Declarant or an Institutional Mortgagee without the prior written consent of Declarant or such Institutional Mortgagee, as appropriate. Nothing contained herein shall affect the right of Declarant to make such amendments or Supplemental Declarations as may otherwise be permitted herein. This Section 14.05 may not be amended.

In the event any amendment is sought other than by Declarant, notice shall be given at least forty-five (45) 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 by the Members 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, the date of the meeting of the Members at which such amendment 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 Members, the number of votes present, in person or by proxy at the meeting, the total number of votes necessary to adopt the amendment, the total number of votes cast for the amendment, and the total number of votes cast against the amendment. Such amendment shall be recorded in the Official Records of the County. Amendments made by Declarant need be signed only by Declarant with no recitation of the items set forth immediately above.

Any amendment proposed which would affect the surface water management system, conservation areas or water management portions of the Project will be submitted to the South Florida Water Management District for review prior to finalization of the amendment. The South Florida Water Management District shall determine if the proposed amendment will require a modification of the permit it issued. If a permit modification is necessary, the modification must be approved by the South Florida Water Management District prior to amending this Declaration.

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

14.07. Constructive Notice and Acceptance. Every Person who owns, occupies or acquires any right, title, estate or interest in or to any Lot or other portion of the Property shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference hereto is contained in the instrument by which such Person acquired an interest in such Lot or other property.

14.08. Notices. Any notice permitted or required to be delivered as provided herein shall (unless otherwise expressly set forth herein) be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered forty-eight (48) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to

any Person at the address for such Person contained in the records of the Association. Such address may be changed from time to time by notice in writing to the Association.

14.09. NO REPRESENTATIONS OR WARRANTIES. NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, HAVE BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE PROPERTY OR THE PROJECT, THEIR PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF, OR IN CONNECTION WITH ANY SERVICES PERFORMED OR CONTRACTED FOR PURSUANT TO ARTICLE 5 HEREOF, EXCEPT (A) AS SPECIFICALLY AND EXPRESSLY SET FORTH IN THIS DECLARATION OR IN WRITTEN DOCUMENTS DELIVERED BY DECLARANT TO ANY OWNER, AND (B) AS OTHERWISE REQUIRED BY LAW.

14.10. Declarant Exemption. Anything in this Declaration to the contrary notwithstanding, nothing herein shall be construed to prevent, limit, or impair Declarant's right and ability to complete development of the Property or Project in any manner determined by Declarant from time to time, including, but not limited to, Declarant's right to maintain models, gates, sales and leasing offices, construction activities, promotional activities and signs.

14.11. Information. The Association shall make available for inspection to Owners and Institutional Mortgagees during normal business hours, within 10 business days of receipt of a written request, current copies of this Declaration, the Articles, Bylaws, or any Rules concerning the Property, together with the books, records, and financial statements of the Association. The Association may charge its actual costs for reproducing and furnishing these documents to those persons who are entitled to receive them. Further, the Association may reasonably limit access to persons, based on the frequency of requests by those persons.

14.12. Olympia. Declarant has caused to be recorded that certain Declaration of Covenants, Restrictions and Easements for Olympia, dated December 12, 2002, recorded on December 16, 2002, in Official Records Book 14541, at Page 1085 (previously defined as the "Master Covenants") in the Public Records of the County. Article 2 of the Master Covenants provides that the Property may be subjected to the Master Covenants by filing in the Public Records of the County, an appropriate Supplemental Declaration extending the operation and effect of said Covenants to the Property. Declarant hereby declares that the Master Covenants, including all exhibits attached thereto as they may be amended from time to time, shall (i) be covenants running with the Property, (ii) be binding upon all parties having and/or acquiring any right, title, or interest in the Property, including any portion thereof, and (iii) inure to the benefit of each and every Person from time to time owning or holding an interest in the Property.

14.13. Assignability of Declarant's Rights. The rights of Declarant under this Declaration, the Articles, and the Bylaws may be assigned any number of times, in whole or in any part, on an exclusive or non-exclusive basis by written instrument recorded in the Official Records of the

County; provided, however, any such assignment to an Affiliate need not be so recorded. Any partial assignee shall not be deemed Declarant and shall have no rights other than those expressly assigned. No assignee shall have any liability for any acts of Declarant or any prior Declarant unless such assignee is assigned all of Declarant's rights and agrees to assume such liability.

14.14. Cable Television and Telecommunication Rights of Declarant. Declarant shall have the right to grant easements over any portion of the Property to any one or more providers of cable television service or telecommunications services. No such action shall be deemed a breach of fiduciary duty of Declarant or any member of the Board. Each provider of cable television must be properly franchised prior to any easement in its favor.

14.15. Priority of Documents. The "Project Documents", as defined in Section 1.32 of the Master Covenants shall, in cases of conflict with the terms of this Declaration, be deemed prior and superior to this Declaration. In those instances of irreconcilable conflict among or between this Declaration and the Articles, Bylaws, or any Rules which may be adopted by the Association (and in the absence of any express language indicating which document controls the particular subject matter), this Declaration shall be paramount, the Articles are next paramount, the Bylaws next paramount, and the Rules most subordinate.

14.16 Mandatory Binding Arbitration for Certain Disputes

Election disputes between an Owner and the Association and recall disputes set forth in Florida Statute Section 720.303(10) must be submitted to mandatory binding arbitration with the Department, which proceedings shall be conducted in the manner provided in Florida Statute Section 718.1255 and the procedural rules adopted by the Division. Neither election disputes or recall disputes are eligible for presuit mediation; these disputes must be arbitrated by the Department. Notwithstanding anything herein to the contrary, the provisions of this Section 14.16 shall apply so long as required by Florida Statutes Sections 720.303(10), 720.306(9) and 720.311.

14.17 Mandatory Mediation for Certain Disputes

Disputes between the Association and an Owner regarding use of or changes to the Lot or the Common Properties and other covenant enforcement disputes, disputes regarding amendments to the Declaration, Articles, Bylaws, or Rules, disputes regarding meetings of the Board and committees appointed by the Board, disputes regarding membership meetings (not including election meetings) and disputes regarding access to the official records of the Association shall be the subject of a demand for presuit mediation before the dispute is filed in court. Disputes subject to presuit mediation shall not include the collection of any assessment, fine or other financial obligation, including attorney's fees and costs, claimed to be due or any action to enforce a prior mediation settlement agreement between the parties. In any dispute subject to presuit mediation where emergency relief is required, a motion for temporary injunctive relief may be filed with the court without first complying with the presuit mediation requirements of the Florida Statutes, and after the issues regarding the emergency or temporary relief are resolved, the parties shall either be referred to a mediation program administered by the courts or otherwise required to attend a mediation as set forth in Florida Statute Section 720.311. If the mediation is unsuccessful in resolving all of the

disputes between the parties, either party may file the unresolved dispute in a court of competent jurisdiction or, if all parties agree, elect to enter into binding or nonbinding arbitration pursuant to Florida Statute Section 720.311. Notwithstanding anything herein to the contrary, the provisions of this Section 14.17 shall apply so long as required by Florida Statutes Sections 720.311.

ARTICLE 15

ARCHITECTURAL CONTROL

15.01 Architectural Standards/Board Approval. Architectural control of the Property will be maintained (in accordance with the Declaration and/or published guidelines and standards which may be adopted from time to time) by the Board of Directors and by the Architectural Review Committee of the Master Association. Any Owner who desires to commence work which would require the approval of the Master Association's Architectural Review Committee, must first obtain the approval of the Board of Directors. After termination of Class B membership, as provided in Article 4.01 hereof, the Board of Directors may promulgate its own architectural review standards and procedures. However, any such standards must be at least as restrictive as those contained in the Master Covenants.

15.02. Liability of the Board. Neither the Declarant, nor any Director, nor any representative designated by the Board shall be liable to any Owner or other person by reason of mistake in judgment, or failure to point out deficiencies in plans, or any other act or omission in connection with the approval of any plans. Any owner submitting plans hereunder by the submitting of same, agrees (i) not to seek any damages or make any claim arising out of approval of plans hereunder, and (ii) to indemnify and hold the Committee members (and the Declarant and/or Board which appointed them and any representative designated by the Committee) harmless from any cost, claim, damage, expense or liability whatsoever, including attorneys' fees and costs at all tribunal levels, arising out of the approval of any plans REGARDLESS OF THE NEGLIGENCE OF THE COMMITTEE MEMBERS, THEIR REPRESENTATIVE, OR APPOINTING ENTITY.

15.03. Declarant's Exemption. Anything herein to the contrary notwithstanding, Declarant, Affiliates, and all property owned by Declarant or Affiliates, and an Institutional Mortgage Lender who advanced funds to Declarant for the purpose of acquiring or developing the Property, shall be exempt from the provisions of this Article 15. Declarant, Affiliates and an Institutional Mortgage Lender (or its assignee) who advanced funds to Declarant for the purpose of acquiring or developing the Property shall not be obligated to obtain approval of the Board of the Association or the Architectural Review Committee of the Master Association for any construction or changes in construction which Declarant may elect to make.

15.04. Master Association Approval. The approval of the Board of any proposal or plans, or of work performed in connection therewith, shall not obviate the need of any applicant to obtain the required approval of the Architectural Review Committee of the Master Association.

Declarant hereby activates the Guaranty in Section 6.04 of this Declaration. ☐

IN WITNESS WHEREOF, Declarant and the Association have caused this Declaration to be executed and sealed as of the date first written above.

Signed in the presence of:

Declarant:

MINTO COMMUNITIES, LLC,
a Florida limited liability company

T.P. Beer
Harry Binnie

By: James B. Traxinger
James B. Traxinger, Executive Vice President
(Corporate Seal)

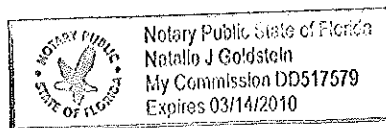
STATE OF FLORIDA)
)SS:
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this 15 day of Dec., 2008, by James B. Traxinger, as Executive Vice President of Minto Communities, LLC, a Florida limited liability company. He is personally known to me or has produced _____ as identification and did take an oath.

Natalie J. Goldstein
Notary Public
State of Florida at Large

My Commission Expires:

2202-005#63v4



This instrument prepared by and returned to:
Name: Harry Binnie
Address: Founders Title
5100 W. Copans Road, Suite 600
Margate, Florida 33063

CONSENT TO DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR PHIPPS VILLAGE

The undersigned WACHOVIA BANK, National Association, as Administrative Agent (the "Mortgagee"), the owner and holder of a certain Real Estate Mortgage, Assignment and Security Agreement dated as of March 27, 2001 and recorded in Official Records Book 12416, Page 832, together with First Mortgage Modification Agreement, dated November 30, 2001, filed of record July 10, 2002, in Official Records Book 13890, Page 1697; as affected by Assignment of Note, Mortgage and Other Loan Documents, filed of record February 15, 2008, in Official Records Book 22446, page 1724; Financing Statement Form UCC-3, filed of record February 15, 2008, in Official Records Book 22446, page 1731; Amended and Restated Mortgage and Security Agreement, filed of record February 15, 2008, in Official Records Book 22446, page 1777; Financing Statement Form UCC-3, filed of record February 15, 2008, in Official Records Book 22446, page 1837; Financing Statement Form UCC-3, filed of record February 15, 2008, in Official Records Book 22446, page 1838; Absolute Assignment of Leases and Rents, filed of record February 15, 2008, in Official Records Book 22446, page 1839; and Assignment of Agreements Affecting Real Estate, filed of record February 15, 2008, in Official Records book 22446, page 1889, all of the Public Records of Palm Beach County, Florida (as amended from time to time, the "Mortgage"), relating to the real property located in said County and more particularly described in the attached and foregoing Declaration of Covenants, Restrictions and Easements for Phipps Village (the "Declaration"), does hereby consent to the Declaration and acknowledge that the terms thereof are and shall be binding upon the undersigned and its successors and assigns.


NOW, THEREFORE, the undersigned consents to the recordation of the Declaration.

Mortgagee makes no warranty or any representation of any kind or nature concerning the Declaration, any of its terms or provisions, or the legal sufficiency thereof, and disavows any such warranty or representation as well as any participation in the development of Phipps Village, and does not assume and shall not be responsible for any of the obligations or liabilities of the Declarant contained in the Declaration or other documents used in connection with the promotion of Phipps Village. None of the representations contained in the Declaration or other documents shall be deemed to have been made by Mortgagee, nor shall they be construed to create any obligations on Mortgagee to any person relying thereon. Nothing contained herein shall affect or impair the rights and remedies of Mortgagee as set forth in the Mortgage or in the Declaration.

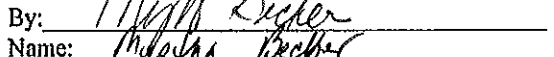
IN WITNESS WHEREOF, the undersigned has executed this Consent this 15 day of December, 2008.

Signed, sealed and delivered
in the presence of:


Print Name: Irena Shkolnik


Print Name: Paula J. Russo

Wachovia Bank, National Association,
as Administrative Agent

By: 
Name: Michael J. Becker
Title: V.P.

Address: 1 East Broward Boulevard, 3rd Floor
Ft Lauderdale, Florida 33301

STATE OF FLORIDA

COUNTY OF Broward

The foregoing instrument was acknowledged before me this 15 day of December, 2008 by Mynka Becker as VP of WACHOVIA BANK, National Association, as Administrative Agent. He/she is personally known to me or produced a as identification.

[NOTARIAL SEAL]

Notary: Paula J. Musso
Print Name: Paula J. Musso
Notary Public, State of Florida

My Commission expires: _____

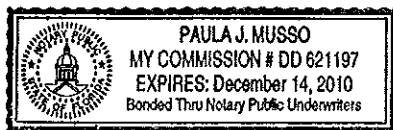


EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

PAYSON WAY LYING SOUTH OF FATIO BOULEVARD, PHIPPS LANE, TRACT O.S.-1, AND LOTS 1009 THROUGH 1152, INCLUSIVE, BLOCK 'C', AS ALL ARE SHOWN ON OLYMPIA – PLAT II, AS RECORDED IN PLAT BOOK 98, PAGES 1 THROUGH 24 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

CONTAINING 29.297 ACRES MORE OR LESS.

EXHIBIT "B"

LEGAL DESCRIPTION OF LOTS

LOTS 1009 THROUGH 1152, INCLUSIVE, BLOCK 'C', AS ALL ARE SHOWN ON
OLYMPIA – PLAT II, AS RECORDED IN PLAT BOOK 98, PAGES 1 THROUGH 24
OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

CONTAINING 23.930 ACRES MORE OR LESS.

EXHIBIT "C"

LEGAL DESCRIPTION OF COMMON PROPERTIES

PAYSON WAY LYING SOUTH OF FATIO BOULEVARD, PHIPPS LANE, AND TRACT O.S.-1, BLOCK 'C', AS ALL ARE SHOWN ON OLYMPIA – PLAT II, AS RECORDED IN PLAT BOOK 98, PAGES 1 THROUGH 24 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

CONTAINING 5.367 ACRES MORE OR LESS.

EXHIBIT "D"

ARTICLES OF INCORPORATION

**ARTICLES OF INCORPORATION
FOR
PHIPPS VILLAGE HOMEOWNERS ASSOCIATION, INC.**

FILED

03 MAR 14 AM 8:59

SECRETARY OF STATE
TALLAHASSEE FLORIDA

The undersigned incorporators, by these Articles associate themselves for the purpose of forming a corporation not for profit pursuant to the laws of the State of Florida, and hereby adopt the following Articles of Incorporation:

**ARTICLE 1
NAME**

The name of the corporation shall be PHIPPS VILLAGE HOMEOWNERS ASSOCIATION, INC. ("Association"), whose principal place of business and mailing address is 4400 West Sample Road, Suite 200, Coconut Creek, Florida 33073-3450. These Articles of Incorporation shall hereinafter be referred to as the "Articles" and the By-Laws of the Association as the "By-Laws."

**ARTICLE 2
PURPOSE**

The purpose for which the Association is organized is to provide an entity for operating, administering, managing, and maintaining a planned, residential community known as "Phipps Village" (hereinafter called the "Property"), in accordance with the "Declaration" (defined in Article 3 below).

**ARTICLE 3
DEFINITIONS**

The terms used in these Articles shall each have the same definition and meaning as those set forth in that certain Declaration of Covenants, Restrictions and Easements for Phipps Village ("Declaration") to be recorded in the Public Records of Palm Beach County, Florida, unless herein provided to the contrary, or unless the context otherwise requires.

**ARTICLE 4
POWERS**

The powers of the Association shall include and be governed by the following:

- 4.1 General. The Association shall have all of the common-law and statutory powers of a corporation not for profit under the laws of the State of Florida that are not in conflict with the provisions of these Articles, the Declaration or the By-Laws.
- 4.2 Enumeration. The Association shall have all of the powers reasonably necessary to operate the Property pursuant to the Declaration and as more particularly described in the By-Laws and these Articles, as they may be amended from time to time, including, but not limited to, the following:
- (a) To make and collect Assessments and other charges against Members, as Owners, and to use the proceeds thereof in the exercise of its powers and duties.
 - (b) To buy, own, operate, lease, sell, trade and mortgage both real and personal property.
 - (c) To maintain, repair, replace, reconstruct, add to and operate the Property, and other property acquired or leased by the Association.
 - (d) To purchase insurance covering all of the Common Properties, or portions thereof, and insurance for the protection of the Association, its Officers, Directors and Owners.
 - (e) To make and amend reasonable Rules for the maintenance, conservation and use of the Property and for the health, comfort, safety and welfare of the Owners.
 - (f) To enforce by legal means the provisions of the Declaration, these Articles, the By-Laws, and the Rules concerning the use of the Property, subject, however, to the limitation regarding assessing Lots owned by Declarant for fees and expenses relating in any way to claims or potential claims against Declarant as set forth in the Declaration and/or By-Laws.
 - (g) To contract for the management, operation, administration and maintenance of the Property and to authorize a management agent (who may be an Affiliate of Declarant) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of Rules, maintenance, repair and replacement of the Common Properties with funds as shall be made available by the Association for such purposes. The Association and its officers and Directors shall, however, retain at all times the powers and duties granted by the Declaration, including, but not limited to, the making of Assessments, promulgation of Rules and execution of contracts on behalf of the Association.

- (h) To employ personnel to perform the services required for the proper operation of the Property.
- 4.3 Association Property. All funds and the titles to all properties acquired by the Association and their proceeds shall be held for the benefit and use of the Members in accordance with the provisions of the Declaration, these Articles and the By-Laws.
- 4.4 Distribution of Income; Dissolution. The Association shall make no distribution of income to its Members, Directors or Officers, and upon dissolution, all assets of the Association shall be transferred only to another non-profit corporation or a public agency, except in the event of a termination of the Declaration.
- 4.5 Limitation. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions hereof and of the Declaration and the By-Laws.

ARTICLE 5

MEMBERS

- 5.1 Membership. The members of the Association ("Members") shall consist of the Lot Owners of the Property from time to time, including Declarant, as further described in the Declaration.
- 5.2 Assignment. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Lot for which that share is held.
- 5.3 Voting. On all matters upon which the membership shall be entitled to vote, there shall be only one vote for each Lot, which vote shall be exercised or cast in the manner provided by the Declaration and By-Laws; provided, however, Declarant shall also have additional votes in accordance with its Class B membership, as provided in the Declaration. Any person or entity owning more than one Lot shall be entitled to one vote for each Lot owned.
- 5.4 Meetings. The By-Laws shall provide for an annual meeting of Members and may make provision for regular and special meetings of Members other than the annual meeting.

ARTICLE 6
TERM OF EXISTENCE

The Association shall have perpetual existence.

ARTICLE 7
INCORPORATORS

The names and addresses of the incorporators of the Association are as follows:

<u>NAME</u>	<u>ADDRESS</u>
T.R. Beer	4400 West Sample Road Suite 200 Coconut Creek, FL 33073-3450
Gary Clement	4400 West Sample Road Suite 200 Coconut Creek, FL 33073-3450
Frank Rodgers	4400 West Sample Road Suite 200 Coconut Creek, FL 33073-3450

ARTICLE 8
OFFICERS

Subject to the direction of the "Board," described in Article 9 below, the affairs of the Association shall be administered by the Officers holding the offices designated in the By-Laws. The Officers shall be elected by the Board at its first meeting following the annual meeting of the Members of the Association and shall serve at the pleasure of the Board. The By-Laws may provide for the removal from office of Officers, for filling vacancies and for the duties of the Officers. The names of the officers who shall serve until their successors are designated by the Board are as follows:

<u>President</u>	T.R. Beer
<u>Vice President</u>	Gary Clement
<u>Secretary/Treasurer</u>	Frank Rodgers

ARTICLE 9

DIRECTORS

- 9.1 **Number and Qualification.** The property, business and affairs of the Association shall be managed by a Board of Directors (hereinafter referred to as the "Board of Directors" or "Board") consisting of the number of Directors determined in the manner provided by the By-Laws, but which shall consist of not less than three (3) Directors.
- 9.2 **Duties and Powers.** All of the duties and powers of the Association existing under the Declaration, these Articles and the By-Laws shall be exercised exclusively by the Board, its agents, contractors or employees, subject only to approval by Owners when such approval is specifically required as provided in the Declaration.
- 9.3 **Election; Removal.** Directors of the Association shall be elected at the annual meeting of the Members in the manner determined by and subject to the qualifications set forth in the By-Laws. Directors may be removed and vacancies on the Board shall be filled in the manner provided in the By-Laws.
- 9.4 **First Directors.** The names of the members of the first Board who shall hold office until their successors are elected and have qualified, as provided in the By-Laws are as follows:

T.R. Beer

Gary Clement

Frank Rodgers

ARTICLE 10

INDEMNIFICATION

- 10.1 **Indemnity.** The Association shall indemnify, defend and hold harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a Director, employee, officer, or agent of the Association, against reasonable expenses (including reasonable attorneys' fees and costs at all tribunal levels), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, unless (a) a court of competent jurisdiction finally determines, after all appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith or in a manner he reasonably believed to be in, or not opposed to,

the best interests of the Association, and with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful, and (b) such court also determines specifically that indemnification should be denied. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. The Association shall have no duty to indemnify any party described herein, for any settlement entered, unless the party has received Association approval for the settlement entered.

- 10.2 Expenses. To the extent that a Director, Officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 10.1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including reasonable attorneys' fees and costs at all trial and appellate levels) actually and reasonably incurred by him in connection therewith.
- 10.3 Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding provided that the affected Director, Officer, employee or agent agrees to repay such amount advanced by the Association, should it be ultimately determined that he is not entitled to be indemnified by the Association as authorized in this Article 10.
- 10.4 Miscellaneous. The indemnification provided by this Article 10 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of Members or otherwise, and shall continue as to a person who has ceased to be a Director, Officer, employee or agent of the Association and shall inure to the benefit of the heirs and personal representatives of such person.
- 10.5 Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, or agent of the Association, or is or was serving, at the request of the Association, as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against him and insured by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article 10.

- 10.6 Amendment. Notwithstanding anything to the contrary stated herein, the provisions of this Article 10 may not be amended without the approval in writing of all persons whose interest would be adversely affected by such amendment.

ARTICLE 11

BY-LAWS

The first By-Laws of the Association shall be adopted by the Board and may be altered, amended, or rescinded in the manner provided for in the By-Laws and the Declaration. In the event of a conflict between the provisions of these Articles and the provisions of the By-Laws, the provisions of these Articles shall control.

ARTICLE 12

AMENDMENTS

Amendments to these Articles shall be proposed and adopted in the following manner:

- 12.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered.
- 12.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board or by not less than one-third (1/3) of the Members of the Association. Directors and Members not present in person or by proxy at the meeting considering the proposed amendment may express their approval in writing, providing the approval is delivered to the Secretary at or prior to the meeting. The approvals must be:
- (a) at any time, by not less than a majority of the votes of all of the Members of the Association represented at a meeting at which a quorum thereof has been attained and by not less than 60% of the entire Board; or
 - (b) after control of the Association is turned over to Unit Owners other than Declarant, by not less than 80% of the votes of all of the Members of the Association represented at a meeting at which a quorum has been attained; or
 - (c) after control of the Association is turned over to Unit Owners other than Declarant, by not less than 100% of the entire Board; or
 - (d) before control of the Association is turned over to Unit Owners other than Declarant, by not less than 60% of the entire Board.

- 12.3 Limitation. No amendment shall make changes (i) in the qualifications for membership, (ii) in the voting rights or property rights of Members, or (iii) in any manner to Sections 4.3, 4.4 or 4.5 hereof, without the approval in writing of all Members and the joinder of all Institutional Mortgagees. No amendment shall be made that is in conflict with the Declaration or the By-Laws, nor shall any amendment make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of or reserved to Declarant, or any of its Affiliates, unless Declarant shall give its prior written consent to the amendment or join in the execution of the amendment. This Section 12.3 may not be amended without the consent of Declarant.
- 12.4 Declarant. Declarant may amend these Articles (consistent with the provisions of the Declarant allowing certain amendments to be effected by Declarant alone) without any consent of Members.
- 12.5 Recording. A copy of each amendment shall be filed with the Secretary of State pursuant to the provisions of applicable Florida law.

ARTICLE 13

PRINCIPAL ADDRESS OF ASSOCIATION

The principal office of this corporation shall be at Township Plaza, 4400 West Sample Road, Suite 200, Coconut Creek, Florida 33073-3450, or such other place as may subsequently be designated by the Board.

ARTICLE 14

CONVEYANCE

The Association shall accept any and all deeds and other instruments conveying real or personal property delivered to the Association by Declarant as provided in the Declaration.

ARTICLE 15

REGISTERED AGENT

The initial registered agent of the Association shall be Minto Communities, Inc., a Florida Corporation, Attn: Harry Posin, 4400 West Sample Road, Suite 200, Coconut Creek, Florida 33073-3450.

IN WITNESS WHEREOF, the incorporators have affixed their signatures as of this 12th day of March, 2003.



T.R. Beer



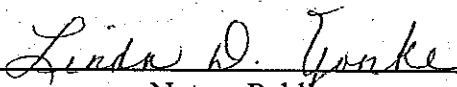
Gary Clement



Frank Rodgers

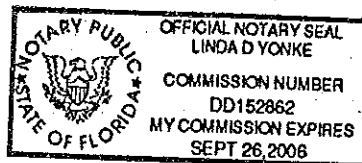
STATE OF FLORIDA)
) ss:
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this 12th day of March, 2003 by T.R. Beer, who is personally known to me or who has produced — as identification and who did take an oath.



Notary Public
State of Florida at Large

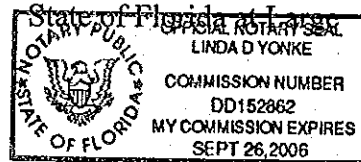
My Commission Expires:



STATE OF FLORIDA)
) ss:
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this 12th day of March, 2003
by Gary Clement, who is personally known to me or who has produced — as identification
and who did take an oath.

Linda D. Yonke
Notary Public

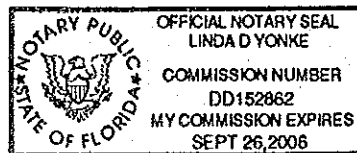


My Commission Expires:

STATE OF FLORIDA)
) ss:
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this 12th day of March, 2003
by Frank Rodgers, who is personally known to me or who has produced — as identification
and who did take an oath.

Linda D. Yonke
Notary Public
State of Florida at Large



My Commission Expires:

CERTIFICATE DESIGNATING PLACE OF BUSINESS OR
DOMICILE FOR THE SERVICE OF PROCESS WITHIN THE
STATE NAMING AGENT UPON WHOM PROCESS MAY BE SERVED

FILED

MAR 14 AM 8:59


SECRETARY OF STATE
TALLAHASSEE FLORIDA

In compliance with the laws of Florida, the following is submitted:

That desiring to organize under the laws of the State of Florida with its principal office, as indicated in the foregoing Articles of Incorporation, at City of Coconut Creek, County of Broward, State of Florida, the Corporation named in the said articles has named MINTO COMMUNITIES, INC., a Florida Corporation, Attn: Harry Posin, Township Plaza, 4400 West Sample Road, Suite 200, Coconut Creek, Florida 33073-3450 as its statutory registered agent.

Having been named the statutory agent of said corporation at the place designated in this certificate, we hereby accept the same and agree to act in this capacity, and acknowledge that we are familiar with and accept the obligations set forth in Florida Statutes Section 607.0505.

By: MINTO COMMUNITIES, INC.,
a Florida corporation,

By: 
Harry Posin, Executive Vice President

Dated this 12th day of March, 2003

EXHIBIT "E"

BYLAWS

**BYLAWS OF
PHIPPS VILLAGE
HOMEOWNERS ASSOCIATION, INC.**

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

1. Identity. These are the Bylaws of PHIPPS VILLAGE HOMEOWNERS ASSOCIATION, INC. (the "Association"), a corporation not for profit incorporated under the laws of the State of Florida, and organized for the purpose of administering a planned residential community known as "Phipps Village," a village in a community known as Olympia located in the Village of Wellington, Florida (hereinafter called the "Property").
 - 1.1 Principal Office. The principal office of the Association shall be at 4400 West Sample Road, Coconut Creek, Florida 33073, or at such other place as may be subsequently designated by the Board of Directors. All books and records of the Association shall be kept at its principal office.
 - 1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.
 - 1.3 Seal. The seal of the Association shall bear the name of the Association, the word "Florida", the words "Corporation Not for Profit", and the year of incorporation.
2. Definitions. For convenience, these Bylaws shall be referred to as the "Bylaws" and the Articles of Incorporation of the Association as the "Articles". The other terms used in these Bylaws shall have the same definition and meaning as those set forth in that Declaration of Covenants, Restrictions and Easements for Phipps Village, unless herein provided to the contrary, or unless the context otherwise requires. "Developer" shall have the same meaning as "Declarant" as set forth in the Declaration.
3. Members. The members of the Association ("Members") shall be as specified in the Articles and Declaration.
 - 3.1 Annual Meeting. The annual Members' meeting shall be held on the date, at the place and at the time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year. To the extent possible, the annual meeting shall be held during September, October, November or December. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors and to transact any other business authorized to be transacted by the Members, or as stated in the notice of the meeting sent to Members in advance thereof.

- 3.2 Special Meeting. Special Members' meetings shall be held at such places as provided herein for annual meetings, and may be called by the President or by a majority of the Board of Directors. A special meeting must be called by the President or Secretary upon receipt of a written request from twenty percent (20%) of the voting interests of Members of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting. Additionally, special Members' meetings may be called by ten percent of the Members of the Association to recall a Director or Directors or as provided for in Section 9.1(a)(ii) hereof.
- 3.3 Notice of Meeting; Waiver of Notice. Written notice of a meeting of Members stating the time and place and an agenda for which the meeting is called shall be given by the President or Secretary. Notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called. Notice of a special meeting must include a description of the purpose or purposes for which the meeting is called.

A copy of the notice shall be mailed or delivered to each Member (through first-class U.S. mail, hand-delivery or fax) at least 14 days prior to the meeting and shall be posted in a conspicuous place at the Property at least 48 hours preceding the meeting. Notice of meetings (except Members' meetings to recall board members) may be given by electronic transmission to Members who consent in writing to receive notice by electronic transmission. The posting and making of the notice shall be effected not more than sixty (60) days prior to the date of the meeting. Notice of the annual meeting shall likewise be mailed or delivered to each Member through first-class U.S. mail, hand delivery, fax, or electronic transmission (if such Member consents in writing to receive notice by electronic transmission), unless the Member waives in writing the right to receive notice of the annual meeting. The delivery or mailing shall be to the address of the Member as it appears on the roster of Members described in Section 10 hereof. Evidence of compliance with the 14 day notice requirement shall be made by an affidavit executed by the person providing the notice and filed upon execution among the official records of the Association.

Notice of specific meetings may be waived before or after the meeting. The attendance of any Member (or person authorized to vote for such Member) shall constitute such Member's waiver of notice of such meeting, except when his (or his authorized representative's) attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

- 3.4 Members' Participation in Meetings. Members shall have the right to attend all membership meetings and may speak at any meeting with reference to all items

opened for discussion or included on the agenda. Additionally, Members shall have the right to speak for at least three (3) minutes on any item, provided that the Member submits a written request to speak prior to the meeting. The Association may adopt reasonable rules governing the frequency, duration and manner of Member statements, which rules must be consistent with this Section 3.4. A Member may tape record or videotape Members' meetings subject to reasonable rules which may be adopted by the Board.

- 3.5 Quorum. A quorum at Members' meetings shall be attained by the presence, either in person or by proxy, of ten percent (10%) of the total voting interests of Members. If voting rights of any Member are suspended pursuant to the provisions of the Declaration or these Bylaws, the Vote(s) of such Member(s) shall not be counted for the purpose of determining the presence of a quorum and the total number of authorized votes shall be reduced accordingly during the period of such suspension.

3.6 Voting.

- (a) Number of Votes. In any meeting of Members, Members shall be entitled to cast one vote for each Lot owned by them. The vote of a Lot shall not be divisible. Additionally, the Developer, so long as it retains its Class B membership, shall have one vote, plus two votes for every vote then held by Members (as more particularly described in the Declaration).
- (b) Majority Vote. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum shall have been attained shall be binding upon all Members for all purposes except where otherwise provided by law, the Declaration, the Articles or these Bylaws. As used in these Bylaws, the Articles or the Declaration, the terms "majority of the Owners" and "majority of the Members" shall mean a majority of the votes of Members and not a majority of the Members themselves and shall further mean more than 50% of the then total authorized votes present in person or by proxy and voting at any meeting of the Members at which a quorum shall have been attained. Similarly, if some greater percentage of Members is required herein or in the Declaration or Articles, it shall mean such greater percentage of the votes of Members and not of the Members themselves.
- (c) Voting Member. If a Lot is owned by one person, his or her right to vote shall be established by the roster of Members. If a Lot is owned by more than one person, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by all of the record owners of the Lot according to the roster of Owners and filed with the Secretary of the Association. Such person need not be an Owner, nor one of the joint

owners. If a Lot is owned by a corporation or other entity, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by an appropriate officer of the corporation or entity and filed with the Secretary of the Association. Those certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Lot concerned. A certificate designating the person entitled to cast the vote for a Lot may be revoked by any record owner of an undivided interest in the Lot. If a certificate designating the person entitled to cast the vote for a Lot is not on file or has been revoked, the vote of the Owner(s) of such Lot shall not be considered in determining whether a quorum is present, nor for any other purpose, and the total number of authorized votes in the Association shall be reduced accordingly until such certificate is filed, except if the Lot is owned jointly by a husband and wife. If a Lot is owned jointly by a husband and wife, they may, without being required to do so, designate a voting Member in the manner provided above. Such designee need not be an Owner. In the event a husband and wife do not designate a voting member, the following provisions shall apply:

- (i) If both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting, and their vote shall not be considered in determining whether a quorum is present on that subject at the meeting (and the total number of authorized votes in the Association shall be reduced accordingly for such subject only).
- (ii) If only one is present at a meeting, the person present shall be counted for purposes of a quorum and may cast the Lot vote just as though he or she owned the Lot individually, and without establishing the concurrence of the absent person.
- (iii) If both are present at a meeting and concur, either one may cast the Lot vote.

3.7 Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote, but shall only be valid for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the person executing it. A proxy must be in writing, dated and signed by the person authorized to cast the vote for the Lot (as above described) and filed with the Secretary before the appointed time of the meeting, or before the time to which the meeting is adjourned. Holders of proxies must be Members

or their spouses, but no person other than a designee of the Declarant may hold proxies representing more than fifteen percent of the Lots entitled to vote at the meeting.

- 3.8 Adjourned Meetings. If any proposed meeting cannot be organized because a quorum has not been attained, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting. Any business that might have been transacted on the original date of the meeting may be transacted at the adjourned meeting. Except as provided by law, proxies given for the adjourned meeting shall be valid for the newly scheduled meeting unless revoked for reasons other than the new date of the meeting.
- 3.9 Order of Business. If a quorum has been attained, the order of business at annual Members' meetings, and, if applicable, at other Members' meetings, shall be:
- (a) Call to order by President;
 - (b) Appointment by the President of a chairman of the meeting (who need not be a Member or a Director);
 - (c) Proof of notice of the meeting or waiver of notice;
 - (d) Reading of minutes;
 - (e) Reports of officers;
 - (f) Reports of committees;
 - (g) Appointment of inspectors of election;
 - (h) Determination of number of Directors;
 - (i) Election of Directors;
 - (j) Unfinished business;
 - (k) New business;
 - (l) Adjournment.

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

- 3.10 Minutes of Meetings. The minutes of all meetings of Members shall be kept in a book available for inspection by Members or their authorized representatives or Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.
- 3.11 Delinquent Members. If any Assessment or portion thereof imposed against a Member, other than the Declarant, remains unpaid for thirty (30) days following its due date, such Member's voting rights in the Association shall be automatically suspended until all past due Assessments and all other sums then due are paid, whereupon the voting rights shall be automatically reinstated.
- 3.12 Action Without a Meeting. Notwithstanding anything in these Bylaws to the contrary, any action which may be taken at any annual or special meeting of Members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the Members (or persons authorized to cast the vote of any such Member as elsewhere herein set forth) having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of such Members at which a quorum of such Members (or authorized persons) entitled to vote thereon were present and voted.

Within 10 days after obtaining such authorization by written consent, notice must be given to Members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action.

4. Director.

- 4.1 Membership. The affairs of the Association shall be managed and governed by a Board of not less than three, nor more than nine Directors, the exact number initially to be as set forth in the Articles, and thereafter, except as provided herein, to be determined from time to time upon majority vote of the existing Directors. Except for Directors appointed by the Declarant, Directors must be Owners or the spouse of an Owner, or with respect to an Owner that is an entity, the entity shall be entitled to designate in writing an individual on its behalf which individual shall be eligible to be a Director or officer of the Association.
- 4.2 Election of Directors. The election of Directors shall be conducted in the following manner:
- (a) Election of Directors shall be held at the annual Members' meeting, except as provided herein to the contrary.
 - (b) Nominations for Directors and additional directorships created at the meeting shall be made from the floor. A Member or the spouse of a

Member may nominate himself or herself as a candidate for the Board at a meeting where the election is to be held.

- (c) The election shall be by written ballot (unless dispensed with by majority consent of the votes represented at the meeting) and decided by a plurality of the votes cast for each candidate. Each Lot entitled to vote shall have a number of votes equal to the number of vacancies to be filled. No Lot may cast more than one vote for one candidate. There shall be no cumulative voting.
- (d) Any election dispute between a Member and the Association must be submitted to mandatory binding arbitration with the Division in accordance with the Florida Statutes and the procedural rules adopted by the Division.

4.3 Vacancies and Removal.

- (a) Except as to vacancies resulting from removal of Directors by Members, vacancies in the Board of Directors occurring between annual meetings of Members shall be filled by majority action of the remaining Directors, provided that all vacancies in directorships to which Directors were appointed by the Declarant pursuant to the provisions of paragraph 4.15 hereof shall be filled by the Declarant without the necessity of any meeting. The conveyance of all Lots owned by a Director in the Property or the cessation of such Director's residency in the Property (other than appointees of the Developer) shall constitute the resignation of such Director.
- (b) Any Director elected by the Members may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of the total voting interests. A special meeting of the Members may be called by ten percent of the voting interests giving notice of the meeting as required for a Members' meeting (except that electronic transmission may not be used as a method of giving notice for this purpose), and the notice shall state the purpose of the meeting. Within five full business days of the adjournment of the Members' meeting to recall one or more Directors, the Board shall duly notice and hold a Board meeting. At the Board meeting, the Board will either certify the recall (in which case the Director or Directors shall be recalled effective immediately and shall turn over all records and property of the Association within 5 full business days), or determine not to certify the recall and shall file, within 5 full business days of the Board meeting, a petition for binding arbitration with the Department of Business and Professional Regulation.

Board Directors may also be recalled by an agreement in writing or by written ballots without a membership meeting. The agreement in writing or written ballots shall list at least as many possible replacement Directors as there are directors subject to recall, when at least a majority of the Board is sought to be recalled; the person executing the recall instrument may vote for as many replacement candidates as there are Directors subject to the recall. The agreement in writing or the written ballots, or copies thereof, shall be served on the Association by certified mail or by personal service in accordance with Chapter 48 of the Florida Statutes. Any rescission or revocation of a Member's written recall ballot or agreement must be in writing and, in order to be effective, must be delivered to the Association before the Association is served with the written recall agreements or ballots. The Board shall duly notice and hold a Board meeting within 5 full business days after receipt of the written recall agreements or ballots. At the meeting, the Board shall either certify the written ballots or written agreement to recall a Director or Directors (in which case the Director or Directors shall be recalled effective immediately and shall turn over all records and property of the Association within 5 full business days), or determine not to certify the written agreement or written ballots to recall a Director or Directors and shall file, within 5 full business days of the Board meeting, a petition for binding arbitration with the Department of Business and Professional Regulation.

If the Board fails to duly notice and hold the Board meeting within five full business days as set forth above, the recall shall be deemed effective and the recalled Directors shall immediately turn over to the Board all records and property of the Association. The minutes of the Board meeting at which the Board determines whether to certify the recall constitute an official association record. The minutes must record the date and time of the meeting, the decision of the board, and the vote count taken on each board member subject to the recall. If the Board decides not to certify the recall, as to each vote rejected, the minutes must identify the parcel number and the specific reason for each such rejection.

If a vacancy occurs on the Board as a result of a recall and less than a majority of the Directors are removed, the vacancy(ies) may be filled by the affirmative vote of the remaining Directors. If vacancies on the Board occur as a result of a recall and a majority or more of the Directors are removed, the vacancies shall be filled by Members voting in favor of the recall. If the removal is at a meeting, the vacancies shall be filled at the same meeting. If the recall occurred by written agreement or by written ballot, Members may vote for replacement directors in the same

instrument in accordance with rules adopted by the Division of Florida Land Sales.

- (c) Until a majority of the Directors are elected by the Members other than the Declarant, neither the first Directors of the Association, nor any Directors replacing them, nor any Directors named by the Declarant, shall be subject to removal by Members other than the Declarant. The first Directors and Directors replacing them may be removed and replaced by the Declarant without the necessity of any meeting.
- (d) If the Association fails to fill vacancies on the Board sufficient to constitute a quorum, any Member may give notice of the Member's intent to apply to the Circuit Court within whose jurisdiction the Property lies for the appointment of a receiver to manage the affairs of the Association. The form of the notice shall be in accordance with Florida Statute Section 720.3053. The notice must be provided by the Member to the Association by certified mail or personal delivery, must be posted in a conspicuous place within the Property and must be provided to every Member of the Association by certified mail or personal delivery. The notice must be posted and mailed or delivered at least 30 days prior to the filing of a petition seeking receivership. If, during the 30 day period, the Association fails to fill the vacancy(ies), the Member may proceed with the petition. If a receiver is appointed, all Members shall be given written notice of the appointment. The Association shall be responsible for the salary of the receiver, court costs and attorneys' fees. The receiver shall have all powers and duties of a duly constituted Board of Directors, and shall serve until the Association fills the vacancy(ies) on the Board sufficient to constitute a quorum in accordance with these Bylaws.

- 4.4 Term. Except as provided herein to the contrary, the term of each Director's service shall extend until the next annual meeting of the Members and subsequently until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided.
- 4.5 Organizational Meeting. The organizational meeting of newly-elected or appointed members of the Board of Directors shall be held within ten days of their election or appointment at such place and time as shall be fixed by the Directors at the meeting at which they were elected or appointed, and no further notice to or by the Board of Directors of the organizational meeting shall be necessary.
- 4.6 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone, or electronic transmission (if such Director consents in writing to

receive notice by electronic transmission), and shall be transmitted at least three (3) days prior to the meeting. Regular meetings of the Board, as well as meetings of any committee or other similar body when a final decision will be made regarding the expenditure of Association funds and/or meetings of the Architectural Review Committee, require a quorum and shall be open to all Members (except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege) and notice of such meetings shall be posted conspicuously in the Property at least forty-eight (48) hours in advance for the attention of the Members of the Association, except in the event of an emergency. Members have the right to speak on any matter placed on the agenda by petition of the voting interests for at least 3 minutes. The Association may adopt written reasonable rules expanding the right of Members to speak and governing the frequency, duration and other manner of Member statements, which rules must be consistent herewith and may include a sign up sheet for Members wishing to speak. Any Member may tape record or videotape meetings of the Board subject to reasonable rules which may be adopted by the Board. Notwithstanding anything herein to the contrary, the requirement that Board meetings be open to Members is inapplicable to meetings between the Board or a committee and the Association's attorney, with respect to meetings of the Board held for the purpose of discussing personnel matters.

- 4.7 Special Meetings. Special meetings of the Directors may be called by the President, and must be called by the President or Secretary at the written request of at least 60% of the Directors. Notice of the meeting shall be given personally by mail, telephone or electronic transmission (if such Director consents in writing to receive notice by electronic transmission), which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than three (3) days prior to the meeting. Special meetings of the Board shall be open to all Members (except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege) and notice of a special meeting shall be posted conspicuously in the Property at least forty-eight (48) hours in advance for the attention of the Members of the Association, except in the event of an emergency. Members have the right to speak on any matter placed on the agenda by petition of the voting interests for at least 3 minutes. The Association may adopt written reasonable rules expanding the right of Members to speak and governing the frequency, duration and other manner of Member statements, which rules must be consistent herewith and may include a sign up sheet for Members wishing to speak. Any Member may tape record or videotape meetings of the Board subject to reasonable rules which may be adopted by the Board. Notwithstanding anything herein to the contrary, the requirement that Board meetings be open to Members is inapplicable to meetings between the

Board or a committee and the Association's attorney, with respect to meetings of the Board held for the purpose of discussing personnel matters.

- 4.8 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by said Director of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting, except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.
- 4.9 Quorum. A quorum at Directors' meetings shall consist of a majority of the then incumbent Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is specifically required by the Declaration, the Articles or these Bylaws.
- 4.10 Adjourned Meetings. If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required hereunder. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted.
- 4.11 Presiding Officer. The presiding officer at the Directors' meetings shall be the President (who may, however, designate any other person to preside).
- 4.12 Order of Business. If a quorum has been attained, the order of business at Directors' meetings shall be:
- (a) Proof of due notice of meeting;
 - (b) Reading and disposal of any unapproved minutes;
 - (c) Reports of officers and committees;
 - (d) Election of officers;
 - (e) Unfinished business;
 - (f) New business;
 - (g) Adjournment.

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

- 4.13 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Members, or their authorized representatives, and Board members at any reasonable time. A vote or abstention from voting on each matter voted upon for each Director present at a Board meeting must be recorded in the minutes. The Association shall retain these minutes for a period of not less than seven years.

- 4.14 Executive Committee; Other Committees. The Board of Directors may, by resolution duly adopted, appoint an Executive Committee to consist of three or more members of the Board of Directors. Such Executive Committee shall have and may exercise all of the powers of the Board of Directors in management of the business and affairs of the Association during the period between the meetings of the Board of Directors insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the Operating Expenses required for the affairs of any of the Association, (b) to determine the Assessments payable by the Members to meet the Operating Expenses of any of the Association, (c) to adopt or amend any rules and regulations covering the details of the operation and use of the Property, or (d) to exercise any of the powers set forth in paragraph (h) and (q) of Section 5 below.

The Board may by resolution also create other committees and appoint persons to such committees and invest in such committees such powers and responsibilities as the Board shall deem advisable.

- 4.15 Developer Control of Board; Turnover. So long as there exists a Class B membership, as set forth in Section 4.01 of the Declaration, wherein the Developer retains voting control of the Association, the Developer shall have the absolute right to appoint and replace all Directors and Officers of the Association; subject, however, to the following: Upon a total of seventy three (73) Lots being obligated to pay Assessments to the Association pursuant to Section 6.01 of the Declaration, the Members, including the Developer, shall be entitled to elect, at a meeting of Members, one (1) Director to the Board. Upon the election of such Director, the Developer shall designate one of the three Directors appointed by it to resign.

The Developer shall turn over control of the Association to Members other than the Developer upon termination of the Class B membership by causing all of its appointed Directors to resign, whereupon it shall be the affirmative obligation of Members other than the Developer to elect Directors and assume control of the Association. Provided at least thirty (30) days notice of Developer's decision to cause its appointees to resign is given to Members, neither the Developer, nor

such appointees, shall be liable in any manner in connection with such resignations even if the Members other than the Developer refuse or fail to assume control. Control of the Association shall be deemed "turned over" upon the first to occur of the following: (i) January 1, 2030; or (ii) the date on which Developer ceases to own any portion of the Property; or (iii) termination of the Class B membership by resignation of all Developer-appointed Directors and delivery to the Secretary of the Association of a certificate, in recordable form, signed by the Developer and stating that the Developer elects to terminate the Class B Membership; or (iv) such earlier time as may be required by law. In the event that the Class B Membership is terminated pursuant to this subsection (iv), the Developer shall remain entitled to elect at least one member of the Board as long as the Developer holds for sale in the ordinary course of business at least 5% of the Lots in the Village. Upon turnover, the Developer shall retain all voting rights incident to its ownership of Lots.

Within a reasonable time after control of the Association is turned over to Members other than the Developer (but not more than ninety (90) days after such event), the Developer shall deliver to the Association all property of the Members and of the Association held or controlled by the Developer.

Notwithstanding anything herein to the contrary, Declarant shall not turn over control of the Association earlier than required by law unless Declarant obtains the prior written consent of an Institutional Mortgage lender who advanced funds to Declarant for the purpose of acquiring or developing the Property (provided, however, that such consent shall only be required during the time that such Institutional Mortgage lender's loan remains outstanding and shall not be unreasonably withheld).

- 4.16 Voting at Board and Committee Meetings. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the election of officers. This Section also applies to the meetings of any committee, including the ARC.
- 4.17 Notice of Meetings Regarding Assessments/Amendments. An Assessment may not be levied at a Board meeting unless the notice of the meeting includes a statement that Assessments will be considered and the nature of the Assessments. Written notice of any meeting at which Special Assessments will be considered or at which amendments to rules regarding use of the Lots will be considered must be mailed, delivered or electronically transmitted to the Members and posted conspicuously on the Property not less than 14 days before the meeting.
- 4.18 Additional Matters Before Board. If 20% of the total voting interests petition the Board to address an item of business, the Board shall at its next regular meeting or at a special meeting of the Board, but not later than 60 days after the receipt of the

petition, take the petitioned item up on an agenda. The Board shall give all Members at least 14 days' notice of the meeting at which the petitioned item shall be addressed. Each Member shall have the right to speak for at least 3 minutes on each matter placed on the agenda by petition, provided that the Member signs the sign up sheet, if one is provided, or submits a written request to speak prior to the meeting. Other than addressing the petitioned item at the meeting, the Board is not obligated to take any other action requested by the petition.

5. Authority of Board

5.1 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the management and administration of the affairs of the Association and may take all acts, through the proper officers of the Association, in executing such powers, except such acts which by law, the Declaration, the Articles or these Bylaws may not be delegated to the Board of Directors by the Members. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:

- (a) Operating and maintaining the Common Properties and other property owned by the Association.
- (b) Determining the expenses required for the operation of the Association.
- (c) Collecting the Assessments for Operating Expenses of the Association from Members.
- (d) Collecting Special Assessments from Members.
- (e) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Properties and other property owned by the Association.
- (f) Adopting and amending rules and regulations concerning the details of the operation and use of the Property and any property owned by the Association, subject to a right of the Members to overrule the Board as provided in Section 13 hereof.
- (g) Maintaining bank accounts on behalf of the Association and designating the signatories required therefor.
- (h) Purchasing, leasing or otherwise acquiring Lots or other property in the name of the Association, or its designee.

- (i) Purchasing Lots at foreclosure or other judicial sales, in the name of the Association, or its designee.
- (j) Selling, leasing, mortgaging or otherwise dealing with Lots acquired by the Association, or its designee.
- (k) Settling or compromising claims of or against the Association in which all Members have a common interest.
- (l) Organizing corporations and appointing persons to act as designees of the Association in acquiring title to or leasing Lots or other property.
- (m) Obtaining, maintaining and reviewing insurance for the Property and other property owned by the Association.
- (n) Making repairs, additions and improvements to the Common Properties in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or otherwise.
- (o) Enforcing obligations of the Members, allocating profits and expenses, and taking such other actions as shall be deemed necessary and proper for the sound management of the Property.
- (p) Levying fines against appropriate Members for violations of the rules and regulations established by the Association to govern the conduct of such Members.
- (q) Borrowing money on behalf of the Association required in connection with the operation, care, upkeep, and maintenance of the Common Properties or the acquisition of property, and granting mortgages on and/or security interests in Association Property; provided, however, that the consent of the Owners of a least two-thirds (2/3) of the Lots represented at a meeting at which a quorum has been attained in accordance with the provisions of these Bylaws shall be required for the borrowing of any sum in excess of \$25,000.00. Notwithstanding the foregoing, the Board shall have the power without such Owners' consent to borrow, as may be necessary, in a sum not to exceed \$50,000.00 to restore the Improvements on Common Properties from damage or destruction where a shortfall of insurance proceeds necessitates such expenditures. Any loan obtained for the purpose of such restoration must be for a term of less than 1 year. If any sum borrowed by the Board of Directors on behalf of the Association pursuant to the authority contained in this subparagraph (q) is not repaid by the Association, an Owner who pays to the creditor such portion

thereof as his interest in the property owned by the Association bears to the interest of all the Owners in the property owned by the Association shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against, or which will affect, such Owner's Lot. The Association shall take no action authorized in this paragraph without the prior written consent of the Developer as long as the Developer owns any Lot.

- (r) Contracting for the management and maintenance of the Common Properties or other property owned by the Association and authorizing a management agent (who may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, Special Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Properties or other Association property with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Declaration, including, but not limited to, the making of Assessments, Special Assessments, promulgation of rules and execution of contracts on behalf of the Association.
- (s) At its discretion, authorizing use of portions of the Common Properties or other property owned by the Association for special events and gatherings and imposing reasonable charges therefor.
- (t) Exercising (i) all powers specifically set forth in the Declaration, the Articles, and these Bylaws, and (ii) all powers incidental thereto, and all other powers of a Florida corporation not for profit.
- (u) Contracting with and creating special taxing districts.
- (v) Exercising the power to sue and defend any suits.

5.2 Contracts. All contracts as further described herein or any contract that is not to be fully performed within one (1) year after the making thereof, for the purchase, lease or renting of materials or equipment to be used by the Association in accomplishing its purposes, and all contracts for the provision of services, shall be in writing. If a contract for the purchase, lease or renting of materials or equipment, or for the provision of services, requires payment by the Association that exceeds 10 percent of the total annual budget of the Association, including reserves, the Association shall obtain competitive bids for the materials, equipment, or services. Nothing contained herein shall be construed to require the Association to accept the lowest bid. Notwithstanding the foregoing, contracts

with employees of the Association, and contracts for attorney, accountant, architect, community association manager, engineering, and landscape architect services are not subject to the provisions of this section. Nothing contained herein: (a) is intended to limit the ability of the Association to obtain needed products and services in an emergency; (b) shall apply if the business entity with which the Association desires to contract is the only source of supply within the county serving the Association; (c) shall excuse a party contracting to provide maintenance or management services from compliance with Florida Statutes §720.309.

6. Officers.

- 6.1 Executive Officers. The executive officers of the Association shall be a President, Vice-President, a Treasurer and a Secretary (none of whom need be Directors), all of whom shall be elected by the Board of Directors and who may be removed for any reason (with or without cause) at any meeting at which a quorum of Directors is attained by concurrence of a majority of all of the present Directors. A person may hold more than one office, except that the President may not also be the Secretary. No person shall sign an instrument or perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall deem necessary or appropriate to manage the affairs of the Association. Except for officers appointed by the Board when controlled by the Developer, officers shall be Owners within the Property.
- 6.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of the president of an association.
- 6.3 Vice-President. The Vice-President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He also shall assist the President and exercise such other powers and perform such other duties as are incident to the office of the vice president of an association and as shall otherwise be prescribed by the Directors.
- 6.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the Members. He or she shall attend to the giving of all notices to the Members and Directors and other notices required by law. He or she shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He or she shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of an association and as may be required by the Directors or the President.

- 6.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. The Treasurer shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors at reasonable intervals and shall perform all other duties incident to the office of treasurer. All monies and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board of Directors.
- 6.6 Developer Appointees. No officer appointed by the Developer may be removed except as provided in Section 4.15 hereof and by law.
7. Compensation. Neither Directors nor officers shall receive compensation for their services as Directors or officers.
8. Resignations. Any Director or officer may resign his or her post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such later date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Lots owned by any Director or officer or cessation of such Director's or officer's residency in the Property (other than appointees of the Developer or other Directors or officers who are not Members) shall constitute a written resignation of such Director or officer.
9. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:
- 9.1 Budget.
- (a) Adoption by Board; Items. The Board shall from time to time, and at least annually, prepare a budget for the Association that sets out the annual operating expenses, determine the amount of Assessments payable by the Members to meet the expenses of the Association, and allocate and assess such expenses among the Members in accordance with the provisions of the Declaration. The budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges paid for by the Association for recreational amenities, whether owned by the Association, the Developer, or another person. In addition to annual operating expenses, the budget may include reserve accounts for capital expenditures and deferred maintenance for which the Association is responsible, provided however, that such reserves shall be determined, maintained and waived in accordance with the Florida Statutes. If the budget does not provide for reserve accounts and the Association is

responsible for the repair and maintenance of capital improvements, the financial report shall contain the language required by the Florida Statutes. The Association shall provide each Member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the Member. The copy must be provided to the Member within ten (10) business days after receipt of a written request from the Member.

The adoption of a budget for the Association by the Board shall comply with the requirements hereinafter set forth:

- (i) Notice of Meeting. A copy of the proposed budget shall be mailed to each Member not less than fourteen (14) days prior to the meeting of the Board at which the budget will be considered, together with a notice of that meeting indicating the time and place of such meeting. The meeting shall be open to all of the Members, provided that such Members shall not have the right to participate, and need not be recognized, at such meeting.
- (ii) Special Membership Meeting. If a budget is adopted by the Board which requires Assessments against Members in any year exceeding one hundred fifteen percent (115%) of such Assessments for the preceding year, as hereinafter defined, upon written application of ten percent (10%) of the Members, a special meeting of the Members shall be held within thirty (30) days of delivery of such application to the Board. Each Member shall be given at least ten (10) days' notice of said meeting. At the special meeting, Members shall consider and adopt a budget. The adoption of said budget shall require a majority of votes which are present at such meeting (in person or by proxy) at which a quorum is attained.
- (iii) Determination of Budget Amount. In determining whether a budget requires Assessments against Members in any year exceeding one hundred fifteen percent (115%) of Assessments for the preceding year, there shall be excluded in the computations any authorized provisions for reasonable reserves made by the Board in respect of repair or replacement of the Common Properties or in respect of anticipated expenses of the Association which are not anticipated to be incurred on a regular or annual basis, and there shall be excluded from such computation Assessments for improvements to the Common Properties and all Special Assessments including Individual Assessments against specific Member(s).

- (iv) Proviso. Anything herein to the contrary notwithstanding, prior to the date on which the Developer turns over control of the Association, the budget may be set by the Board without holding any meeting, giving notice thereof, or being subject to the 115% limitation set forth in the Subsection 9.1(a)(ii) above.
 - (b) Adoption by Membership. In the event that the Board shall be unable to adopt a budget in accordance with the requirements of Subsection 9.1(a) above, the Board may call a special meeting of Members for the purpose of considering and adopting such budget, which meeting shall be called and held in the manner provided for such special meetings in said subsection. Alternatively, the Board may propose a budget in writing to all Members of the Association. If either such budget is adopted by a majority of the votes by the Members present at such meeting, or receiving such written budget, upon ratification by a majority of the Board, it shall become the budget for such year.
- 9.2 Common Assessments. Assessments against the Members for their share of the items of the budget shall be made for the applicable fiscal year annually, if possible at least ten (10) days preceding the year for which the Assessments are made. Such Assessments shall be due in equal installments, payable in advance on the first day of each quarter (or other period at the election of the Board) of the year for which the Assessments are made. If an annual Assessment is not made as required, an Assessment shall be presumed to have been made in the amount of the last prior Assessment, and quarterly installments on such Assessment shall be due upon each installment payment date until changed by an amended Assessment.
- 9.3 Individual Assessments. Charges by the Association against less than all Members for other than routine Operating Expenses, shall be payable in advance. These charges may be collected by Individual Assessments. Individual Assessments may be made only when expressly provided for in the Declaration or the exhibits annexed thereto, as the same may be amended from time to time, which charges may include, without limitation, charges for the use of portions or the Common Properties or other Association property, maintenance services furnished at the expense of a Member, other services furnished for the benefit of a Member and damages and other sums due from such Member.
- 9.4 Special Assessments. In the event the annual Common Assessment proves to be insufficient, the Board may adopt a Special Assessment to cover any shortfall in the manner otherwise set forth for the adoption of regular annual Common Assessments and as further provided in the Declaration. Special Assessments

shall be made in the manner and for the purposes otherwise provided in the Declaration.

- 9.5 Depository. The depository of the Association shall be such bank(s), savings bank(s), savings and loan Association(s), or similar lending institution(s) in the State of Florida as shall be designated from time to time by the Board and in which the monies of the Association shall be deposited. Withdrawal of monies from those accounts shall be made only by checks signed by such person or persons as are authorized by the Board. All sums collected by the Association from Assessments or otherwise may be commingled in a single fund or divided into more than one fund, as determined by the Board.
- 9.6 Acceleration of Assessment Installments upon Default. If a Member shall be in default in the payment of an installment upon an Assessment for more than ten (10) days, the Board or its agent may accelerate the remaining installments of the annual Assessment upon written notice to such Member as provided in Section 7.01 of the Declaration.
- 9.7 Fidelity Bonds. Fidelity bonds may be required by the Board for all persons handling or responsible for the Association funds in such amount as shall be determined by a majority of the Board.
- 9.8 Accounting Records and Financial Reports. The Association shall maintain accounting records in the State of Florida, according to practices normally used by similar Associations or the manager under any applicable management contract. The records shall be open to inspection by Members or their authorized representatives at reasonable times and written summaries of them shall be supplied at least annually. The records shall include, but not be limited to, (a) a record of all receipts and expenditures, (b) an account for each Lot designating the name and current mailing address of the Member, the amount of each Assessment, the dates and amounts in which the Assessments come due, the amount paid upon the account, the dates so paid, and the balance due, (c) all tax returns, financial statements and financial reports of the Association, and (d) any other reports that identify, measure, record or communicate financial information. All financial and accounting records must be maintained for a period of at least 7 years.

Within ninety (90) days following the end of the fiscal year, the Association shall prepare and complete, or contract with a third party for the preparation and completion of, a financial report for the preceding fiscal year. Within 21 days after the final financial report is completed by the Association or received from the third party, but not later than 120 days after the end of the fiscal year, the Association shall provide each Member (and to any Institutional Mortgagee that has made a written request) with a copy of the annual financial report or written

notice that a copy of the financial report is available upon request at no charge to the Member. The copy must be provided within 10 business days after receipt of a written request from the member.

- (a) The Association shall prepare or cause to be prepared a complete set of financial statements in accordance with generally accepted accounting principles as adopted by the Florida Board of Accountancy. The financial statements shall be based upon the Association's total annual revenues, as follows:
 - (1) An association with total annual revenues of \$100,000 or more, but less than \$200,000, shall prepare compiled financial statements.
 - (2) An association with total annual revenues of at least \$200,000, but less than \$400,000, shall prepare reviewed financial statements.
 - (3) An association with total annual revenues of \$400,000 or more, shall prepare audited financial statements.
- (b)
 - (1) An association with total annual revenues of less than \$100,000 shall prepare a report of cash receipts and expenditures.
 - (2) An association in a community of fewer than 50 parcels, regardless of the association's annual revenues, may prepare a report of cash receipts and expenditures in lieu of financial statements required by paragraph (a) unless the governing documents provide otherwise.
 - (3) A report of cash receipts and disbursement must disclose the amount of receipts by accounts and receipt classifications and the amount of expenses by accounts and expense classifications, including, but not limited to, the following, as applicable: costs for security, professional, and management fees and expenses; taxes; costs for recreation facilities; expenses for refuse collection and utility services; expenses for lawn care; costs for building maintenance and repair; insurance costs; administration and salary expenses; and reserves if maintained by the association.
- (c) If 20 percent of the Members petition the board for a level of financial reporting higher than that required by this section, the Association shall duly notice and hold a meeting of Members within 30 days of receipt of the petition for the purpose of voting on raising the level of reporting for that fiscal year. Upon approval of a majority of the total voting interests of the Members, the Association shall prepare or cause to be prepared, shall amend the budget or adopt a Special Assessment to pay for the financial report regardless of any provision to the contrary, and shall provide within

90 days of the meeting or the end of the fiscal year, whichever occurs later: (1) compiled, reviewed, or audited financial statements, if the Association is otherwise required to prepare a report of cash receipts and expenditures; (2) reviewed or audited financial statements, if the Association is otherwise required to prepare compiled financial statements; or (3) audited financial statements, if the Association is otherwise required to prepare reviewed financial statements.

- (d) If approved by a majority of the voting interests present at a properly called meeting of the Association, the Association may prepare or cause to be prepared: (1) a report of cash receipts and expenditures in lieu of a compiled, reviewed, or audited financial statement; (2) a report of cash receipts and expenditures or a compiled financial statement in lieu of a reviewed or audited financial statement; or (3) a report of cash receipts and expenditures, a compiled financial statement, or a reviewed financial statement in lieu of an audited financial statement.

9.9 Other Official Records. In addition to the financial reports and accounting records indicated in Section 9.8, and the minutes of the Board and Member meetings, the Association shall maintain each of the following items, when applicable, which constitute official records of the Association:

- (a) Copies of any plans, specifications, permits, and warranties related to improvements constructed on the Common Properties or other property that the Association is obligated to maintain, repair, or replace.
- (b) A copy of the bylaws of the Association and of each amendment to the bylaws.
- (c) A copy of the articles of incorporation of the Association and of each amendment thereto.
- (d) A copy of the Declaration and a copy of each amendment thereto.
- (e) A copy of the current rules of the Association.
- (f) A current roster of all members and their mailing addresses and Lot identifications, as well as the electronic mailing addresses and numbers designated by members for receiving notice by electronic transmission of those members consenting to receipt of notice by electronic transmission. The electronic mailing addresses and numbers provided by Owners to receive notice by electronic transmission shall be removed from the official records when consent to receive notice by electronic transmission is revoked.

- (g) All of the Association's insurance policies or a copy thereof, which policies must be retained for at least 7 years.
- (h) A current copy of all contracts to which the Association is a party, including, without limitation, any management agreement, lease, or other contract under which the Association has any obligation or responsibility. Bids received by the Association for work to be performed must also be considered official records and must be kept for a period of 1 year.
- (i) A copy of the disclosure summary set forth in Fla.Stat. Section 720.401(1).
- (j) All other written records of the Association not specifically included in the foregoing which are related to the operation of the Association.

9.10 Inspection and Copying. The official records shall be maintained within the state and must be open to inspection and available for photocopying by members or their authorized agents at reasonable times and places within 10 business days after receipt of a written request for access. This subsection may be complied with by having a copy of the official records available for inspection or copying in the Property. If the Association has a photocopy machine available where the records are maintained, it must provide Members with copies on request during the inspection if the entire request is limited to no more than 25 pages. The Association may adopt reasonable rules governing the frequency, time, location, notice, records to be inspected and manner of inspections, but may not impose a requirement that a Member demonstrate any proper purpose for the inspection, state any reason for the inspection or limit a Member's right to inspect records to less than one 8-hour business day per month. The Association may charge up to 50 cents per page for copies made on the Association's photocopy machine. If the Association does not have a photocopy machine where the records are kept, or if the records requested to be copied exceed 25 pages, the photocopies may be made by an outside vendor and the Association may charge the actual cost of copying. The Association shall maintain an adequate number of copies of the recorded governing documents, to ensure their availability to Members and Prospective Members. Notwithstanding the foregoing, the following records shall not be available or accessible to Members:

- (a) Any record protected by the attorney client privilege or work product privilege;
- (b) Information obtained by the Association in connection with the approval of the lease, sale or other transfer of a Lot;

- (c) Disciplinary, health, insurance and personnel records of the Association's employees;
 - (d) Medical records of Lot Owners or residents in the Property.
- 9.11 Application of Payment. All payments made by a Member shall be applied as provided in these Bylaws and in the Declaration or as determined by the Board.
- 9.12 Developer Exemption From Assessments for Lawsuits. Neither the Developer nor its Affiliates shall be liable for the payment of any Assessments applicable to Lots they own which relate in any way to the payment of legal or other fees to persons or entities engaged for the purpose of suing, or making, preparing or investigating possible claims against the Developer or its Affiliates.
- 10. Roster of Owners. The Association shall maintain current information regarding the title holders of all Lots. Such information shall be obtained by engaging the services of a qualified title company, or if the Board so elects, by requiring each Member to file with the Association a copy of the deed or other document showing his ownership. The Association may rely upon the accuracy of any such information for all purposes until notified in writing of changes therein. Only Members of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such meeting other Members shall produce adequate evidence, as provided above, of their interest and shall waive in writing notice of such meeting.
- 11. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration, the Articles or these Bylaws.
- 12. Amendments. Except as in the Declaration provided otherwise, these Bylaws may be amended in the following manner:
 - 12.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting at which a proposed amendment is to be considered. During the time that the Developer controls the Association, the Board may amend these Bylaws, or any Rules, without a meeting as long as the requisite consent to the amendment is obtained. The meeting requirements set forth in sections 4.6 and 4.7 do not apply to such amendments.
 - 12.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than one-third (1/3) of the Members of the Association. Directors who are absent from the Board meeting and Members not present in person or by limited proxy at the Members' meeting considering the amendment, may express their approval in

writing, provided that such approval is delivered to the Secretary at or prior to the meeting. The approval must be:

- (a) at any time, by not less than a majority of the votes of all Members of the Association represented at a meeting at which a quorum has been attained and by not less than 60% of the entire Board of Directors; or
- (b) after control of the Association is turned over to Owners other than the Developer, by not less than 80% of the votes of the Members of the Association represented at a meeting at which a quorum has been attained; or
- (c) after control of the Association is turned over to Owners other than the Developer, by not less than 100% of the entire Board of Directors; or
- (d) before control of the Association is turned over to Owners other than the Developer, by not less than 60% of the entire Board of Directors.

12.3 Provision. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer or mortgagees of Lots without the consent of said Developer or mortgagees in each instance. No amendment shall be made that is in conflict with the Articles or Declaration. No amendment to this Section shall be valid.

12.4 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and Bylaws, which certificate shall be executed by the President or Vice-President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed, or by the Developer alone if the amendment has been adopted consistent with the provisions of the Declaration allowing such action by the Developer. The amendment shall be effective when the certificate and a copy of the amendment is recorded in the Public Records of Broward County, Florida.

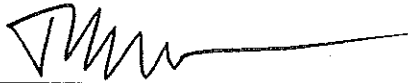
13. Rules and Regulations. The Board may, from time to time, adopt, modify, amend or add to the Rules concerning the use and operation of the Property, except that subsequent to the date control of the Board is turned over by the Developer to Owners other than the Developer, Owners of a majority of the Lots represented at a meeting at which a quorum is present may overrule the Board with respect to the adoption or modifications of any Rules. Copies of such Rules shall be furnished by the Board to each affected Owner not less than thirty (30) days prior to the effective date thereof. At no time may any Rule be adopted which would prejudice the rights reserved to the Developer.

14. Construction. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders. If any portion hereof shall be found by competent judicial authority to be unenforceable, then only that portion shall be deemed deleted and the remainder shall be given its nearest permissible meaning and effect.
15. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define or limit the scope of these Bylaws or the intent of any provision hereof.
16. Conflict. In the event there should be found any irreconcilable conflict among or between the Declaration, the Articles and/or these Bylaws and in the absence of any express language indicating which document controls the particular subject matter, then the provisions of the Declaration shall be paramount, the Articles next paramount and these Bylaws subordinate.
17. Indemnification of Officers and Directors. Subject to the further provisions of this paragraph, the Association shall indemnify and hold harmless all officers and Directors, and members of any committee appointed by the Board, past or incumbent, from and against all costs, claims, damages, reasonable expenses and liabilities of any kind whatsoever, including reasonable attorneys' fees and costs at all tribunal levels, arising out of the performance of such person's duties hereunder. Such indemnification and hold harmless provision shall (i) exist regardless of whether the Association itself is named as a party defendant or alleged to have any liability, (ii) include the payment of any settlements upon approval by the Board, and (iii) include indemnification of the estate and heirs of the indemnified party. Such indemnification and hold harmless provision shall not be applicable (i) to the extent the claim or liability is covered by insurance, or (ii) in the event a court of competent jurisdiction finally determines, after all appeals have been exhausted or not timely pursued, that the indemnified party did not act in good faith within what he reasonably believed to be the scope of his duty and/or authority and for purposes which he reasonably believed to be in the best interests of the Association or its Members generally and such court further specifically determines that indemnification should be denied. The provision of this paragraph may not be amended to terminate the effect hereof as to any persons who became officers or Directors while this paragraph was effective.
18. Suspension of Privileges; Fines. The Association may suspend, for reasonable periods of time, the rights of a Member or a Member's tenants, guests and invitees, or both, to use the Common Properties and may levy reasonable fines, not to exceed the maximum amounts permitted by Section 720.305(2) of the Florida Statutes, against a Member, tenant, guest or invitee, for failure to comply with any provision of this Declaration including, without limitation, those provisions benefiting the SFWMD.

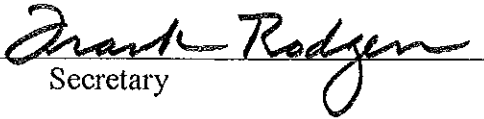
- 18.1 A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing. Fines in the aggregate are not capped to any amount.
- 18.2 A fine or suspension may not be imposed without notice of at least fourteen (14) days to the person sought to be fined or suspended and an opportunity for a hearing before a committee of at least three (3) persons (the "Violations Committee") appointed by the Board who are not officers, directors or employees of Association, or the spouse, parent, child, brother, sister of an officer, director or employee. If the Violations Committee does not by a majority vote approve a fine or suspension the same may not be imposed. The written notice of violation shall be in writing to the Member, tenant, guest or invitee and detail the infraction or infractions. Included in the notice shall be the date and time of the hearing of the Violations Committee.
- 18.3 The non-compliance shall be presented to the Violations Committee acting as a tribunal, after which the Violations Committee shall hear reasons why a fine should not be imposed. The hearing shall be conducted in accordance with the procedures adopted by the Violations Committee from time to time. A written decision of the Violations Committee shall be submitted to the Member, tenant, guest or invitee, as applicable, by not later than twenty-one (21) days after the meeting of the Violations Committee. The Member, tenant, guest or invitee shall have a right to be represented by counsel and to cross-examine witnesses.
- 18.4 The Violations Committee may impose a fine against the Member in the amount of \$100 (or any greater amount permitted by law from time to time) for each violation. Each day of non-compliance shall be treated as a separate violation and there is no cap on the aggregate amount the Violations Committee may fine an Owner, tenant, guest or invitee. Fines shall be paid not later than five (5) days after notice of the imposition of the fine. All monies received from fines shall be allocated as directed by the Board of Directors.
- 18.5 The Board may suspend, without notice or hearing, the voting rights of a Member who is delinquent in Common Assessments for more than 90 days. The Board may also suspend, without notice or hearing, the Member's right to use the Common Properties (except for means of ingress and egress) because of the Member's failure to pay Assessments when due.
- 18.6 Notwithstanding the foregoing, the Association shall not have the right to impose any fine against Declarant.

The foregoing was adopted as the Bylaws of PHIPPS VILLAGE HOMEOWNERS ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at its first meeting of the Board of Directors on the 16th day of December, 2008.

Approved:

A stylized, handwritten signature in black ink, consisting of several sharp, upward-pointing strokes followed by a long horizontal line.

President

A handwritten signature in black ink that reads "Frank Rodgen" in a cursive script.

Secretary

22020-005#107

EXHIBIT "F"

PROPERTY PLAN

EXHIBIT "F"

OLYMPIA PHIPPS VILLAGE

