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INDEX

DECLARATION OF COVENANTS

FOR

VILLA PALMA AT NORTHLAKE

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EXHIBITS

EXHIBIT "A" - Articles of Incorporation of Association

EXHIBIT "B" - By-Laws of Association

EXHIBIT "C" - The SFWMD Permit

PREPARED BY:
TOUSA Homes, Inc.
123 N.W. 13th Street
Suite 300
Boca Raton, Florida 33432

RETURN TO AFTER RECORDING:
Universal Land Title, Inc.
C/o Eileen McGrady
1555 Palm Beach Lakes Blvd.
West Palm Beach, FL 33401

**DECLARATION OF COVENANTS
FOR
VILLA PALMA AT NORTHLAKE**

THIS DECLARATION, made by TOUSA HOMES, INC., a Florida corporation, whose address is 123 N.W. 13th Street, Suite 300, Boca Raton, Florida 33432, hereinafter referred to as "Developer";

WITNESSETH:

WHEREAS, Developer is the owner of that certain property in Palm Beach County, Florida, more particularly described on the Plat, as hereinafter defined, and is desirous of subjecting such real property to the covenants, conditions and restrictions hereinafter set forth, each and all of which are for the benefit of such property and each present and future Parcel Owner and shall apply to and bind every present and future Parcel Owner of said property and their heirs, successors and assigns; and,

NOW, THEREFORE, Developer hereby declares that the real property described in the Plat shall be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions and restrictions hereinafter set forth:

ARTICLE I

DEFINITIONS

Section 1. "Articles" shall mean the filed Articles of Incorporation for the Association are attached hereto as **Exhibit "A."**

Section 2. "Association" shall mean and refer to VILLA PALMA AT NORTHLAKE HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, its successors and assigns.

Section 3. "By-Laws" shall mean the By-Laws to be adopted for the Association attached hereto as **Exhibit "B."**

Section 4. "Common Areas" shall mean all real property (and interests therein and improvements thereon) owned or leased by or dedicated to the Association, Palm Beach County, or the SFWMD for the common use and enjoyment of the Members, including but not limited to, the Tracts as depicted upon and pursuant to the Plat and as may be further hereinafter defined specifically, but not limited to, Article III hereof. Common Areas shall also include those areas deeded to the Association pursuant to the sale of the subject property to Developer or later conveyed to Developer and/or the Association, including but not limited to, the roads within the Community, entry features, landscaping, landscape buffers, signage, walkways, parks, open spaces, the Surface Water Management System, and other recreational facilities.

Section 5. "Community" shall mean and refer to that certain real property described in the Plat, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 6. "Developer" shall mean and refer to TOUSA HOMES, INC., a Florida corporation, its specific successors and assigns as set forth in Article IX hereof and as defined in Florida Statute 720.301(5). The term "Developer" shall be synonymous with and have the meaning of "Developer" as defined herein to the extent the term "Developer" is used in the previously filed Articles of Incorporation for the Association.

Section 7. "Governing Documents" shall have the meaning as set forth in Florida Statute 720.301(6), including but not limited to, this Declaration, the Articles, the By-Laws, that certain License and Indemnity Agreement recorded in Official Records Book 16177, Page 1752 of the Public Records of Palm Beach County, Florida, and any rules and regulations created by the Association for maintenance of the Community (the "Indemnity Agreement").

Section 8. "Institutional Mortgagee" shall mean a state or federal bank, savings and loan association or service company, a mortgage corporation or mortgage banker, insurance company, real estate or mortgage investment trust, pension fund, an agency of the United States Government, F.N.M.A., HUD/VA or any other lender generally recognized as an institutional-type lender, or Developer and any related entity or person to Developer, holding a mortgage on a Parcel.

Section 9. "Member" shall mean a member of the Association and may be used interchangeably with "Parcel Owner" herein.

Section 10. "Parcel" shall have the meaning as set forth in Florida Statute 720.301(9) and shall be further defined to provide that, no re-subdivision of a Parcel shall be permitted, and no alienation, transfer, demise, sale or lease of a portion of a Parcel shall be permitted. Any such alienation, transfer, demise, sale or lease must be of an entire Parcel. The legal description for each Parcel in the Community shall reference the "Plat" as hereinafter defined and recorded in the Public Records of Palm Beach County, Florida, together with all structures and improvements thereon. Once a Parcel is so created, no further re-subdivision shall be permitted. The term "Unit" shall be synonymous with and have the meaning of "Parcel" as defined herein to the extent the term "Unit" may have been used in the previously filed Articles of Incorporation for the Association.

Section 11. "Parcel Owner" shall mean and refer to the record Parcel Owner, whether one or more persons or entities, of a fee simple title to any Parcel including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 12. "Plat" shall mean the Plat of "VILLA PALMA AT NORTHLAKE" as recorded in Plat Book 101, Page 141, of the Public Records of Palm Beach County, Florida.

Section 13. "Public Records" shall mean the Public and Official Records of Palm Beach County, Florida.

Section 14. "Surface Water Management System" shall mean those lakes, canals, drainage easements, and other facilities created and used for the drainage of real property, which are designated by Developer as Common Areas, as permitted by Palm Beach County, the South Florida Water Management District (the "SFWMD") pursuant to that certain permit, Permit No. 50-06052-W, Application No. 030702-16 attached hereto as Exhibit "C." as amended by those certain modifications, if any, which are kept and maintained by the Association's Registered Agent (the "SFWMD Permit"), and any other applicable governmental agency.

Section 15. "Voting Interest(s)" shall have the meaning as set forth in Florida Statute 720.301(11).

ARTICLE II

ANNEXATION, WITHDRAWAL, VACATING AND DISSOLUTION

Section 1. Annexation by Developer. Until such time as Class B membership to the Association has ceased pursuant to the provisions of Article IV hereof, additional residential property and/or Common Areas may be annexed to the Community with the consent and approval of Developer. Except for applicable governmental approvals, no consent from any other party, including Class A members, or any mortgagees of any Parcels shall be required. Such annexed lands shall be brought within the scheme of this Declaration by the recording of a short form Notice of Declaration and shall be executed by Developer and recorded in the Public Records. The short form of Declaration shall refer to this Declaration and shall, unless specifically otherwise provided, incorporate by reference all the terms, protective covenants and conditions of this Declaration, thereby subject said annexed lands to such terms, covenants, conditions and restrictions as fully as though said annexed lands were described herein as a portion of the Community. Such Notice of Declaration may contain such additions or modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added land and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such a Notice of Declaration revoke, modify or amend the covenants established by this Declaration as to the subject Community. Nothing herein, however, shall obligate Developer to add to the initial portion of the Community, to develop any such future portions under a common scheme, nor to prohibit Developer from rezoning and changing plans with respect to the Community. Furthermore, without amending or supplementing this Declaration, Developer may rezone, replat, covenant in lieu of unity of title, or add to or reduce the number of Parcels within the Community. All Parcel Owners, by acceptance of a deed to or other conveyance of their Parcels, shall be deemed to have automatically consented to any such rezoning, replatting, covenant in lieu of unity of title, change, addition or deletion thereafter made by Developer and shall evidence such consent in writing if requested to do so by Developer at any time.

Section 2. Annexation by Members. At such time as Class B membership has ceased pursuant to the provisions of Article IV hereof, additional lands may be annexed by consent of Members entitled to vote at least two-thirds (2/3rds) of the Voting Interests of the Association, and the procurement of applicable governmental approvals.

Section 3. Withdrawal. Until such time as the Class B membership ceases, Developer shall be entitled to withdraw any portion of the Community (or any additions thereto which may be annexed in

accordance with the provisions of Section 1 of this Article) from the provisions and applicability of the Governing Documents by recording a notice thereof in the Public Records; provided, however, that this right of Developer to withdraw shall not apply to any portions of the Community which have been conveyed to a Purchaser thereof unless said right is specifically reserved in such conveyance or unless the transferee of such conveyance agrees to such withdrawal. The withdrawal of any portion of the Community as hereinafter stated shall not require the consent or joinder of any other party, including any Member, Parcel Owner, the Association, or any Mortgagee of the Community provided applicable governmental approvals are obtained. Further, said withdrawal shall not be construed to prevent Developer from developing other forms of residential parcels on the same property, at a later time.

Section 4. Vacating of Recorded Plat. Developer hereby covenants that it will not vacate any portion of the recorded Plat for the Community, as recorded in the Public Records, which provide for open space, unless it vacates the entire Plat of record.

Section 5. Dissolution. In the event of the dissolution of the Association, other than incident to a merger or consolidation, any Member may petition the Circuit Court of the Fifteenth Judicial Circuit of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and to manage the Community, in the place and instead of the Association, and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and the Community.

ARTICLE III

COMMON AREAS

Section 1. Common Areas. Initially, the Common Areas associated with the Association are as defined hereinabove and as set forth on the Plat, together with such other areas, either at the execution hereof or later added pursuant hereto.

Section 2. Property Rights. Except with respect to any portion of the Common Areas subjected to an exclusive use easement and/or right of use as referenced herein, each Parcel Owner shall have a right and easement of enjoyment in and to the Common Areas for its intended purpose, which shall be appurtenant to and pass with the title of each Parcel, subject to the right of the Association to adopt rules and regulations governing the use and enjoyment thereof, and the right of the Association to grant permits, licenses and easements thereover for utilities, roads and other purposes reasonably necessary or useful for the maintenance or operation of the Community. Further, such Common Area easement rights shall be subject to the following provisions:

(a) The right of the Association to suspend the right to use all or a portion of the Common Areas by a Member and/or Member's tenants, guests and invitees for any period during which any assessment against Member's Parcel remains unpaid, and to fine and/or suspend such Member's right to use all or a portion of the Common Areas for a reasonable period of time for any infraction of its published rules and regulations, provided, however, that a Member may not be denied access, ingress or egress to such Member's Parcel and such fine and/or suspension is imposed in accordance with Florida Statute 720.305(2) and the Bylaws. In the event of such suspension, a Member shall not be entitled to any abatement or reduction in assessments due the Association.

(b) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes, and subject to such conditions as may be agreed to by the Members. No such dedication or transfer (except as permitted in

subsection (d) of this Section 2.) shall be effective without consent of Members entitled to vote at least two-thirds (2/3) of the voting interests of the Association.

(c) Rules and regulations adopted by the Association governing use and enjoyment of the Common Areas.

(d) The right of the Association to grant permits, licenses, and easements over the Common Areas for utilities, surface water management system, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Community.

Section 3. Delegation of Use. Any Member may delegate by written instrument to the Association such Member's right of enjoyment to the Common Areas to specified persons in Member's family, Member's tenants or contract purchasers who reside in the Parcel and in the Community.

Section 4. Ingress and Egress. Any conveyance or encumbrance upon that portion of the Common Areas providing ingress and egress to and from each Parcel is subject to every Member's right and non-exclusive easement of ingress and egress of such area.

Section 5. Public Easements. Fire, police, health and sanitation and other public personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas in the performance of their respective duties.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Parcel Owner of a Parcel shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Parcel.

Section 2. Voting. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Parcel Owners, with the exception of Developer, and shall be entitled to one vote for each Parcel owned. When more than one person holds an interest in any Parcel, all such persons shall be members. The vote for such Parcel shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Parcel.

Class B. The Class B member shall be Developer and shall be entitled to cast three (3) votes for each vote which may be cast by each of the Class A members. The Class B membership shall cease on the happening of the earlier of one of the following events:

(a) three (3) months after 90% of the Parcels that are platted, have a site plan approved, are approved for land use, or are otherwise approved by the appropriate governmental authority, prior to the first unit sold, have been conveyed to Parcel Owners (such number of parcels to be determined in accordance with the preceding criteria, shall be determined by Developer);

(b) such other percentage of the Parcels have been conveyed to Parcel Owners, or such other date or event has occurred, as set forth in the Governing Documents in order to comply with the requirements of any governmentally chartered entity with regard to the mortgage financing of Parcels;

- (c) Such earlier date as Developer may determine.

ARTICLE V

COVENANT FOR ASSESSMENTS

Note: With respect to the lien rights and liabilities hereinafter provided, such rights and liabilities shall encompass not only a particular Parcel, but shall also encompass any additional real property rights which may have been granted to a Parcel Owner in accordance with Section 2 of Article III of this Declaration.

Section 1. Payment of Assessments. Developer hereby covenants, creates and establishes, and each Parcel Owner of a Parcel, by acceptance of a deed or instrument of conveyance for the acquisition of title in any manner, shall hereafter be deemed to have covenanted and agreed to pay to the Association the following dues, fees, charges and assessments, subject to the provisions of Section 3 of this Article:

(a) Any annual assessment or charge for the purpose of operating the Association and accomplishing any and all of its purposes.

(b) Any special assessments for emergencies, or non-recurring expenses; such assessments shall be in equal amounts against the Parcel Owners of each Parcel.

(c) Charges incurred in connection with the enforcement of any of the terms and conditions hereof, including reasonable attorney fees and costs reasonable.

(d) Fees or charges that may be established for such purpose deemed appropriate by the Board of Directors of the Association.

(e) Assessments of any kind for the creation of reasonable reserves for any of the aforesaid purposes. Such assessments shall be in equal amounts against the Parcel Owners of each Parcel.

(f) The assessments under (a), (b) and (c) above shall be in equal amounts to all Parcel Owners, subject to the provisions of Section 3 of this Article. Such equal amount shall be determined by dividing the assessment by a fraction, the numerator of which is one (1) and the denominator of which is the number of Parcels in the Community submitted to this Declaration at the time the assessment was enacted.

Section 2. Creation of the Lien and Liability of Parcel Owner. Developer, for each Parcel owned within the Community hereby covenants, and each Parcel Owner of any Parcel by acceptance of a deed or instrument of conveyance for the acquisition of title to a Parcel, whether or not it shall be so expressed in such deed or instrument, is deemed to covenant and agree that the annual and special assessments, or other charges and fees set forth in Section 1 hereof, together with interest, late fees, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Parcel against which each such assessment is made. The lien is effective from and after recording a Claim of Lien in the Public Records, stating the description of the Parcel, name of the Parcel Owner, amount due and the due dates. Each such assessment, together with interest, late fees, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Parcel Owner of such property at the time when the assessment fell due, as well as his heirs, legal representatives, successors and assigns.

Section 3. Commencement of First Assessment. Assessments provided herein shall first commence as to each Parcel on the day of the conveyance of title of each Parcel to a purchaser thereof (unless otherwise specifically set forth by Developer in such conveyance to the contrary). The annual assessments in effect at that time shall be adjusted according to the number of months remaining in the calendar year after such date.

Section 4. Establishment of Assessments. The Board of Directors of the Association shall approve and establish all sums which shall be payable by the members of the Association in accordance with the following procedures:

(a) The Board of Directors shall prepare an annual operating budget, reflecting 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 for recreational amenities, whether owned by the Association, Developer or another person. The Board of Directors shall provide written notice of the amount and date of commencement thereof to each Owner not less than thirty (30) days in advance of the initial due date thereof. Annual assessments shall be payable at such time or times as the Board of Directors shall direct, which shall be monthly unless otherwise specifically set forth.

(b) Annual assessments against the Parcel Owners of all of the Parcels shall be established after the adoption of an operating budget, and written notice of the amount and date of commencement thereof shall be given to each Parcel Owner not less than thirty (30) days in advance of the date thereof. Annual assessments shall be payable at such time or times as the Board of Directors shall direct which shall be monthly until otherwise directed.

(c) Special Assessments against the Parcel Owners and all other fees, dues and charges, including assessments for the creation of reasonable reserves, may be established by the Board of Directors at any regular or special meeting thereof, and shall be payable at such time or times as the Board of Directors shall direct.

(d) The Board of Directors may, from time to time, establish by a resolution, rule or regulation, specific fees, dues or charges to be paid by Parcel Owners of Parcels for any special or personal use of facilities, or to reimburse the Association for the expenses incurred in connection with the enforcement of any of the terms of this Declaration. Such sums shall be payable by the affected member at such time or times as shall be established by the resolution, rule or regulation.

(e) The Association shall prepare a roster of the Parcels and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Parcel Owner. The Association shall, upon request, furnish any Parcel Owner a certificate in writing signed by an officer of the Association, setting forth whether his assessment has been paid and/or the amount which is due as of any date. As to parties without knowledge of error, who rely thereon, such certificates shall be conclusive evidence of payment or partial payment of any assessment therein stated having been paid or partially paid.

(f) Developer may establish a Working Capital Fund for the Association, which shall be collected from each Parcel purchaser at the time of conveyance of each Parcel to such purchaser in an amount equal to two months of the annual assessment for each Parcel. Each Parcel's share of the Working Capital Fund shall be collected and transferred to the Association at the time of closing of the sale of each Parcel. The purpose of this fund is to assure that the Association's Board of Directors will have cash available to meet any legitimate Association expense, or to acquire additional equipment or services deemed necessary or desirable by the Board of Directors. Amounts paid into the fund at closing

are not to be considered advance payment of any assessments under this Article, and are not refundable or transferable. In the event that during the startup of the Association, the Association does not have adequate working capital to meet its expenses, Developer may, but is not obligated, to advance funds on behalf of the Association, and if such advances are made by Developer then they shall be reimbursed to Developer by the Association from such Working Capital Fund.

Section 5. Effect of Nonpayment of Assessments; Remedies of the Association. If any assessment is not paid within fifteen (15) days after the due date a late fee of \$25.00, beginning from the due date, may be levied by the Board of Directors for each month the assessment is unpaid. The Association may at any time thereafter bring an action at law against the Parcel Owner personally obligated to pay the same, and/or foreclose the lien against the property. The Association shall not be required to bring such an action if it believes that the best interests of the Association would not be served by doing so. There shall be added to the assessment all costs and expenses, including attorneys' fees, required to collect same. No Parcel Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of such Parcel.

Section 6. Subordination of the Lien to Mortgages . As hereinabove provided in Section 2, the lien of the Association for assessments and other charges of the Association becomes effective from and after recording of a Claim of Lien in the Public Records. This lien of the Association shall be subordinate to a first mortgage on any Parcel or to a mortgage by an Institutional Mortgagee on any Parcel, which mortgage is recorded in the Public Records prior to any said Claim of Lien against the same Parcel being recorded in the Public Records. A lien for assessments shall not be affected by any sale or transfer of a Parcel; provided, however, that in the event of a sale or transfer pursuant to a foreclosure of a first mortgage, a foreclosure of a mortgage held by an Institutional Mortgagee, or a deed in lieu of foreclosure of a first mortgage or of a mortgage held by an Institutional Mortgagee, the acquirer of title, his successors and assigns, shall not be liable for assessments pertaining to the Parcel or chargeable to the former Parcel Owner of the Parcel which became due prior to such sale or transfer. However, any such unpaid assessments for which such acquirer of title is not liable, may be reallocated and assessed to all Parcels (including such acquirer of title) as an Association expense. Any such sale or transfer pursuant to a foreclosure or deed in lieu of foreclosure shall not relieve the Purchaser or Transferee of a Parcel from liability for, nor the Parcel 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.

Section 7. Assessments During Class B Membership. Notwithstanding anything to the contrary contained in this Article, until such time as Developer's Class B Membership in the Association terminates in accordance with the provisions of Article IV hereof, and at Developer's option, for the period of time of Developer's Class B membership, unless terminated earlier at Developer's sole discretion, Developer may be excused from payment of its share of assessments related to its Parcels, and in such event, Developer shall be responsible to pay any operating expenses incurred that exceed the assessments receivable from other Parcel Owners and other income of the Association.

ARTICLE VI

MAINTENANCE OBLIGATION OF ASSOCIATION

Section 1. Common Areas. The Association shall at all times maintain, repair and replace at its expense all Common Areas, as set forth herein, except those otherwise dedicated on the Plat, including all landscaping, sprinkler systems and other improvements placed thereon, in good condition and repair.

Section 2. Right of Entry by Association. Whenever it is necessary to enter a Parcel for the purpose of inspection, including inspection to ascertain a Parcel Owner's compliance with the provisions of this Declaration, or for performance of any maintenance, alteration or repair to any portion of the Parcel, the Parcel Owner thereof shall permit an authorized agent of the Association to enter such Parcel, provided that such entry shall be made only at reasonable times. In the case of emergency such as, but not limited to, fire or hurricane, entry may be made at any time. Each Parcel Owner does hereby appoint the Association as its agent for the purposes herein provided and agrees that the Association shall not be liable for any alleged property damage or theft caused or occurring on account of any entry.

Section 3. Others. The Association may, as determined from time to time by the Board of Directors, maintain vegetation, landscaping and/or sprinkler system upon areas which are not within the Community but are near the same and are owned by a utility or governmental authority, so as to enhance the appearance of the Community, such as swale areas or median areas within the right of way of abutting public streets, roads and areas within drainage canal rights of ways or other abutting waterways.

Section 4. Miscellaneous. The Association shall be responsible for the general maintenance of the recreation area, any and all required maintenance of the lakes and associated surface water management facilities within the Community, as well as perimeter walls, fences and landscape areas, and all mitigation areas therein, and any Common Area property subsequently dedicated or transferred to the Association, the general maintenance and operation of the guard/gate house, and payment for the operation and monthly electricity charges for all street lights, if any, and maintenance responsibilities otherwise referenced herein.

Section 5. Signage Walls. The Association shall be responsible for the maintenance of all signage walls in the Community.

Section 6. Street Lighting. The Association shall be responsible for the general maintenance of all street lighting, street poles and fixtures pursuant to those certain Street Lighting Agreements between the Association and Florida Power and Light.

Section 7. Entry Gates. The Association shall be responsible for the maintenance of all entry gates in the Community.

Section 8. Tot Lot. The Association shall be responsible for the maintenance of any Association tot lot in the Community.

ARTICLE VII

MAINTENANCE OBLIGATION OF PARCEL OWNERS

Section 1. Parcel Owner Responsibility. Each Parcel Owner shall be responsible for the repair, maintenance and/or replacement of all portions of the residential dwelling and other improvements of the Parcel except for the maintenance duties of the Association as hereinabove provided. Accordingly, each Parcel Owner shall maintain at Parcel Owner's expense the exterior and interior of the dwelling, including but not limited to, all doors (except the exterior surface thereof), windows, glass, screens, electric panels, electric wiring, electric outlets and fixtures, heaters, hot water heaters, refrigerators, dishwashers and other appliances, drains, plumbing fixtures and connections and all air conditioning equipment. Further, each owner shall maintain at his expense all structural, electrical, mechanical and plumbing elements thereof. Any Parcel Owner is strictly prohibited from performing any maintenance duties of the

Association without prior consent from the Board of Director and Architectural Committee, including the painting and cleaning of the exterior surfaces of the walls (except for windows and screens), roof or fence located on a Parcel and is prohibited, without such consent, from planting any additional landscaping.

Section 2. Parcel Owner Liability . Should any Parcel Owner do any of the following:

- (a) Fail to perform the responsibilities as set forth in Section 1 of this Article; or,
- (b) Cause any damage to any improvement which the Association has the responsibility to maintain, repair and/or replace; or,
- (c) Undertake unauthorized improvements or modifications to Parcel Owner's dwelling or to any other portion of Parcel Owner's Parcel or to the Common Areas, as set forth herein.

The Association, after approval of a majority vote of the Board of Directors and upon ten days' prior written notice to the Parcel Owner, shall have the right, through its agents and employees, to enter upon said Parcel and remove unauthorized improvements or modifications. The cost thereof, plus reasonable overhead costs to the Association, shall be added to and become a part of the assessment to which the Parcel is subject.

ARTICLE VIII

EASEMENTS

Section 1. Easement for Encroachments. In the event that any dwelling or other improvement upon a Parcel, as originally constructed by Developer, shall encroach upon any other Parcel or Common Areas, then an easement appurtenant to such shall exist for so long as such encroachment shall naturally exist.

Section 2. Additional Easements. Developer hereby reserves the right for itself and its assigns to hereafter create a non-exclusive easement of use and enjoyment in, to, over and through certain portions of certain Parcels in favor of Parcel Owners of adjacent Parcels. The identification and location of any such easements shall be described on a separate document to be recorded among the Public Records of Palm Beach County, Florida, by Developer prior to the time of closing on any of the Parcels so affected. Generally, but not always, the easements referred to in this paragraph shall not extend beyond five feet (5') on either side of a platted property line. The easement shall be solely for the benefit of the Parcel or Parcels identified in such separate easement.

Section 3. Zero Lot Line Easements. Some Parcels within the Community are permitted to accommodate zero lot line residences. A zero lot line residence may be constructed on or within several feet of the designated "Zero Lot Line" side of a Parcel. The side of the Parcel that is the "zero lot line side" is indicated on the recorded plats of the Community. The following additional non-exclusive easements are hereby created for the benefit of Parcels within the Community:

Section 3.1. A non-exclusive easement is hereby created over, under, across and through the vacant and unimproved portion of each Parcel in favor of (i) the Parcel Owner of the adjacent Parcel; (ii) the Association; and (iii) any utility company providing service to such Parcels, the purpose of which easement shall be for maintenance or repair of any improvements (herein the "Improvements") constructed on or near the Zero Lot Line side of the adjacent Parcel, and for installation, maintenance, service, or repair of any utility equipment or meters attached to any Improvement constructed on or near

the Zero Lot Line side of the adjacent Parcel. The Association and the Parcel Owner of an adjacent Parcel, and any utility company, shall have the right, at all reasonable times, to enter upon the easement area of a Parcel in order to perform work relating to the maintenance, repair or replacement of any Improvement constructed on the adjacent Parcel, or for installation, maintenance, inspection, service or repair of any equipment or meters attached to any Improvement constructed on the adjacent Parcel and any landscaping installed on the adjacent Parcel. Nothing shall be placed within the easement area which would block access to the easement area, except as to any Improvement constructed or landscaping installed by Developer or its assigns, or replacements thereof. The easements provided for herein are appurtenant to, and shall pass with, the title to each Parcel, subject to the provisions of this Declaration.

Section 3.2. A three foot (3') wide perpetual non-exclusive easement is hereby created over, under, across and through each Parcel in favor of the Parcel Owner of the adjacent Parcel for roof overhangs, walls, gutters, down spouts, screen enclosures, drainage and footings along the boundary of each Parcel for the encroachment of and/or drainage from any overhanging roof and for any encroachment or footing relating to a wall on or near the boundary of any adjacent Parcel. This easement shall be a continuous easement and shall cover similar future encroachments which may occur in connection with the repair, maintenance or replacement of the item encroaching on any Parcel or Common Areas.

ARTICLE IX

RIGHTS OF DEVELOPER

Section 1. Sales Office. For so long as Developer owns any property affected by this Declaration Developer shall have the right to transact any business necessary to consummate sales of any said property or other properties owned by Developer, including but not limited to, the right to maintain model dwellings, have signs and flags on any portion of the Community, employees in the offices, and show dwellings. Sales Office signs and all items pertaining to sales shall remain the property of Developer.

Section 2. Developer Exempt. Developer Parcels owned by Developer and improvements made by Developer shall be exempt from the prohibition as to adding or altering the landscaping on any Parcels and from owing any assessments set forth in Article V as long as Developer owns one (1) or more Parcels in the Community.

Section 3. Common Areas. For so long as Developer owns any property affected by this Declaration Developer shall have the right to create and transfer, out of properties as defined herein and as set forth on the Plat, any common areas which it deems in its discretion to be necessary, required or otherwise a benefit to the development as such and in furtherance of the purposes, restrictions and covenants of this Declaration.

Section 4. Access for Construction and Sales Purposes . Developer shall have a right to access and easement on, over, under and through all of the property described herein, or later added or annexed hereto, for construction and sales purposes, for so long as Developer owns any property included within the property described herein, or later added or annexed.

Section 5. Right to Alter. Developer reserves the right to alter the boundaries of all Parcels so long as Developer owns the Parcels so altered. Said alteration may be accomplished by Developer as permitted by applicable governmental authorities.

Section 6. Interpretation and Flexibility. In the event of any ambiguity or question as to whether any person, entity, property or improvement falls within the definition set forth in this Article, the determination made by Developer in such regard (as evidenced by a recorded supplemental declaration stating same) shall be binding and conclusive. Moreover, Developer may, also by way of a supplemental declaration, alter or amend the application of any portion of this Declaration as to specify portion(s) in of the Community in order to reflect the characteristics thereof; provided that such altered or amended application may not go so far as to be unequivocally contrary to the overall, uniform scheme of development for the Community contemplated in this Declaration.

Section 7. Indemnification. The Association covenants and agrees that it will indemnify, defend and hold harmless Developer, and any related partners, corporations, or other entities, parent corporations and their employees from and against any and all claims, suits, actions, causes of action and/or damages arising from any personal injury, loss of life and/or damage to property sustained on or about the Community or other property serving the Association, or resulting or arising out of the operation of the Association and improvements thereof and thereon, or resulting from or arising out of activities or operation of the Association, and from and against all costs, expenses, counsel fees (including, but not limited to, all trial and appellate levels and whether or not suit be instituted), expenses and liabilities incurred by Developer arising from any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders, judgments and/or decrees which may be entered thereon. The costs and expense of fulfilling this covenant of indemnification set forth in this paragraph shall be an Association Expense to the extent such matters are not covered by the Association's insurance. This Section shall not be amended unless such amendment is made by Developer or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 8. General Exemption. In general, Developer shall be exempt from all restrictions set forth in this Declaration to the extent such restrictions interfere in any matter with Developer's plans for construction, development, use, sale or other disposition of the Community, or any part thereof.

ARTICLE X

ASSIGNMENT OF POWERS

All or any part of the rights and powers and reservations of Developer herein contained may be deeded, conveyed, or assigned to other persons or entities by an instrument in writing duly executed, acknowledged and recorded in the Public Records.

ARTICLE XI

GENERAL PROVISIONS

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

do so thereafter. In any such suit the prevailing party shall also be entitled to recovery of all costs and expenses including court costs and attorneys' fees.

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended at any time and from time to time upon approval of Owners who are entitled to vote a majority of all votes of the Association and the execution and recordation of an instrument containing a certification by the President and Secretary of the Association that the amendment is duly adopted, PROVIDED that for the period of time Developer owns one (1) or more Parcels, Developer's written consent must first be obtained; and FURTHER PROVIDED, that for so long as Class B membership in the Association exists, this Declaration may be amended by the execution and recordation of an instrument executed solely by a majority of the Board of Directors. Notwithstanding any of the above, for such time that Developer owns one (1) or more Parcels, Developer's written consent must first be obtained to any amendment. Until the Class B membership ceases, Developer shall have the right at any time to amend this Declaration to correct scrivener's errors or to clarify any ambiguities determined to exist herein. Any amendment which withdraws real property from the encumbrance and terms of this Declaration must first be approved in writing by the County Attorney's office in the form of a joinder and consent to such amendment, which amendment shall be recorded in the Public Records of Palm Beach County. No amendment shall alter the subordination provisions of this Declaration without the prior approval of any mortgagee enjoying such protection. It is further provided that in order to be effective any amendment to this Declaration must be recorded in the Public Records of Palm Beach County, Florida.

Notwithstanding anything contained herein to the contrary, the prior written approval of the SFWMD is required for any amendments to this Declaration that could affect the surface water management system.

Section 4. Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Owner on the records of the Association at the time of such mailing.

Section 5. Leasing of Parcels. In the event a Parcel Owner leases said Parcel Owner's Parcel, such lease shall contain a covenant that the Lessee acknowledges that the Parcel is subject to this Declaration of Covenants and is familiar with the provisions hereof, including the occupancy restrictions set forth in Article XVI, Section 12, and the uses and restrictions contained herein, and agrees to abide by all such provisions. In the event a lease of a Parcel does not contain language to the effect of the foregoing, then the Association may declare the lease void and take such further action as the Association deems applicable, including a "removal action" against the tenant and the Parcel Owner. All costs and expenses of the foregoing shall be the cost and expense of such Parcel Owner. The Parcel Owner shall be liable and fully responsible for all acts of Parcel Owner's Lessee and responsible for the compliance of the Lessee of all provisions of this Declaration. Further, in no event shall a Parcel be leased more than one (1) time in one (1) calendar year and in no event shall any such lease have a term of less than six (6) months.

Section 6. Permits, Licenses and Easements. The Association shall have the right to grant permits, licenses and easements over, upon, across, under and through the Common Areas for utilities,

roads and other purposes reasonably necessary or useful for the proper maintenance and operation of the Community, as so determined by the Board of Directors of the Association.

Section 7. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by eighty percent (80%) of all the votes entitled to be cast by all of the Voting Members. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided in Article V hereof, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by Developer or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

ARTICLE XII

INFORMATION TO LENDERS AND PARCEL OWNERS

Section 1. Records Available. The Association shall make available to Parcel Owners and to lenders, and to holders, insurers, or guarantors of any first mortgage on any Parcel, current copies of this Declaration of Covenants, the Articles, or By-Laws, other rules concerning the Community and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

Section 2. Financial Statement. Any holder of a first mortgage upon a Parcel shall be entitled, upon written request, to a financial statement of the Association for the immediately preceding fiscal year.

Section 3. Notices. Upon written request to the Association by a holder, insurer, or guarantor of any mortgage of a Parcel (hereinafter referred to as "Lender"), which written request shall identify the name and address of the Lender and the Parcel number and address thereof, the Lender will be entitled to timely written notice of:

(a) Any condemnation loss or casualty loss which affects either a material portion of the Community, or the Parcel securing its mortgage;

(b) Any delinquency in the payment of assessments or charges owed by an Owner of a Parcel subject to a first mortgage held by the Lender, which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action which would require the consent of a specified percentage of mortgage holders.

Section 4. Conflicts. As determined by Developer, there may be incorporated as part of this Declaration, and, where applicable, the Articles and By-Laws of the Association, any and all provisions which now or hereafter may be required under the regulations or guidelines of FNMA, FHLMC, GNMA, VA and FHA so as to make any first mortgage encumbering a Parcel eligible for purchase by FNMA, FHLMC or GNMA, and eligible under VA or FHA, and such provisions shall supersede any conflicting

matters contained in this Declaration, the Articles or By-Laws, except to the extent compliance with any regulation or guideline is waived by FNMA, FHLMC, GNMA, VA or FHA.

Should FNMA, FHLMC, GNMA, VA or FHA require an amendment to this Declaration, the Articles or By-Laws, then such amendment may be made and filed by Developer or Association without regard to any other provisions herein contained regarding amendments, and without any requirement of securing the consent of any Parcel Owner.

ARTICLE XIII

INSURANCE

Section 1. Parcels. Since the Association is created solely for the purpose of providing maintenance services, as herein described, there are no provisions herein as to the procuring of insurance on any Parcel. Such insurance shall be obtained by each Owner. The Association has no obligation whatsoever regarding Parcel insurance.

Section 2. Common Areas. The Association shall purchase and maintain a policy of property insurance covering all the Common Areas (except land, foundation, excavation and other items normally excluded from coverage) and any common personal property and supplies. This insurance policy shall afford, as a minimum, protection against loss or damage by fire and other perils normally covered by a standard extended coverage endorsement, as well as all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, where such is available. This policy shall be in an amount equal to one hundred percent (100%) of current replacement cost of the Common Areas, exclusive of land, foundation, excavation and other items normally excluded from coverage. The policies may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association. The Association shall also obtain, if available, the following special endorsements: "Agreed Amount" and "Inflation Guard Endorsement".

Section 3. Liability Insurance. The Association shall maintain comprehensive general liability insurance coverage covering all of its maintenance activities. The coverage shall be at least for One Million Dollars (\$1,000,000.00) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage shall include, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with its maintenance activities, and legal liability arising out of lawsuits related to employment contracts of the Association. Such policies must provide that they may not be canceled or substantially modified by any party, without at least ten (10) days' prior written notice to the Association.

Section 4. Fidelity Bonds. The Association shall maintain a blanket fidelity bond for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association. In the event the Association delegates some or all of the responsibility for the handling of the funds to a management agent, such bonds are required for its officers, employees and agents, handling or responsible for funds of, or administered on behalf of the Association. The amount of the fidelity bond shall be based upon best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than an amount equal to three months aggregate assessments on all Parcels, plus reserve funds. The fidelity bonds required herein must meet the following requirements:

(a) Fidelity bonds shall name the Association as an obligee.

(b) The bonds shall contain waivers by the insurers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employee", or similar terms or expressions;

(c) The premiums on all bonds required herein for the Association (except for premiums on fidelity bonds maintained by a management agent, or its officers, employees and agents), shall be paid by the Owner's Association as a common expense;

(d) The bond shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association.

Section 5. Directors and Officers Errors and Omissions Insurance. The Association shall maintain errors and omissions insurance for all of its past and present directors and officers, including but not limited to any officer or director appointed or elected by Developer, which insurance shall provide coverage for any acts taken or omissions made, and further that said insurance shall at all times contain tail coverage in order that there shall never be a gap in coverage for any act or omission by any officer or Director of the Association.

Section 6. Purchase of Insurance. All insurance purchased pursuant to this Article shall be purchased by the Association for the benefit of the Association, the Owners and their respective mortgagees, as their interest may appear, and shall provide for the issuance of certificates of insurance and mortgagee endorsements to Owners and any or all of the holders of institutional first mortgages. The policies shall provide that the insurer waives its rights of subrogation as to any claims against Owners and the Association, their respective servants, agents and guests. Each Owner and the Association hereby agree to waive any claim against each other and against other Owners for any loss or damage for which insurance hereunder is carried where the insurer has waived its rights of subrogation as aforesaid.

Section 7. Cost and Payment of Premiums. The Association shall pay the cost of obtaining all insurance hereunder, excluding only the insurance as may be purchased by individual Owners, and any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof.

Section 8. Association as Agent. The Association is irrevocably appointed agent for each Owner, for each Owner of a Mortgage upon a Parcel and for each Owner of any other interest in a Parcel or the Common Areas to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

Section 9. Estimates. In all instances hereunder, immediately after a casualty causing damage to the property for which the Association has the responsibility of maintenance and repair, the Association shall obtain a reliable, detailed estimate of the cost to place the damaged property in a condition as good as that before the casualty. Such cost may include professional fees and premiums for such bonds as the Board may require by any Institutional Mortgagee involved.

Section 10. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction, or if, at any time during reconstruction or upon completion of reconstruction, the funds for the payment of the costs of reconstruction are insufficient, assessments shall be made against

the Owners in sufficient amounts to provide funds for the payment of such costs. Such assessments shall be uniform against all Owners.

Section 11. Authority of Association. In all instances herein, except when a vote of the membership of the Association is specifically required, all decisions, duties and obligations of the Association hereunder may be made by the Board. The Association and its members shall jointly and severally be bound thereby.

ARTICLE XIV

ARCHITECTURAL APPROVAL

Section 1. Approval Necessary. No building, outbuilding, garage, fence, wall, retaining wall, "umbrella type" dish antennas, prefabricated shed or other structure of any kind shall be erected, constructed, placed or maintained in the Community, nor shall any dwelling or other improvements on each Unit, as originally constructed and provided by Developer, be altered, changed, repaired or modified unless prior to the commencement of any work thereof, two (2) complete sets for plans and specifications therefore including, as applicable, front, side and rear elevations, and floor plans, and two (2) plot plans indicating and fixing the exact location of such improvements, structures or such altered structure on a Parcel with reference to the street and side lines thereof, shall have been first submitted in writing for approval and approved in writing by the Architectural Committee. The foregoing prior approval is intended to specifically apply to the painting of a Parcel or any other maintenance or repair which changes the exterior appearance of a Parcel or other improvements on a Parcel. Nothing contained in this Article, or any other applicable provision of this Declaration, shall be interpreted to be an exemption from any rules, regulations, or criteria of Palm Beach County.

Section 2. Membership to Committee. The Architectural Committee shall, until their successors are appointed, consist of persons appointed by Developer. Until such time as Developer's Class B membership expires, in the event of the resignation, failure, refusal or liability of any member of the Architectural Committee to act, Developer shall have the right to appoint a person to fill such vacancy, and in the event Developer fails to fill such vacancy within thirty (30) days of such occurrence, and upon the expiration of said Class B membership, the Board of Directors shall select and fill any such vacancy by appointment for a term as determined by the Board.

Section 3. Endorsement of Plans. Approval of plans, specifications and location of improvements by the Architectural Committee shall be endorsed on both sets of said plans and specifications, and one set shall forthwith be returned by the Architectural Committee to the person submitting the same. The approval of the Architectural Committee of plans or specifications submitted for approval, as herein specified, shall not be deemed to be a waiver by the Architectural Committee of the right to object to any of the features or elements embodied in such plans or specifications if and when the same features and elements are embodied in any subsequent plans and specifications submitted for approval for use on other Units.

Section 4. Construction to be in Conformance with Plans. After such plans and specifications and other data submitted have been approved by the Architectural Committee, no building, outbuilding, garage, fence, wall, retaining wall, or other improvements or structures of any kind shall be erected, constructed, placed, altered or maintained in the Community unless the same shall be erected, constructed or altered in conformity with the plans and specifications and plot plans therefore approved by the Architectural Committee.

Section 5. Deemed Approval. After the expiration of one (1) year from the date of completion of any structure or alteration by Developer, such structure or alteration shall be deemed to comply with all of the provisions of this Article unless notice to the contrary shall have been recorded in the Public Records, or legal proceedings shall have been instituted to enforce such compliance.

Section 6. Right of Entry. Any agent or member of the Architectural Committee may at any reasonable time enter and inspect any building or property subject to the jurisdiction Architectural Committee and any building or structure reasonably believed by such agent or member to be a violation of the covenants, restrictions, reservations, servitudes or easements of this Declaration.

Section 7. Waiver of Liability. Neither the Architectural Committee nor any member thereof, nor its duly authorized representative, shall be liable to the Association, or to any Owner or any other person or entity for any loss, damage or injury arising out of or in any way connected with the performance or non-performance of the Architectural Committee duties hereunder. The Architectural Committee shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration, or addition solely on the basis of aesthetic considerations and the benefit or detriment which would result to the Association and the Community. The Architectural Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, or warranty as to, any plan or design from the standpoint of structural safety or conformance with building or other codes. The Architectural Committee and Developer do not determine or assume any responsibility for the quality of construction or structural soundness of any improvements and no obligation or liability relating to construction of any improvements shall result from review or approval of any plans by the Architectural Committee and/or Developer. Furthermore, the Architectural Committee and/or Developer do not evaluate plans to determine whether the plans satisfy all applicable governmental requirements; and exterior colors and other exterior changes must be approved by Palm Beach County.

Section 8. Developer Exempt. Developer Units owned by Developer and improvements made by Developer shall be exempt from the application of this Article and Developer therefore is not obligated to comply with the provisions hereof.

ARTICLE XV

WATERFRONT PROPERTY

Section 1. Waterfront Property. As to all portions of the Community which have a boundary contiguous to any lake, canal, or other body of water ("water body"), the following additional restrictions and requirements shall be applicable:

- (a) No boathouse, dock, wharf or other structure of any kind shall be erected, placed, altered or maintained on the shores of any water body within the Community.
- (b) No motorized boats shall be permitted on or in any lake within the Community.
- (c) No motorized boat, boat trailer or vehicular parking shall be permitted on any slopes or shore areas of any water body within the Community.

(d) No motorized boat shall be operated on any water body except by the Association or its designee for maintenance purposes.

(e) No plantings of any kind shall be made by any Parcel Owner in any waterfront easement as shown on the Plat.

(f) No Parcel Owner shall be permitted to install a fence across any waterfront easement until such Parcel Owner has received written approval from the all applicable governmental agencies, including but not limited to, the SFWMD, as well as from the Architectural Review Committee hereunder. All permitted fences on Parcels abutting any waterfront easement must be white aluminum picket.

(g) In order to provide for uniform water and water body vegetation control, no Owner shall undertake the performance of same without the Association's approval.

Section 2. Disclaimer. NEITHER DEVELOPER, THE ASSOCIATION, NOR ANY OF THEIR OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUB-CONTRACTORS (COLLECTIVELY, THE "**LISTED PARTIES**") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND, CANAL, CREEK, STREAM OR OTHER WATER BODY WITHIN THE COMMUNITY EXCEPT (i) AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY OR (ii) TO THE EXTENT THAT SUCH SECTIONS HEREOF WOULD OTHERWISE APPLY, IF AT ALL. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE COMMUNITY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID WATER BODIES SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY HABITAT OR ENTER INTO WATER BODIES WITHIN THE COMMUNITY AND MAY POSE A THREAT TO PERSON, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

ARTICLE XVI

PROHIBITED USES

Section 1. Garbage and Trash. Each Owner shall be responsible for properly depositing his garbage and trash in garbage cans and trash containers sufficient for pick-up by the appropriate authorities.

Section 2. Temporary Structures . No temporary or permanent utility or storage shed, building, tent, structure or improvement shall be constructed on a Parcel.

Section 3. Animals. No horses, hogs, cattle, cows, goats, sheep, poultry or other animals, birds or reptiles, shall be kept, raised or maintained on any Parcel; PROVIDED, HOWEVER, that dogs, cats,

birds and other household pets may be kept in reasonable numbers in the dwelling if their presence causes no disturbance to others and Parcel Owners having pets shall be responsible for picking up after their pets in the designated walking areas. All pets shall be kept on a leash when not in the Owner's Parcel and shall be walked only on areas that may be designated for pets by the Board of Directors.

Section 4. Stables. No stable, livery stable or barn shall be erected, constructed, permitted or maintained on any Parcel.

Section 5. Vehicle Parking. No boats, trailers of any kind or campers (motorized or towed) shall be parked in the Community. No vehicles used in business for the purposes of transporting goods, equipment and the like or any trucks or vans which are larger than one-half (½) ton capacity shall be parked in the Community. Personal street vans, personal trucks of one (1) ton capacity or smaller or personal vehicles which can be appropriately parked within standard-sized parking stalls may be parked in the Community. No vehicles of any nature shall be parked on any portion of the Community or a Parcel except on the surfaced parking area thereof. No vehicle repairs or maintenance shall be allowed in the Community.

Section 6. Signs. No signs, except as approved by the Association and the Architectural Committee shall be placed, erected or displayed on any Parcel.

Section 7. Business. No trade, business or any commercial use shall be conducted in or from any Parcel which is not permitted by the zoning for the subject property.

Section 8. Maintenance. All Parcels shall be kept in a clean and sanitary manner and no rubbish, refuse or garbage allowed to accumulate, or any fire hazard allowed to exist. All Parcels shall be maintained in first class condition with well kept lawn and well maintained landscaping.

Section 9. Nuisance. No nuisance or any use or practice that is a source of annoyance to other Parcel Owners, or interferes with the peaceful possession and proper use of the Parcels by the residents of the Community shall be allowed upon any Parcel.

Section 10. Unlawful Use. No improper, offensive or unlawful use shall be made of any Parcel and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be strictly observed.

Section 11. Antennas. No television, satellite dishes or radio masts, towers, poles, antennas or aerials may be erected, constructed, or maintained on the exterior of the home or Parcel, except as may be permitted by State or Federal law that would supercede this private restriction; however, and further to Section 1 of Article XIV, the Architectural Committee shall still have the right to approve the location of any such governmentally permitted antennas, satellite dishes and the like.

Section 12. Occupants. Each Parcel is restricted to residential use as a single family residence by the Owner or Owners thereof, their lessees, immediate families, guests and invitees.

Section 13. Use. No person shall use the Parcel or any parts thereof in any manner contrary to this Declaration.

Section 14. Interference. Neither the Association, Architectural Committee nor any Parcel Owner, including their guests, employees and guests, shall interfere with Developer's completion and sale of the Parcels.

Section 15. Clothes Line. No clothes, linens, or the like, shall be hung on clothes lines or in any other manner, outside of a unit or Parcel.

Section 16. Fences. No fence, or other improvement, shall be erected upon a Parcel which is deemed by the Association to interfere with a common sprinkler system (if any) in the Community, or which interferes with any landscape maintenance performed by the Association, thereby increasing the amount of trimming or edging required to be done, or increases in any other manner the cost of maintenance of the landscaping by the Association, unless otherwise specifically agreed to in writing by the Association. No Owner shall be permitted to install a fence across the Lake Maintenance Easement until such Owner has received written approval from the all applicable governmental agencies as well as from the any applicable committee of the Association. All permitted fences on lots/Parcels abutting the Lake Maintenance Easement must be white aluminum picket.

Section 17. Wells. No individual water supply system shall be permitted on any Parcel, except the installation required for the individual water supply for the irrigation purposes of the landscaping upon a Parcel; provided, however, that the following must be complied with by such Parcel Owner:

(a) Any individual water supply must be installed, operated and maintained in such a manner as to prevent iron stains and/or discoloring of any exterior improvements upon the Parcel, including but not limited to cement areas, the exterior finish of any dwelling or other building, structure or fencing, or any vehicles.

(b) Such Owner shall be required to clean, repair or replace any and all improvements which are discolored due to iron stains caused by such water supply system due to a direct or indirect result of the operation of such water supply system, within thirty (30) days of notice by the Association.

Section 18. Not Applicable to Developer. The above restrictions set forth in this Article shall not apply to Developer or its agents, employees, successors or assigns during the period of construction of the Community and sales of the Parcels.

Section 19. Hurricane Shutters/Panels. The Association will allow removable galvanized finish metal shutters or plywood to be installed after a hurricane warning is issued. These must be removed no later than seven days after the warning is canceled or the hurricane passes, whichever is later.

ARTICLE XVII

CONTROLLED ACCESS

The Association shall have the right and power to control the access to the Community, as determined by its Board of Directors, including but not limited to a mechanical gate or other device. All expenses of such shall be assessed in accordance with the provisions of Article V hereof. The Association shall have no liability if such is not provided or if any service which is provided fails to work properly or to accomplish any desired result. Further, neither Developer nor the Association shall be responsible or liable to any Parcel Owner for any injury, damage or other claim resulting from the use, activity, inability or failure of such device or system.

ARTICLE XVIII

CABLE TELEVISION AND ALARM SYSTEM SERVICE

Section 1. Cable Television. The Board of Directors of the Association is authorized to negotiate and enter into a bulk contract for the provision of cable television services and/or alarm system monitoring for the Community, under such terms and conditions as the majority of the Board of Directors deems appropriate in its discretion. The costs of basic cable television service and/or alarm monitoring service to be provided under such bulk contract shall be added to the Operating Budget of the Association and shall be a portion of the annual assessment payable by the Parcel Owners.

ARTICLE XIX

ATTACHED HOME PARCELS: ROOF REPAIR OR REPLACEMENTS

Section 1. Roof. It is contemplated that the roof of each residence constructed upon a Attached Home Parcel will also serve an adjacent residence constructed upon an adjacent Attached Home Parcel and shall be a common roof. In the event that a portion of a roof requires repair or replacement pursuant to Article VII hereof, then the cost thereof in excess of insurance proceeds, if any, shall be shared prorata by the Owners of the Attached Home Parcels over which the roof to be repaired or replaced is situated; provided, however, that in the event that damage or destruction is confined to the roof area wholly within the dimensions of a Attached Home Parcel, cost of repair and replacement thereof which is in excess of insurance proceeds, if any, shall be paid by the Owner of said Attached Home Parcel. If the damage or destruction of adjacent roof areas is caused by the negligence or willful misconduct of any one Owner, such negligent Owner shall bear the entire cost of repair or replacement, in excess of insurance proceeds. If any Owner shall neglect or refuse to perform the maintenance as required in this Declaration or pay his share, or all of such cost, as the case may be, the other affected Owner may have such roof repaired or replaced and shall be entitled to file in the Public Records a lien on the Attached Home Parcel of the other Owner so failing to pay for the amount of such defaulting Owner's share of the repair or replacement cost plus attorneys' fees and costs, which may be foreclosed in the same manner as a lien of a mortgage. If an Owner shall give, or shall have given a mortgage or mortgages upon his Attached Home Parcel, then the mortgagee shall have the fill right at his option to exercise the rights of his mortgagor as an Owner hereunder and, in addition, the right to add to the outstanding balance of such mortgage any amounts paid by the mortgagee for repairs hereunder and not reimbursed to said mortgagee by the Owner.

Section 2. Arbitration. In the event of any dispute arising under the provisions of this Article, any party may request the Board of Directors to settle the dispute, and the Board's decision shall be binding, provided, however, that the Board may elect not to act in this capacity, in which case each party shall choose an arbitrator and such arbitrators shall choose one addition arbitrator, and the decision shall be a majority of all the arbitrators and shall be binding. Decisions made pursuant tot is Section 2 shall be enforceable pursuant to the provisions of Section 1 of Article XI hereof.

ARTICLE XX

ATTACHED HOME PARCELS: PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall (including a fence, if any) which is built as a part of a residence upon a Attached Home Parcel and placed on the common boundary line of two adjacent Attached Home Parcels shall constitute a party wall and, to the extent not inconsistent with the

provisions of this Article, the general rules of law in the State of Florida regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners of Attached Home Parcels abutting same; provided however, in the event such damage necessitating the repair is caused by only one of the Owners, the cost of repair shall be the sole obligation of such Owner.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner of an adjoining Attached Home Parcel may restore it, and in the event the cost thereof is in excess of the insurance proceeds, the Owner of the other adjoining Attached Home Parcel shall contribute equally to pay such excess without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of the Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Rights to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title. If any Owner shall neglect or refuse to pay his share under the provisions of this Article, any other affected Owner is entitled to file a lien on the Public records on the Attached Home Parcel of the defaulting Owner in the amount of such share plus attorneys' fees and costs, which may be foreclosed in the same manner as a lien of a mortgage.

Section 6. Arbitration. In the event of any dispute arising under the provisions of this Article, any party may request the Board of Directors to settle the dispute, and the Board's decision shall be binding, provided, however, that the Board may elect not to act in this capacity, in which case each party shall choose an arbitrator and such arbitrators shall choose one addition arbitrator, and the decision shall be a majority of all the arbitrators and shall be binding. Decisions made pursuant to this Section 2 shall be enforceable pursuant to the provisions of Section 1 of Article XI hereof.

Section 7. Alterations. The Owner of any Attached Home Parcel sharing a party wall with an adjoining Attached Home Parcel shall not make any alterations, additions or structural changes in the party wall without the prior consent from the Owner of such adjoining Attached Home Parcel; provided however, in no event shall an Owner be permitted to cut windows or other openings in the party wall.

Section 8. Perpetual Use. Each party wall is and shall remain a party wall for the party wall for the perpetual use and benefit of the respective Owners of the Attached Home Parcels being served, their heirs, assigns, successors and grantees, said Attached Home Parcels being conveyed subject to this condition and this condition shall be construed to be a covenant running with the land in perpetuity.

Section 9. Mortgagees Protections. So long as there shall be a mortgage or mortgages upon any Attached Home Parcels, the provisions of this Article shall not be modified, abandoned, or extinguished as to that Attached Home Parcel without the consent of such mortgagee. If a Attached Home Parcel Owner shall give or shall have given, a mortgage or mortgages upon his Attached Home Parcel, then the mortgagee shall have the full right at its option to exercise the rights of its mortgagor as an Owner hereunder and to exercise the rights of its mortgagor as an Owner hereunder and in addition, the right to

add to the outstanding balance of such mortgage any amounts paid by the mortgagee for repair hereunder and not reimbursed to said mortgagee by the Attached Home Parcel Owner.

Section 10. Right of Access. In the event repairs or reconstruction shall be necessary all necessary entries on the adjacent Attached Home Parcels shall not be deemed a trespass so long as the repairs and reconstruction shall be done in a workmanlike manner and consent is hereby given to enter on the adjacent Attached Home Parcel to effect necessary repairs and reconstruction.

Section 11. Location of Reconstruction. Whenever a party wall or any part thereof shall be rebuilt, it shall be erected in the same manner and at the same location where it shall initially be constructed and shall be the same size and of the same or similar materials and of like quality.

ARTICLE XXI

NOTICE AND DISCLAIMER AS TO COMMUNITY SYSTEMS

Developer, the Association, or their successors, assigns or franchisees and any applicable cable telecommunications system operator (an "Operator"), may enter into contracts for the provisions of security services through any Community Systems. DEVELOPER, THE ASSOCIATION, AND THEIR FRANCHISEES, AND ANY OPERATOR, DO NOT GUARANTEE OR WARRANT, EXPRESSLY OR IMPLIEDLY, THE MERCHANTABILITY OR FITNESS FOR USE OF ANY SUCH SECURITY SYSTEM OR SERVICES, OR THAT ANY SYSTEM OR SERVICES WILL PREVENT INTRUSIONS, FIRES OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SUCH OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SYSTEM OR SERVICES ARE DESIGNED TO MONITOR SAME; AND EVERY OWNER OR OCCUPANT OF PROPERTY SERVICES BY THE COMMUNITY SYSTEMS ACKNOWLEDGES THAT DEVELOPER, THE ASSOCIATION, OR ANY SUCCESSOR, ASSIGN OR FRANCHISEE OF DEVELOPER OR ANY OF THE OTHER AFORESAID ENTITIES AND ANY OPERATOR, ARE NOT INSURERS OF THE OWNER'S OR OCCUPANT'S PROPERTY OR OF THE PROPERTY OF OTHERS LOCATED ON THE PREMISES AND WILL NOT BE RESPONSIBLE OR LIABLE FOR LOSSES, INJURIES OR DEATHS RESULTING FROM SUCH OCCURRENCES. It is extremely difficult and impractical to determine the actual damages if any which may proximately result from a failure on the part of a security service provider to perform any of its obligations with respect to security services and, therefore, every owner or occupant of property receiving security services through the Community Systems agrees that Developer, the Association, or any successor, assign or franchisee thereof and any operator assumes no liability for loss or damage to property or for personal injury or death to persons due to any reason, including, without limitation, failure in transmission of an alarm, interruption of security service or failure to respond to an alarm because of (a) any failure of the Owner's security system, (b) any defective or damaged equipment, device, line or circuit, (c) negligence, active or otherwise, of the security service provider or its officers, agents or employees, or (d) fire, flood, riot, war, act of God or other similar causes which are beyond the control of the security services through the Community Systems further agrees for himself, his grantees, loss damage, injury or death should result from a failure of performance or operation, or from defective performance or operation, or from improper installation monitoring or servicing of the system, or from negligence, active or otherwise, of the security service provider or its officers, agents, or employees, the liability, if any, of Developer, the Association, any franchisee of the foregoing and the operator or their successors or assigns, or loss, damage, injury or death sustained shall be limited to a sum not exceeding Two Hundred Fifty and No/100 (\$250.00) U.S. Dollars, which limitation shall apply irrespective of the cause or origin of the loss or damage and notwithstanding that the loss or damage results directly or indirectly from negligent performance, active or otherwise, or non-performance by an officer, agent or employee of Developer, the Association, or any franchisee, successor or assign of any of same or any

operator. Further, in no event will Developer, the Association, any Operator, or any of their franchisees, successors or assigns, be liable for consequential damages, wrongful death, personal injury or commercial loss. In recognition of the fact that interruptions in cable television and other Community Systems services will occur from time to time, no person or entity described above shall in any manner be liable, and no user of any Community System shall be entitled to refund, rebate, discount or offset in applicable fees, for any interruption in Community System services, regardless of whether or not same is caused by reasons within the control of the then provider(s) of such services.

ARTICLE XXII

COVENANTS RUNNING WITH THE LAND

ANYTHING TO THE CONTRARY HEREIN NOTWITHSTANDING AND WITHOUT LIMITING THE GENERALITY (AND SUBJECT TO THE LIMITATIONS) OF ANY OTHER PROVISION HEREOF, IT IS THE INTENTION OF ALL PARTIES AFFECTED HEREBY (AND THEIR RESPECTIVE HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS) THAT THESE COVENANTS AND RESTRICTIONS SHALL RUN WITH THE LAND AND WITH TITLE TO THE PROPERTY IN THE COMMUNITY, WITHOUT LIMITING THE GENERALITY OF ANY OTHER PROVISIONS HEREIN, IF ANY PROVISION OR APPLICATION OF THIS DECLARATION WOULD PREVENT THIS DECLARATION FROM RUNNING WITH THE LAND AS AFORESAID, SUCH PROVISION AND/OR APPLICATION SHALL BE JUDICIALLY MODIFIED, IF AT ALL POSSIBLE, TO COME AS CLOSE AS POSSIBLE TO THE INTENT OF SUCH PROVISION OR APPLICATION AND THEN BE ENFORCED IN A MANNER WHICH WILL ALLOW THESE COVENANTS AND RESTRICTIONS TO SO RUN WITH THE LAND; BUT IF SUCH PROVISION AND/OR APPLICATION CANNOT BE SO MODIFIED, SUCH PROVISION AND/OR APPLICATION SHALL BE UNENFORCEABLE AND CONSIDERED NULL AND VOID IN ORDER THAT THE PARAMOUNT GOAL OF THIS DECLARATION (THAT THESE COVENANTS AND RESTRICTIONS RUN WITH THE LAND AS AFORESAID) BE ACHIEVED.

ARTICLE XXIII

SURFACE WATER MANAGEMENT SYSTEM

Section 1. Monitoring. Monitoring and maintenance of the mitigation areas, if any, described in the SFWMD Permit and the Indemnity Agreement shall be the responsibility of the Association. The Association must successfully complete the mitigation and satisfy all conditions, if any, set forth in the SFWMD Permit and the Indemnity Agreement.

Section 2. Permit. The SFWMD Permit is made a part of this document and attached hereto as Exhibit "C." Copies of the SFWMD Permit and any future permit actions of the SFWMD shall be maintained by the Association.

Section 3. Enforcement. The SFWMD or Palm Beach County, as applicable, has the right to take enforcement action, including a civil action for an injunction and penalties, against the Association to compel it to correct any outstanding problems with the Surface Water Management System or in mitigation or conservation areas under the responsibility or control of the Association.

Section 4. Dissolution of the Association. In the event that the Association is ever dissolved, either voluntarily or involuntarily, any property within the Community consisting of the Surface Water Management System shall be conveyed to an appropriate agency of local government to guarantee future

maintenance of said system; provided however, in the case that an appropriate agency of local government shall not accept such conveyance, then the Surface Water Management System shall be dedicated to a similar non-profit corporation with the cost and management of same being born by the Members of the Association. Further, any dissolution of the Association shall comply with all applicable provisions of any future amendments to the Governing Documents or other documents pertaining thereto which would affect the Surface Water Management System, including the water management portions of the Common Areas, shall require the prior written approval of the SFWMD or Palm Beach County, as applicable.

Section 5. Conservation Easements. In the event the Community contains any conservation easements as required by the SFWMD, Palm Beach County, or other applicable governmental agency or entity, and as set forth on the Plat, the following activities are prohibited in such easements:

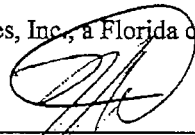
- (a) Construction or placing of buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground;
- (b) Dumping or placing of soil or other substance or material as landfill, or dumping or placing of trash, waste, or unsightly or offensive materials;
- (c) Removal or destruction of trees, shrubs, or other vegetation, except for the removal of exotic vegetation in accordance with an approved maintenance plan;
- (d) Excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance in such manner as to affect the surface;
- (e) Surface use except for purposes that permit the land or water area to remain in its natural condition;
- (f) Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation including, but not limited to, ditching, diking and fencing;
- (g) Acts or uses detrimental to such aforementioned retention of land or water areas;
- (h) Acts or uses which are detrimental to the preservation of any features or aspects of the Community having historical or archaeological significance

WHEREFORE, the undersigned, being Developer hereunder, has hereunto set its hand and seal
this 17 day of June, 2004.

DEVELOPER:

TOUSA Homes, Inc., a Florida corporation

By:


HARRY ENGELSTEIN,
Executive Vice President

(CORPORATE SEAL)

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 17 day of June, 2004 by Harry Engelstein, Executive Vice President of TOUSA Homes, Inc., a Florida corporation, on behalf of the corporation and he is personally known to me.

[NOTARIAL SEAL]

Notary:

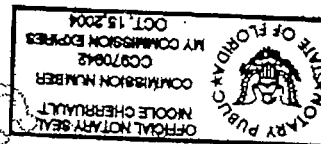
Print Name: Nicole Cherrault

Notary Public, State of Florida

My commission expires: Oct 15 2004

☒ Personally Known OR ☐ Produced Identification

Type of Identification Produced _____



W14060v0511/30/04\13157.019800



FLORIDA DEPARTMENT OF STATE

Glenda E. Hood
Secretary of State

February 28, 2003

VILLA PALMA AT NORTHLAKE HOMEOWNERS ASSOCIATION, INC.
123 NW 13 STREET STE 300
BOCA RATON, FL 33432

The Articles of Incorporation for VILLA PALMA AT NORTHLAKE HOMEOWNERS ASSOCIATION, INC. were filed on February 27, 2003, and assigned document number N03000001746. Please refer to this number whenever corresponding with this office.

Enclosed is the certification requested. To be official, the certification for a certified copy must be attached to the original document that was electronically submitted and filed under FAX audit number H03000065748.

A corporation annual report/uniform business report will be due this office between January 1 and May 1 of the year following the calendar year of the file date year. A Federal Employer Identification (FEI) number will be required before this report can be filed. Please apply NOW with the Internal Revenue Service by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have questions regarding corporations, please contact this office at the address given below.

Freida Chesser
Corporate Specialist
New Filings Section
Division of Corporations

Letter Number: 003A00012837

Division of Corporations - P.O. BOX 6327 - Tallahassee, Florida 32314

EXHIBIT "A"

Received 02-28-03 08:34am

From-Department of State

To-greenberg travrig wp Page 002

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of VILLA PALMA AT NORTHLAKE HOMEOWNERS ASSOCIATION, INC., a Florida corporation, filed on February 27, 2003, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H03000065748. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below.

The document number of this corporation is N03000001746.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Twenty-eighth day of February, 2003

Authentication Code: 003A00012837-022803-N03000001746-1/1



Glenda E. Hood
Glenda E. Hood
Secretary of State