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For BROAD AND CASSEL (J)
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**DECLARATION OF
COMMUNITY COVENANTS FOR
BRIDGEPOINTE AT BROKEN SOUND**

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| Exhibit "A" | Legal Description of the initial portion of The Properties subject to this Declaration |
| Exhibit "B" | Articles of Incorporation |
| Exhibit "C" | By-Laws |
| Exhibit "D-1" | Legal Description of Initial Common Areas |
| Exhibit "D-2" | Legal Description of Initial Areas of Common Responsibility |

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**DECLARATION OF
COMMUNITY COVENANTS**

FOR

BRIDGEPOINTE AT BROKEN SOUND

THIS DECLARATION OF COMMUNITY COVENANTS is made this 21 day of August, 1992, by ARVIDA/JMB PARTNERS, a Florida general partnership, which declares hereby that "The Properties," as described in Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth. The initial portion of The Properties is described in Exhibit "A" attached hereto and made a part hereof.

ARTICLE I

DEFINITIONS

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

(a) "Articles" or "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Association attached hereto and made a part hereof as Exhibit "B", as amended from time to time.

(b) "Assessments" shall mean and refer to the forms of payment to the Association which are required to be made by Owners, as provided by, and of the types described in, Article VI of this Declaration.

(c) "Association" or "Community Association" shall mean and refer to BRIDGEPOINTE AT BROKEN SOUND COMMUNITY ASSOCIATION, INC., a Florida corporation not for profit.

(d) "Board" or "Board of Directors" shall mean and refer to the duly constituted Board of Directors of the Association.

(e) "Building" shall mean and refer to any building located within The Properties and containing Units.

(f) "By-Laws" shall mean and refer to the By-Laws of the Association attached as Exhibit "C", as amended from time to time.

(g) "Common Areas" shall mean and refer to the land within The Properties which is not (i) a Unit, (ii) common elements of a condominium, (iii) common areas of a Neighborhood Association, (iv) a rental apartment building or complex, (v) dedicated to the public, or (vi) dedicated to or

owned by a governmental or quasi-governmental body or public or private utility (including cable television) company and, in all cases, which is declared to be Common Areas as provided herein. As used herein, "Common Areas" shall also include any Improvement to the aforesaid land including, without limitation, private roadways and signage and street lighting located thereon or adjacent thereto, any gatehouse(s) for The Properties, entry features, swales and berms, structures, perimeter walls, street lights, basins and canals, if any, vegetated areas, drainage, pedestrian paths, irrigation systems, special grading, landscaping, signage or improvements of common benefit to The Properties and located within the land constituting the Common Areas from time to time. In no event shall public or private utility installations or systems located within the Common Areas be deemed a part thereof unless same are owned by the Community Association or become its maintenance responsibility by contract or operation of law, regardless of the ownership thereof. The initial Common Areas are described in Exhibit "D-1" attached hereto and made a part hereof.

It is specifically contemplated that certain areas which are not and will not become a part of The Properties may nevertheless become the maintenance, repair, replacement and insurance responsibility of the Association, unless the Declarant otherwise elects. Therefore, the Declarant may from time to time declare such areas to be "Common Areas" hereunder for such purposes only and not for the purpose of requiring their ultimate conveyance to the Association. Such Common Areas are designated as the "Areas of Common Responsibility" herein and will be so designated in any applicable Supplemental Declaration. The initial "Areas of Common Responsibility" are described or depicted in Exhibit "D-2" attached hereto and made a part hereof. By so designating such areas, the Declarant shall have automatically reserved all right, title and interest in and to the Areas of Common Responsibility, free and clear of any obligation to ever convey same to the Association or to allow the Members of the Association to use them. References herein to the Common Areas shall include the Areas of Common Responsibilities unless specifically stated to the contrary or unless the context otherwise requires.

(h) "Common Expenses" shall mean or refer to the actual and estimated costs of ownership, maintenance, management, operation, insurance, repair and replacement of the Common Areas (including unpaid General Assessments, Special Assessments and Capital Improvement Assessments and including those costs not paid by the Owner responsible for payment); the costs of any and all commonly imposed utilities consumed in the operation of The Properties and other commonly imposed charges for the Common Areas; costs of management and administration of the Association including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other employees; costs of all utilities, trash removal services, gardening and other services benefitting the Common Areas and all recreational facilities thereon (if any); the costs of any utilities provided to the Units but billed, in bulk, to the Community Association; costs of fire, casualty and liability insurance, workmen's compensation insurance, and other insurance covering or connected with the Common Areas or the Association; costs of bonding the members of the Board and the Management Company; taxes paid by the Association, including real property taxes for the Common Areas, if any; amounts paid by the Association for the discharge of any lien or encumbrance levied against the Common Areas, or portions thereof; payments of obligations under contracts binding on the Association; and the costs of any other item or items so designated by, or in accordance with other expenses incurred

by, the Association for any reason whatsoever in connection with the Common Areas and/or for the benefit of the Owners. The provisions of this paragraph are subject to Article XIV, Section 14 of this Declaration.

(i) "Community Systems" shall mean and refer to any and all cable television, telecommunication, or other lines, conduits, wires, amplifiers, towers, antennae equipment, materials, installations and fixtures (including those based on, containing or serving future technological advances not now known) installed by the Declarant, a Developer or pursuant to any grant of easement or authority by the Declarant or a Developer within The Properties and serving more than one Building.

(j) "Country Club Association" shall mean and refer to Country Club Maintenance Association, Inc., a Florida corporation not for profit and the entity charged with the administration of the Country Club Covenants.

(k) "Country Club Covenants" shall mean and refer to that certain Declaration of Maintenance Covenants [for] Arvida Country Club recorded in Official Records Book 4659, Page 1117, of the Public Records of Palm Beach County, Florida, as amended and supplemented from time to time.

(l) "Declarant" shall mean and refer to ARVIDA/JMB PARTNERS, a Florida general partnership, its successors and such of its assigns as to which the rights of the Declarant hereunder are specifically assigned. The Declarant may assign all or a portion of its rights hereunder, or all or a portion of such rights in connection with appropriate portions of The Properties. In the event of such a partial assignment, the assignee shall not be deemed the Declarant, but may exercise only the rights of the Declarant specifically assigned to it. Any such assignment may be made on a non-exclusive basis. In the case of an exclusive assignment of all of the Declarant's rights hereunder, the Declarant shall not be liable for the acts or omissions of its assignee, nor shall such assignee be liable for the acts or omissions of the Declarant.

(m) "Declaration" or "Master Declaration" shall mean and refer to this instrument, as it may be amended from time to time.

(n) "Developer" shall mean and refer to any person or entity other than Declarant who/which constructs Units and/or other improvements within The Properties, but shall exclude contractors, subcontractors and the like engaged by Declarant or such other party.

(o) "Improvement" shall mean and refer to all structures or artificially created conditions and appurtenances thereto of every type and kind located within The Properties, including, but not limited to, Buildings, outbuildings, walkways, sprinkler systems, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, drainage features, roadways and street lighting, if any.

(p) "Management Company" shall mean the person, firm or corporation employed by the Community Association hereunder as its agent to assist in fulfilling or carrying out certain duties, powers or functions of the Community Association in accordance with any written Agreement between the Community Association and the Management Company.

(q) "Member" shall mean and refer to any person or entity holding a membership in the Community Association (including, without limitation, the Declarant and any Developer).

(r) "Member's Permittees" shall mean and refer to the family, invitees, licensees, lessees and sublessees of any Member, and any other permitted occupants of a Unit under the applicable declaration of condominium or declaration of covenants and restrictions.

(s) "Mortgage" shall mean and refer to any mortgage encumbering one or more Units. The term "Mortgagee" shall mean and refer to the holder of such Mortgage.

(t) "Neighborhood Association" shall mean any association, other than the Community Association or Country Club Association hereunder, created or to be created to administer specific portions of The Properties and common areas or elements lying within such portions pursuant to a declaration of condominium or declaration of covenants and restrictions encumbering such portions. In the case of a rental building(s), the owner thereof shall perform the functions of a Neighborhood Association for same.

(u) "Owner" shall mean and refer to only the person or persons or entity or entities, including the Declarant and all Developers, holding fee simple interests of record, to any Unit situated within The Properties, including sellers under executory contracts of sale, but excluding those having such interests merely as security for the performance of an obligation.

(v) "The Properties" shall mean and refer to all existing properties, and additions thereto, as are now or hereafter made subject to this Declaration, except such as are withdrawn from the provisions hereof in accordance with the procedures set forth in this Declaration.

(w) "Supplemental Declaration" shall mean and refer to an instrument executed by the Declarant and recorded in the Public Records for the purpose of adding to The Properties, withdrawing any portion(s) thereof from the effect of this Declaration or designating a portion of The Properties as a Common Area or Area of Common Responsibility hereunder.

(x) "Unit" shall mean and refer to (i) any unit in a condominium located within The Properties (ii) any individual parcel of land within The Properties which is shown as an individual lot for development of single family attached or detached non-condominium homes on the various site plans (or similar plans) or plats adopted or designated by the Declarant from time to time (iii) any apartment, townhome or other dwelling unit held and occupied on a rental basis and (iv) any other structure (other than one located within the Common Areas) that has been or may be erected on any parcel of land within The Properties, which land is designated by the Declarant by a Supplemental Declaration to be subject to this Declaration (and to the extent the Declarant is not the Owner thereof, then by the Declarant joined by the Owner thereof). In the event that a portion of The Properties which (i) is not Common Areas and (ii) does not contain Units for which a Certificate(s) of Occupancy has been issued, then such portion shall be deemed to contain, for purposes of voting, assessments and other applicable requirements hereof, the number of Units equal to the number of dwelling units permitted to be constructed thereon by applicable land use codes, ordinances, regulations and approvals. In the event that a building permit is issued for

such portion which designates a different number of Units, then upon the issuance of such permit the portion of The Properties affected thereby shall be deemed to contain the number of units recited in such permit.

The foregoing definitions shall be applicable to this Declaration and the Articles and By-Laws unless otherwise expressly provided herein to the contrary. All references in this instrument to recording data refer to the Public Records of Palm Beach County, Florida.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION: SUPPLEMENTAL DECLARATIONS

Section 1. Legal Description. The initial real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Palm Beach County, Florida, is more particularly described in Exhibit "A" hereto and shall initially constitute The Properties. To the extent all or any portion thereof is not owned by the Declarant, the respective Owners thereof shall have joined in this Declaration for the purpose of subjecting that portion of The Properties owned by each of them to this Declaration.

Section 2. Supplements. The Declarant may from time to time bring other land under the provisions of this Declaration by recorded Supplemental Declaration (which shall not require the consent of the Owners or the Community Association) and thereby add to The Properties. It is the present intention of the Declarant that all real property within the general "Bridgepointe at Broken Sound" development owned by the Declarant or its affiliates shall eventually be made a part of The Properties (as more narrowly defined herein), but the foregoing shall not limit the ability to subject additional lands hereto. Nothing in this Declaration shall, however, obligate the Declarant to add to the initial portion of The Properties or Declarant or any Developer to develop future portions of The Properties under a common scheme, nor to prohibit the Declarant or a Developer from rezoning and changing the development plans with respect to such future portions. With respect to property not owned by the Declarant and its affiliates, the Declarant shall have the right to impose (and retain for its own account) fees for the privilege of allowing such other property to be made subject to this Declaration as aforesaid.

Section 3. Withdrawal. The Declarant reserves the right to amend this Declaration unilaterally at any time, without prior notice and without the consent of any person or entity other than the City of Boca Raton (the approval of which shall be required) for the purpose of removing certain portions of The Properties then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent included originally in error or as a result of any changes whatsoever in the plans for The Properties desired to be effected by the Declarant; provided, however, that such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for The Properties and does not delete any parking, accessways or amenities required to be constructed by the Declarant or any Developer, pursuant to governmental order or agreement.

Section 4. Common Areas. In the event of any doubt, conflict or dispute as to whether any portion of The Properties is or is not a Common Area (or Area of Common Responsibility) under this Declaration or a common area/element of a Neighborhood Association, the Declarant may, without the consent of the Community Association or the Owners, record in the Public Records a Supplemental Declaration resolving such issue and such

Supplemental Declaration shall be dispositive and binding. After the Declarant no longer owns any portion of The Properties, the Community Association may, without the consent of the Owners, record the aforesaid Supplemental Declaration which shall have the same dispositive and binding effect, and also may, by Supplemental Declaration, designate additional Areas of Common Responsibility. Notwithstanding the foregoing, no Supplemental Declaration may change the common elements of a condominium.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION: INTERPRETATION

Section 1. Membership. Every person or entity who/which is an Owner, including the Declarant, shall be a Member of the Community Association. Notwithstanding the foregoing, any such person or entity who merely holds record ownership as security for the performance of an obligation shall not be a Member of the Community Association.

Section 2. Voting Rights. The Community Association shall have the classes of membership provided for in the Articles, the votes of the individual Members to be cast by them as also provided in the Articles of Incorporation and By-Laws.

Section 3. General Matters. Except when specifically provided to the contrary, when reference is made in this Declaration, or in the Articles, By-Laws, Rules and Regulations, management contracts or otherwise, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of the Members which are or may be cast by them at a duly constituted meeting thereof (i.e., one for which proper notice has been given and at which a quorum has been attained) or by proxy (general or limited) or ballot, except where otherwise required by law.

Section 4. Interpretation. The provisions of this Declaration as well as those of the Articles, By-Laws and any rules and regulations of the Community Association shall be interpreted by the Board of Directors. Any such interpretation of the Board which is rendered in good faith shall be final, binding and conclusive if the Board receives a written opinion of legal counsel to the Community Association, or the counsel having drafted this Declaration or other applicable document, that the interpretation is not unreasonable, which opinion may be rendered before or after the interpretation is adopted by the Board. Notwithstanding any rule of law to the contrary, the provisions of this Declaration and the Articles, By-Laws and the Rules and Regulations of the Association shall be liberally construed so as to effectuate the purposes herein expressed with respect to the efficient operation of the Association and The Properties, the preservation of the value of the Units and the protection of the Declarant's and Developers' activities herein contemplated.

ARTICLE IV

COMMON AREAS: CERTAIN EASEMENTS AND CONSTRUCTION BY DEVELOPERS

Section 1. Ownership. The Common Areas are hereby dedicated to the joint and several use, in common, of the Declarant and the other Owners of the Units that may from time to time constitute part of The Properties, in the manner specified in this Declaration, and all of the Declarant's and such Owners' Member's Permittees, all as provided and regulated herein or otherwise by the Community Association (subject to applicable exemptions therefrom in favor of the Declarant and Developers). When all Improvements proposed by the Declarant to be constructed

within The Properties have been completed and conveyed to the Owners, or sooner at the Declarant's option exercisable from time to time as to any portion or all of the Common Areas, the Declarant, or its applicable assignee, shall convey and transfer (or cause to be conveyed and transferred) the record fee simple title to the Common Areas (except the Areas of Common Responsibility) to the Community Association, and the Community Association shall be deemed to have automatically accepted such conveyance, holding title for the Members as stated in the preceding sentence. Beginning upon the date these covenants are recorded, the Community Association shall be responsible for the maintenance of all Common Areas (whether or not conveyed or to be conveyed to the Community Association) in a continuous and satisfactory manner without cost to the general taxpayers of Pinellas County or the City of Clearwater. It is intended that all real estate taxes assessed against that portion of the Common Areas owned or to be owned by the Community Association shall be (or have been, based upon the purchase prices of the Units and non-Common Area land already having taken into account their proportionate shares of values of the Common Areas) proportionally assessed against and payable as part of the taxes on the Units or other non-Common Area land within The Properties. However, in the event that, notwithstanding the foregoing, any such taxes are assessed directly against the Common Areas, the Community Association shall be responsible for the payment (subject to protest or appeal before or after payment) of same, including taxes on any Improvements and any personal property thereon accruing from and after the date this Declaration is recorded, and such taxes shall be prorated between the Declarant (or the then Declarant-affiliated Owner thereof) and the Community Association as of the date of such recordation.

The Declarant and its affiliates shall have the right from time to time to enter upon the Common Areas and other portions of The Properties (including, without limitation, common areas/elements of Neighborhood Associations) for the purpose of the installation, construction, reconstruction, repair, replacement, operation, expansion and/or alteration of any Improvements or facilities on or serving the Common Areas or elsewhere in The Properties that the Declarant and its designees (including specifically designated Developers), as appropriate, elect to effect, and the Declarant and its affiliates shall have the right to use the Common Areas for offices, sales, displays and signs during the period of construction and sale of any of the land owned by the Declarant and its affiliates within The Properties. All of the foregoing shall apply notwithstanding the fact that the Community Association holds title to the applicable Common Areas as of any relevant time.

Section 2. Easements. Each Member of the Community Association, each Member's Permittee, and each Developer and its contractors, subcontractors and designees, shall have a permanent and perpetual non-exclusive easement for the use and enjoyment of all Common Areas for the ultimately intended purposes in common with all other such parties, their tenants, agents and invitees.

All such Owners' and Member's Permittees' rights of use and enjoyment are subject to the following:

(a) Easements over and upon the Common Areas in favor of all Neighborhood Associations and their members, provided, however, that this subsection shall not in itself be deemed to grant any easements or use rights which are not specifically granted elsewhere herein or in any other documents to which The Properties is now or hereafter made subject.

(b) The right and duty of the Community Association to levy Assessments against each Unit for the purpose of maintaining the Common Areas and facilities in compliance

with the provisions of this Declaration and with the restrictions on any plats of portions of The Properties from time to time recorded.

(c) The right of the Community Association to allow Owners to reserve facilities for private parties and to require damage and "clean-up" deposits for same.

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

(e) The right of the Community Association, by an affirmative vote or written consent of at least 66 2/3% of the votes entitled to be cast on behalf of the Members at a duly constituted meeting thereof, to dedicate portions of the Common Areas to the Country Club Association, a Neighborhood Association or a public or quasi-public agency, community development district or similar entity under such terms as the Community Association deems appropriate and, by majority vote of the Board of Directors of the Community Association, to contract with Palm Beach County, the City of Boca Raton and community development and special taxing districts for lighting, roads, irrigation, recreational or other services deemed appropriate by the Community Association (to which such creation or contract all Members hereby consent).

(f) Anything to the contrary in this Declaration notwithstanding, the Declarant shall have the right to permit persons other than Members to use the Common Areas and any recreational facilities that may be constructed thereon under such terms as the Declarant, its successors and assigns, may from time to time desire, all without interference from the Community Association.

(g) The right of the Declarant and the Community Association to have, reserve, grant and use general ("blanket") and specific easements over, under and through the Common Areas.

(h) The right of the Community Association to acquire by purchase, lease or otherwise, one or more Units for occupancy by its employees or independent contractors.

(i) The right of the Community Association to take such other actions which the Board of Directors shall deem advisable with respect to The Properties to the extent permitted hereunder and under law.

Section 3. Easements Appurtenant. The easements provided in Section 2 shall be appurtenant to and shall pass with the title to each Unit, subject to automatic divestment as to any areas withdrawn from The Properties as provided in this Declaration.

Section 4. Maintenance. The Community Association shall at all times maintain in good repair, operate, manage and insure, and shall replace as often as necessary, the Common Areas (including, without limitation, Areas of Common Responsibility), any and all Improvements situated on the Common Areas (upon completion of construction by the Declarant or its affiliates, if applicable), including, but not limited to, all recreational facilities and swimming pools, landscaping, paving, drainage structures, private roads, walkways, if any, street lighting fixtures and appurtenances, sidewalks, but not public utilities (to the extent same have not been made Common Areas), all such work to be done as

ordered by the Board of Directors of the Community Association. Maintenance of street lighting fixtures within the Common Areas shall be performed by the Community Association, and such maintenance shall include and extend to the payment for electricity consumed in their illumination. Without limiting the generality of the foregoing, the Community Association shall assume all of the Declarant's, its affiliates' (and its and their predecessors') responsibility to Palm Beach County, the City of Boca Raton and any other governmental or quasi-governmental agency or authority of any kind with respect to the Common Areas, including, but not limited to, roads and drainage systems and shall indemnify the Declarant and its affiliates and hold the Declarant and its affiliates harmless with respect thereto.

All work pursuant to this Section 4 and all expenses hereunder or otherwise allocated to the Community Association shall be paid for by the Community Association through Assessments imposed in accordance herewith. The Community Association, on behalf of itself and/or all or appropriate Neighborhood Associations, shall have the power to incur, by way of contract or otherwise, expenses general to all or applicable portions of The Properties, and the Community Association shall then have the power to allocate portions of such expenses among the Community Association and/or the Neighborhood Associations, based on such formula as may be adopted by the Community Association or as otherwise provided in this Declaration. The portion so allocated to the Community Association or any Neighborhood Association shall be deemed a Common Expense thereof, collectible through its own assessments. No Member may waive or otherwise escape liability for the Assessments for such maintenance by non-use (either voluntary or involuntary) of the Common Areas or abandonment of his right to use the Common Areas.

The Community Association shall have the right to employ or contract with a Management Company (which may be an affiliate of the Declarant) to perform all or any part of the duties and responsibilities of the Community Association.

Section 5. Utility and Community Systems Easements. The Declarant and its designees shall have a perpetual easement over, upon and under the Common Areas and the unimproved portions of the balance of The Properties for the installation, operation, maintenance, repair, replacement, alteration and extension of Community Systems and such utility and other systems as the Declarant shall deem appropriate to have located within The Properties.

Section 6. Public Easements. Fire, police, health and sanitation and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas, but only in the performance of their respective duties.

Section 7. Title to Areas of Common Responsibility. In the event that any property is declared to be an Area of Common Responsibility, title to such property shall remain vested in the owner(s) thereof from time to time and such property may be conveyed, encumbered, leased or otherwise dealt with by such owner(s) in its/their sole discretion and without the joinder or consent of the Community Association. In the event that such owner(s) constructs any Improvements to the applicable property which, as evidenced by written notice to the Community Association, is no longer to be maintained by the Community Association, then both the right and duty of the Community Association to perform such maintenance shall cease and terminate.

Section 8. Community Association's Right of Entry. The Community Association shall have an easement and right of entry on and in each Neighborhood Association common area/element during reasonable hours (and with at least twenty-four (24) hours prior

notice to the applicable Association, except in cases of emergency) for the purpose of correcting (by removal, repair or otherwise) any violation of this Declaration or of the Rules and Regulations of the Community Association.

Section 9. Community Systems. In light of the economic and other benefits intended to be achieved by providing Community Systems, all Unit Owners shall be bound by any agreement entered into by the Community Association for the provision of Community Systems, including any requirement that the Community Association act as collection agent for charges and fees thereunder. The Declarant shall have the right, but not the obligation, to convey, transfer, sell or assign all or any portion of the Community Systems located within The Properties, or all or any portion of the rights, duties or obligations with respect thereto to the Country Club Association, the Community Association, a Neighborhood Association or any other person or entity (including an Owner, as to any portion of a Community System located in his Unit). If and when any of the aforesaid entities receives such a conveyance, sale, transfer or assignment, such entity shall automatically be deemed vested with such rights of the Declarant with regard thereto as are assigned by the Declarant in connection therewith; provided, however, that if the Community Association is the applicable entity, then any Community Systems or portions thereof shall be deemed Common Areas hereunder and the Community Association's rights, duties and obligations with respect thereto shall be the same as those applicable to other Common Areas unless otherwise provided by the Declarant. Any conveyance, transfer, sale or assignment made by the Declarant pursuant to this Section (i) may be made with or without consideration, (ii) shall not require the consent or approval of the Community Association, the Neighborhood Association(s) or any Owner and (iii) if made to the Community Association, shall be deemed to have been automatically accepted (with all rights, duties, obligations and liabilities with respect thereto being deemed to have been automatically assumed).

WITH RESPECT TO COMMUNITY SYSTEMS, ALL PERSONS ARE REFERRED TO ARTICLE XIV, SECTION 17 HEREOF, WHICH SHALL AT ALL TIMES APPLY TO THIS SECTION.

Section 10. Construction on Common Areas by Developers. It is contemplated by Declarant that one or more Developers may construct certain improvements on the Common Areas for the benefit of the Owners and their Members' Permittees, although this shall not constitute an authorization to do so. Should such become the case, then:

- (i) The Developer shall comply in all respects with the Florida Construction Lien law including, without limitation, as to notices of commencement, affidavits and the like and shall not permit the Common Areas or any portion thereof to be subject to a lien which is not discharged or transferred to bond within ten (10) days of same being recorded.
- (ii) Any improvements constructed by a Developer upon the Common Areas shall be for the common use and enjoyment of all Owners and their Members' Permittees and shall not be set aside or restricted to the use solely by Owners/occupants of Units developed by such Developer or any other group consisting of less than all of the otherwise permitted users of the Common Areas hereunder.
- (iii) Without obviating, or limiting the general effect of Article XIV, Section 12 hereof, and notwithstanding any prior architectural approval granted by Declarant as to any improvements, Declarant shall not be liable or responsible in any manner whatsoever for any

improvements constructed on the Common Areas by a Developer.

ARTICLE V

COUNTRY CLUB ASSOCIATION

Section 1. Subordination. This Declaration, as well as the Articles of Incorporation, By-Laws and any Rules and Regulations of the Association, are and shall be subject and subordinate to the Country Club Covenants and any rules and regulations of the Country Club Association.

Section 2. Conflict. Without limiting the generality of the foregoing, no covenant, restriction, requirement, rule or regulation set forth herein or promulgated by the Association which is less restrictive than that imposed by or pursuant to the Country Club Covenants shall obviate or impair the more restrictive effect of the latter; provided, however, that any more restrictive provision hereof or of any rules or regulations of the Association shall be fully enforceable as against all persons and property subject to this Declaration and the jurisdiction of the Association.

Section 3. Assessments. The Association shall, unless otherwise instructed by the Country Club Association, collect all assessments imposed by the Country Club Association as a collection agent for same and shall promptly remit them to the Country Club Association in accordance with such procedures as the Country Club Association may require. In the event that the Association receives payments from Owners in undesignated lump sums, then from such sums the Association shall first remit the assessments due the Country Club Association and only then apply any remaining balance to the assessments due hereunder.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. Except as provided elsewhere herein, the Declarant (and each party joining in this Declaration or in any supplemental declaration), for each Unit owned by it (or them) within The Properties, hereby, respectively, covenant and agree, and each Owner of any Unit by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Community Association General Assessments for the maintenance, operation, management and insurance of the Common Areas (including, without limitation, Areas of Common Responsibility) and the Community Association as provided herein, including such reasonable reserves as the Community Association may deem necessary, and Capital Improvement and Special Assessments as also provided herein, all such Assessments to be fixed, established and collected from time to time as hereinafter provided. The aforesaid types of Assessments are more particularly described as:

(i) "Capital Improvement Assessment" shall mean and refer to a charge against each Owner and his Unit, representing a portion of the cost incurred by the Association for the acquisition, installation, construction or replacement (as distinguished from repairs and maintenance) of any capital improvements located or to be located on the Common Areas pursuant to the provisions of this Declaration.

(ii) "General Assessment" shall mean and refer to a charge against each Owner and his Unit, representing a portion of the total costs incurred by the Association in owning, maintaining, improving, repairing, replacing, insuring, managing and operating the Common Areas; and

(iii) "Special Assessment" shall mean or refer to a charge against each Owner and his Unit representing a portion of the costs incurred by the Association for specific purposes of a non-recurring nature which are not in the nature of capital improvements.

All Assessments, together with late charges, interest and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment is made. Each such Assessment, together with late charges, interest and costs of collection thereof as hereinafter provided, shall also be the personal obligation of all Owner(s) of such property from time to time.

Furthermore, each Owner of any Unit by acceptance of a deed therefor or other conveyance thereof, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to have assigned all rents, issues and profits (the "Collateral Assignment of Rents") on each such Unit to the Community Association, which Collateral Assignment of Rents shall be effective immediately and become absolute upon a default under the covenant to pay assessments contained herein, at which time the Community Association may exercise its rights thereunder.

Section 2. Rate of Assessment. General Assessments, Capital Improvement Assessments and Special Assessments shall be allocated to, and levied upon, the Units in equal shares, except as provided elsewhere herein.

Section 3. Purpose of Assessments. The Assessments levied by the Community Association shall be used to pay Common Expenses and generally, promote, in the reasonable opinion of the Board, the recreational opportunities of the Members of the Community Association and their Member's Permittees, to improve and maintain the Common Areas (including, without limitation, Areas of Common Responsibility) and to pay such other obligations of the Community Association as may be imposed hereby or otherwise become binding upon the Community Association and for such other purposes as are provided for in this Declaration.

Section 4. Capital Improvements. Funds in excess of the lesser of (i) \$60,000 or (ii) 10% of the then-current operating budget of the Association, in any one case, which are necessary for the addition or replacement of capital improvements (as distinguished from repairs and maintenance) relating to the Common Areas and which have not previously been collected as reserves or are otherwise available to the Community Association may be levied as Capital Improvement Assessments by the Community Association upon affirmative vote or written consent of at least two-thirds (2/3rds) of the votes entitled to be cast by the Members at a duly constituted meeting thereof. It is the intent of this Section that any capital improvements having a cost of less than the aforesaid amount be paid for by General Assessments, with an appropriate adjustment to the budget of the Community Association and the Assessments levied thereunder to be made, if necessary or a Special Assessment to be levied pursuant to Section 12 of this Article. In determining whether the aforesaid vote is required, the costs of maintaining the capital improvement in question shall not be included.

Section 5. Date of Commencement of General Assessments; Due Dates. The General Assessments provided for in this Article shall commence on the first day of the month next following the recordation of these covenants and shall be applicable through December 31 of such year. Each subsequent General Assessment shall be imposed for the year beginning January 1 and ending December 31. The General Assessments shall be payable in advance in monthly or quarterly installments as determined by the Board of Directors.

The due date of any Special Assessment or Capital Improvement shall be fixed in the Board or Association resolution authorizing such Assessment.

Section 6. Duties of the Board of Directors. The Board of Directors shall, per the By-Laws and subject to any limitations contained therein, fix the date of commencement and the amount of the General Assessment against each Unit for each year, to the extent practicable, at least thirty (30) days in advance of such year, and shall, at that time, prepare a roster of the Units, the Owners thereof and General Assessments applicable thereto, which shall be kept in the office of the Community Association and shall be open to inspection by any Member.

Written notice of the applicable General Assessment shall thereupon be sent to every Member subject thereto fifteen (15) days prior to the date the first payment at the then-established Assessment rate is due. In the event notice of changes in the General Assessment for a new period is not given, the General Assessment amount payable shall continue to be the same as the amount payable for the previous period, until changed in the manner provided for herein.

The Community Association shall upon demand at any time furnish to any Member liable for any type of Assessment a certificate in writing signed by an officer of the Community Association setting forth whether such Assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment of such Assessment to the Community Association therein stated to have been paid.

Section 7. Effect of Non-Payment of Assessment; the Personal Obligation; the Lien; Remedies of the Association. If any installment of a General Assessment is not paid on the dates when due (being the date specified by the Board from time to time), or if any other type of Assessment is not paid when due, then such Assessment (or the applicable installment thereof) shall become delinquent and shall, together with late charges, interest and the costs of collection thereof as hereinafter provided, thereupon become a continuing lien on the appropriate Unit, which shall bind such Unit in the hands of the then Owner, his heirs, personal representatives, successors and assigns and shall likewise entitle the Association to exercise its rights under the Collateral Assignment of Rents. Except as provided in Section 8 of this Article, the personal obligation of the then Owner to pay such Assessment shall pass to his successors in interest and recourse may be had against either or both.

The following provisions shall apply to any Assessment or installment thereof (as applicable, a "Payment") which is not paid when due:

(a) Any Payment not made within ten (10) days of the date same is due shall be subject to a single late charge of the greater of Twenty-Five Dollars (\$25.00) or five percent (5%) of the Payment;

(b) Any Payment which is not made within twenty (20) days of the date same is due shall bear interest at a rate equal to eighteen percent (18%) per annum, such interest to

run from the original due date to the date Payment (including all interest and late charges thereon) is made; and

(c) If any Payment is not made within thirty (30) days of the date same is due, the Association may, by written notice to the applicable Owner, accelerate the next twelve (12) months' installments of General Assessments, which shall be immediately due and payable upon receipt of such notice and shall bear interest as provided in subsection (b), above.

In the case of an acceleration of the next twelve (12) months' of installments, each installment so accelerated shall be deemed, initially, equal to the amount of the then most current delinquent installment, provided that if any such installment so accelerated would have been greater in amount by reason of a subsequent increase in the applicable budget, the Owner of the Unit whose installments were so accelerated shall continue to be liable for the balance due and payable by reason of such an increase and a Personal Assessment against such Unit shall be levied by the Community Association for such purpose.

In the event of the nonpayment of any Assessments hereunder, the Association, at its option, may bring an action at law against the Owner personally obligated to pay the same and/or may record and enforce a claim of the lien provided for herein against the Unit on which the Assessments (and other charges and interest) are unpaid and may proceed to foreclose that lien against such Unit as well as to exercise its rights under the Collateral Assignment of Rents provided for herein.

In addition to the rights of collection of Assessments stated in this Section, any and all persons acquiring the title to or the interest in a Unit as to which the Assessment is delinquent shall not be entitled to the occupancy of such Unit or the right to rent same to others until such time as all unpaid and delinquent Assessments due and owing from the selling Owner have been fully paid, and no sale or other disposition of Units shall be permitted until an estoppel letter is received from the Community Association acknowledging payment in full of all Assessments and other sums due; provided, however, that the provisions of this sentence shall not be applicable to the mortgagees and purchasers contemplated by Section 8 of this Article.

Unless delegated to a Neighborhood Association by the Community Association, it shall be the legal duty and responsibility of the Community Association to enforce payment of the Assessments hereunder, but the Board of Directors shall have the power to delay collection actions, waive late charges and/or interest and otherwise settle claims for Assessments, all in its reasonable judgment. Failure of a collecting entity to send or deliver bills or notices of Assessments shall not, however, relieve Owners from their obligations hereunder.

All Assessments, late charges, interest, penalties, fines, attorneys' fees and other sums provided for herein shall accrue to the benefit of the Community Association.

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

Section 8. Subordination of the Lien. Except as provided below, the lien of the Assessments and the Collateral Assignment of Rents provided for in this Article shall be subordinate to real property tax liens and to the lien of any first Mortgage on a Unit recorded prior to recordation of a claim of lien; provided, however, that any such Mortgagee when in possession or any

receiver, and in the event of a foreclosure, any purchaser at a foreclosure sale, and any such Mortgagee acquiring a deed in lieu of foreclosure, and all persons claiming by, through or under any such purchaser or such Mortgagee, shall hold title subject to the liability and lien of any Assessment coming due after such foreclosure (or conveyance in lieu of foreclosure). Notwithstanding the foregoing, a first mortgagee which acquires title to a Unit by foreclosure or by deed in lieu of foreclosure is liable for the unpaid assessments that became due prior to the Mortgagee's receipt of the deed or certificate of title; provided, however, that such liability is limited to a period not exceeding six (6) months but in no event in an amount more than one percent (1%) of the original mortgage debt. Such first mortgagee's liability for assessments does not commence until thirty (30) days after the date the first mortgagee received the last payment of principal or interest secured by its mortgage.

Any unpaid Assessment which cannot be collected as a lien against any Unit by reason of the provisions of this Section shall be deemed to be an Assessment divided among, payable by and a lien against all Units as provided in Section 1 of this Article, including the Unit as to which the foreclosure (or conveyance in lieu of foreclosure) took place. Liens and Collateral Assignments of Rents for Assessment under this Article shall also be subordinate to liens for assessments imposed by the Country Club Association but shall be superior to liens and collateral assignments of rents for assessments of the Neighborhood Associations. In the event only a portion of the Assessments of the Community Association and a Neighborhood Association are collected by one collective entity, the amount collected shall be applied first to Assessments of the Community Association and the balance, if any, shall then be paid to such Neighborhood Association.

Section 9. Collection of Assessments. Assessments levied pursuant hereto shall be collected in the manner established pursuant to Article XIII of this Declaration. In the event that at any time said manner provides for collection of Assessments levied pursuant hereto by an entity other than the Community Association, all references herein to collection (but not necessarily enforcement) by the Community Association shall be deemed to refer to the other entity performing such collection duties and the obligations of Owners to pay Assessments shall be satisfied by making such payments to the applicable collecting entity.

Section 10. Effect on the Declarant and Developers. Notwithstanding any provision of this Declaration to the contrary, the following shall control the Assessment obligations of the Declarant and any Developer:

(i) No property owned by the Declarant which is (a) not submitted to this Declaration or (b) a Common Area shall be subject to Assessments hereunder.

(ii) As to any other portion of The Properties (i.e., that containing or being deemed to contain Units) owned by the Declarant, the Declarant shall be excused from the payment of assessments for so long as it, by separate agreement with, or representations to, purchasers of Units (a) guarantees that the Assessments payable by such parties shall not increase above the level prescribed by the Declarant and (b) in lieu of paying such Assessments, agrees to fund the excess of Common Expenses (including reserves) over Assessments receivable by the Association, in each case in accordance with the terms of such agreement or representation.

In computing deficits as aforesaid, initial "working capital" or other non-recurring contributions to the Association by purchasers of Units shall not be taken into account. Further,

the term of the aforesaid arrangement shall be as provided for in the agreement or representation creating same.

For purposes of the levying and payment of Assessments, a Developer and its property shall be treated as all other Owners (other than the Declarant); provided that as to land within The Properties owned by a Developer which is intended to, but does not, contain completed Units subjected to a Neighborhood Association, such land shall be deemed to contain, and shall be assessed and be subject to the lien, for as many Units as are permitted to be constructed thereon per the applicable approved site plan, building permit(s) or other governmental determination.

Section 11. Association Funds. The portion, if any, of General Assessments collected by the Community Association for reserves for future expenses shall be held by the Community Association and may be invested in interest bearing accounts or in certificates of deposit or other like instruments or accounts available at banks or savings and loan institutions, the deposits of which are insured by an agency of the United States.

Section 12. Special Assessments. In the event that the Board of Directors determines that it is necessary for the Community Association to obtain funds for a specific purpose(s) which is of a non-recurring nature, for which no reserve funds have been collected or allocated, and which is not the appropriate subject of a Capital Improvement Assessment, then the Board of Directors may levy a Special Assessment for such purpose. Such Special Assessment may, in the discretion of the Board of Directors, be payable in one lump sum or in appropriate installments.

Subject to the limitations set forth in the By-Laws, Special Assessments may also be used to collect funds for unforeseen increases in Common Expenses during a given fiscal year, in which case the applicable Special Assessment shall be payable in such installments as the Board of Directors shall elect.

Section 13. Collection of Fees for Other Services. The Community Association is empowered to act as a collection agent for charges which are common to all or most Unit Owners, including, without limitation, cable television charges which are billed directly to the Community Association, but shall not be deemed a Common Expense. Such fees shall be remitted to the Community Association by the Unit Owners, together with the Assessments, and then paid by the Community Association to the appropriate service provider. Such payments, however, shall continue to be the responsibility of the Unit Owners and the Community Association shall not be liable to the service provider for the payment of same nor shall the Community Association be liable to the Unit Owners for the performance of the service(s) for which it collects payments.

ARTICLE VII

ENFORCEMENT OF DECLARATION AND RULES AND REGULATIONS

Section 1. Compliance by Members. Every Member and Member's Permittee shall comply with the covenants and restrictions of this Declaration and any and all rules and regulations adopted by the Community Association as contemplated herein.

Section 2. Enforcement. Failure to comply with such covenants, restrictions, rules or regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums due for damages, injunctive relief or any combination thereof.

Section 3. Fines. In addition to all other remedies, in the sole discretion of the Board of Directors of the Community Association, a fine or fines may be imposed upon Member for failure of Member or his Member's Permittees to comply herewith or with any rule or regulation, provided the following procedures are substantially adhered to:

(a) **Notice:** The Community Association shall notify the Member of the infraction or infractions. Included in the notice shall be the date and time of a special meeting of the Board of Directors at which time the Member shall present reasons why a fine(s) should not be imposed. At least six (6) days' notice of such meeting shall be given.

(b) **Hearing:** The non-compliance shall be presented to the Board of Directors after which the Board of Directors shall hear reasons why a fine should not be imposed. A written decision of the Board of Directors shall be submitted to the Member by not later than twenty-one (21) days after the Board of Directors' meeting. The Member shall have a right to be represented by counsel and to cross-examine witnesses. If the impartiality of the Board is in question, the Board shall appoint three (3) impartial Members to a special hearing panel.

(c) **Amounts of Fines:** Subject to any limitations imposed by law, the Board of Directors (if its or such panel's findings are made against the Member) may impose fines against the Member and his Unit as follows:

(i) A single non-compliance or violation: a fine not in excess of One Hundred Dollars (\$100.00).

(ii) Third and subsequent non-compliance, or violation or violations which are of a continuing nature after notice thereof (even if in the first instance): a fine of fifty dollars (\$50.00) per day but not in a total amount in excess of One Thousand Dollars (\$1,000.00).

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

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

(f) **Non-exclusive Remedy:** These fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Community Association may be otherwise legally entitled; however, any fine paid by the offending Member shall be deducted from or offset against any damages which the Community Association may otherwise be entitled to recover by law from such Member.

ARTICLE VIII

DAMAGE OR DESTRUCTION TO COMMON AREAS

Damage to or destruction of all or any portion of the Common Areas shall be handled in the following manner, notwithstanding any provision in this Declaration to the contrary:

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

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

(b) If the insurance proceeds are within One Million Dollars (\$1,000,000.00) or less of being sufficient to effect total restoration of the Common Areas, then the Community Association shall cause such portions of the Common Areas to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a Capital Improvement Assessment against each of the Owners in proportion to their respective rates of Assessment, in accordance with the provisions of this Declaration.

(c) If the insurance proceeds are insufficient by more than One Million Dollars (\$1,000,000.00) to effect total restoration of the Common Areas, then by written consent or vote of a majority of each class of the Members, they shall determine whether (1) to rebuild and restore the Common Areas in substantially the same manner as they existed prior to damage and to raise the necessary funds over the insurance proceeds by levying Capital Improvement Assessments against all Members, (2) to rebuild and restore in a way which is less expensive than replacing these Improvements in substantially the same manner as they existed prior to being damaged, or (3) subject to the approval of the Board, to not rebuild and to retain the available insurance proceeds. Anything to the contrary herein notwithstanding, no decision not to rebuild or to rebuild in a manner which would result in a change in the Improvements shall be effective without the written approval of the Board, which can require rebuilding as it deems appropriate.

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

ARTICLE IX

INSURANCE

Section 1. Common Areas. The Community Association shall keep all Improvements, facilities and fixtures located within the Common Areas insured against loss or damage by fire or other casualty for the full insurable replacement value thereof (with reasonable deductibles and normal exclusions for land, foundations, excavation costs and similar matters), and may obtain insurance against such other hazards and casualties as the Community Association may deem desirable. The Community Association may also insure any other property, whether real or personal, owned by the Community Association, against loss or damage by fire and such other hazards as the Community Association may deem desirable, with the Community Association as the owner and beneficiary of such insurance for and on behalf of itself and all Members. The insurance coverage with respect to the Common Areas shall be written in the name of, and the proceeds thereof shall be payable to, the Community Association. Insurance proceeds shall be used by the Community Association for the repair or replacement of the property for which the insurance was

carried. Premiums for all insurance carried by the Community Association are Common Expenses included in the General Assessments made by the Community Association.

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

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

The Community Association shall also maintain flood insurance in an amount equal to the lesser of 100% of the replacement costs of all insurable improvements within the Common Areas or the maximum amount of coverage available under the National Flood Insurance Program.

Section 2. Replacement or Repair of Property. In the event of damage to or destruction of any portion of the Common Areas, the Community Association shall repair or replace the same from the insurance proceeds available, subject to the provisions of Article VIII of this Declaration.

Section 3. Waiver of Subrogation. As to each policy of insurance maintained by the Community Association which will not be voided or impaired thereby, the Community Association hereby waives and releases all claims against the Board, the Members, the Management Company, the Declarant and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

Section 4. Liability and Other Insurance. The Community Association shall have the power to and shall obtain comprehensive public liability insurance, including medical payments, liquor liability and malicious mischief, with coverage of at least \$1,000,000.00 for any single occurrence, insuring against liability for bodily injury, death and property damage arising from the activities of the Community Association or with respect to property under its jurisdiction, including, if obtainable, a cross liability endorsement insuring each Member against liability to each other Member and to the Community Association and vice versa and coverage for legal liability resulting from lawsuits related to employment contracts shall also be maintained. The Community Association may also obtain worker's compensation insurance and other liability insurance as it may deem desirable, insuring each Member and the Community Association and its Board of Directors and officers, from liability in connection with the Common Areas, the premiums for which shall be Common Expenses and included in the General Assessments made against the Members.

The Board shall also obtain such errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board or the Management Company against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board or any committee thereof. At a minimum, however, there shall be blanket fidelity bonding of anyone (compensated or not) who handles or is responsible for funds held or administered by the Community Association, with the Community Association to be an obligee thereunder. Such bonding shall cover the maximum funds to be in the hands of the Community Association or Management Company during the time the bond is in force. In addition, the fidelity bond coverage must at least equal the sum of three (3) months' General Assessments, plus all reserve funds.

Section 5. Group Purchase of Insurance. In order to effect economies of scale, the Community Association may, but shall not be required to, act as the purchasing and claims settlement agent for any Neighborhood Association(s) within The Properties in the procurement of insurance covering such Neighborhood Association(s), the Community Association and the properties within their respective jurisdictions. In such event, each such Neighborhood Association shall be responsible for collecting and remitting its proportionate share of insurance premiums to the Community Association for the payment thereof to the applicable insurance company or companies. One or more members of the Board may also act as an insurance trustee for any Neighborhood Association(s).

The Board shall endeavor to (i) determine and communicate to each applicable Neighborhood Association all anticipated annual insurance premiums prior to such Neighborhood Association's adoption of the budget for the year in which such premiums are to be paid and (ii) obtain any contractual undertakings from the applicable insurance company or companies as are necessary to reflect and effectuate the purpose of this Section including, but not limited to: allocations of coverage and deductibles; cross-liability between or among the Community Association and/or the Neighborhood Association(s) and/or their respective members; and potential withdrawals of, or cancellations as to, the Neighborhood Association(s) from the group purchasing arrangement contemplated by this Section.

The Community Association shall handle or compromise any claims involving more than one Neighborhood Association (or one or more Neighborhood Association and the Community Association) under any insurance policies purchased pursuant to this Section, if it elects to do so upon request of one or more Neighborhood Association (which request shall be deemed to have automatically been made if any Neighborhood Association elects to obtain insurance through the Community Association as contemplated in this Section). Without limiting or abrogating the generality and effect of the last paragraph of this Section, each Neighborhood Association shall first execute and deliver to the Community Association an appropriate indemnification and hold harmless agreement pertaining thereto.

In the event of a dispute as to any matter connected with insurance under this Section between or among the Community Association and/or a Neighborhood Association(s), the decision of the Board shall be controlling unless overridden by a majority of all Neighborhood Associations having insurance coverage purchased pursuant to this Section or, if with regard to a claim(s), having damage which is the subject matter of a claim(s).

Nothing herein contained and nothing done by the Community Association in connection herewith shall create any liability on the part of the Community Association or its directors, officers, Members, employees or agents to any Neighborhood Association or its members. The sole duty of the Community Association hereunder shall be to coordinate the purchase of insurance on a group basis and the adjustment of claims thereunder, it being the duty of each Neighborhood Association to review and accept or reject insurance policies as same apply thereto on the basis of the coverage, terms, conditions and premiums of such insurance and the compliance thereof with the requirements and needs of the Neighborhood Association.

Notwithstanding anything in this Section to the contrary, the purchasing and administration of the Community Association's insurance shall at all times be conducted in a manner consistent with the Florida Condominium Act. Without limiting the generality of the foregoing, no monies received by the Community Association for the payment of insurance premiums or received as proceeds of

such insurance shall be commingled with the funds of any other association.

ARTICLE I

MORTGAGEE PROTECTION

The following provisions are added hereto (and to the extent these added provisions conflict with any other provisions of the Declaration, these added provisions shall control):

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

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

(c) Unless at least 66-2/3% of first Mortgagees (based upon one vote for each Mortgage owned), and the Members holding at least two-thirds (2/3rds) of the votes entitled to be cast thereby, have given their prior written approval, neither the Community Association nor the Owners shall:

(i) by act or omission seek to sell or transfer the Common Areas and any Improvements thereon which are owned by the Community Association (the granting of easements for utilities or for other such purposes consistent with the intended use of such property by the Community Association or the Declarant or the transfer of the Common Areas to another similar association of the Owners in accordance with the Articles of Incorporation of the Community Association or dedication of such property to the public shall not be deemed a transfer within the meaning of this clause);

(ii) change the basic methods of determining the obligations, Assessments, dues or other charges which may be levied against a Unit, except as provided herein with respect to future Units;

(iii) by act or omission, waive or abandon any scheme of regulations, or enforcement thereof,

pertaining to the architectural design or the exterior appearance of property within The Properties;

(iv) fail to maintain fire and extended insurance on insurable portions of the Common Areas as provided herein; or

(v) use hazard insurance proceeds for losses to any Common Areas for other than the repair, replacement or reconstruction of the Improvements (except as contemplated herein).

ARTICLE XI

REBATE RESTRICTIONS

Section 1. Estoppel Certificate. No conveyance of a Unit, by parties other than the Declarant or Institutional Mortgagees, shall be valid unless a certificate executed and acknowledged by an officer of the Association, stating that all Assessments levied against such Unit have been paid in full, is recorded together with the instrument of conveyance. The Board of Directors shall furnish such certificate upon receipt from the Unit Owner of a request form (which will be prepared by the Association) setting forth the proposed purchaser's name, notice address and date of closing. The new Owner may not take occupancy of the Unit until he has delivered or caused to be delivered a copy of his deed to the Unit to the Association.

Section 2. Applicability to Declarant and Others. The provisions of this Article XI shall not be applicable to Declarant, a Developer or a Mortgagee.

ARTICLE XII

USE RESTRICTIONS

All real property comprising The Properties shall be held, used and enjoyed subject to the following limitations and restrictions, subject to the exemption of the Declarant herefrom, which exemption is hereby made to all sections of this Article XII.

Section 1. Nuisances. No noxious or offensive activity shall be carried on in any Buildings, other Improvements, Neighborhood Association common areas/elements or Common Areas located in The Properties, nor shall anything be done therein which may be or become an unreasonable annoyance or a nuisance to any Owner. No loud noises or noxious odors shall be permitted in any such Building, Unit or on the Common Areas, and the Board of Directors shall have the right to determine in accordance with the By-Laws if any equipment, fixture, improvement, materials or activity producing such noise or odor constitutes a nuisance. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smokey vehicles, large power equipment or large power tools, unlicensed off-road motor vehicles or any items which may unreasonably interfere with television or radio reception of any Owner shall be located, used or placed on any portion of such Buildings, Units or Common Areas, or be exposed to the view of other Owners, without the prior written approval of the Board of Directors.

Section 2. Signs. No sign, poster, display, billboard or other advertising device of any kind shall be displayed to the public view on any portion of the Buildings, Units or on the Common Areas without the prior written consent of the Board of Directors, except signs, regardless of size, used by the

Declarant, its successors or assigns or a party developing any portion of The Properties, for advertising during the provided construction, sale and or leasing activities and except for signs installed as part of the initial construction of a Building and replacement of such signs (similar or otherwise).

Section 3. Vehicular Restrictions and Towing. Parking in The Properties shall be restricted to private automobiles and passenger-type vans and jeeps, and only within the parking areas therein designed and/or designated for such purpose. No Owner shall conduct repairs (except in an emergency) or restorations of any vehicle upon any portion of The Properties including, without limitation, minor repairs and maintenance such as oil changes.

No commercial vehicles, or campers, mobile homes, motorhomes, house trailers or trailers of every other description, recreational vehicles, boats, boat trailers, horse trailers or vans, shall be permitted to be parked or to be stored at any place within The Properties nor in dedicated areas, except in spaces for some or all of the above specifically designated by the Declarant or the Community Association, if any. No Owner shall keep any other vehicle on the Common Areas which is deemed a nuisance by the Board. For purposes of this Section, "commercial vehicles" shall mean those which are not designed and used for customary, personal/family purposes. The absence of commercial-type lettering or graphics on a vehicle shall not be dispositive as to whether it is a commercial vehicle. The prohibitions on parking contained in this Section shall not apply to temporary parking of commercial vehicles, such as for construction use or providing pick-up and delivery and other commercial services nor to any vehicles of the Declarant, or their affiliates. No on-street parking or parking on landscaped areas shall be permitted.

Subject to applicable laws and ordinances, any vehicle parked in violation of these or other restrictions contained herein or in the rules and regulations may be towed by the Community Association at the sole expense of the owner of such vehicle if such vehicle remains in violation for a period of 24 hours from the time a notice of violation is placed on the vehicle. The Community Association shall not be liable to the owner of such vehicle for trespass, conversion or otherwise, nor guilty of any criminal act, by reason of such towing and once the notice is posted, neither its removal, nor failure of the owner to receive it for any other reason, shall be grounds for relief of any kind. For purposes of this paragraph, "vehicle" shall also mean campers, mobile homes and trailers. An affidavit of the person posting the aforesaid notice stating that it was properly posted shall be conclusive evidence of proper posting.

Section 4. Animal Restriction. No animals, wildlife, livestock, reptiles or poultry of any kind shall be raised, bred or kept within The Properties for commercial purposes. Domestic pets shall be limited to only those permitted by the Neighborhood Association and shall only be permitted on those portions of the Common Areas designated by the Community Association, if any, and then only when leashed and otherwise in compliance with any applicable rules and regulations of the Community Association.

Section 5. Trash. No rubbish, trash, garbage or other waste material shall be kept or permitted on The Properties except in containers located in appropriate areas, if any, and no odor shall be permitted to arise therefrom so as to render The Properties or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. Appropriate flexibility shall be afforded food service operations, however. No clothing or household fabrics shall be hung, dried or aired, and no lumber, grass, shrub or tree clippings or plant waste, metals, bulk material or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any

portion of The Properties, except within an enclosed structure appropriately screened from view erected for that purpose, if any.

Section 6. Temporary Buildings; Further Parking Limitations. No outbuilding, basement, tent, shack, shed or other temporary building or improvement of any kind shall be placed upon any portion of The Properties, either temporarily or permanently. No trailer, camper, motor home or recreation vehicle shall be used as a residence, either temporarily or permanently, or parked in The Properties.

Section 7. Other Facilities. Nothing shall be altered or constructed in or removed from the Common Areas, except upon the written consent of the Board of Directors.

Section 8. Leases. An Owner shall be jointly and severally liable with his tenant for any amount which is required to affect repairs or replacements to the Common Areas caused by the tenant. All leases of Units shall be automatically deemed to include a covenant on the part of the tenant to comply with, and be fully bound by, the provisions of this Declaration and the Rules and Regulations of the Community Association. This Section shall also apply to subleases of Units and assignments of leases.

Section 9. Outside Installations; Exterior Building Alterations. No radio station or shortwave operations of any kind shall operate from any Building, Unit or the Common Areas. No exterior radio antenna, television antenna or other antenna of any type shall be erected or maintained in the Buildings or elsewhere on The Properties, except that a master antenna or antennae and other equipment, or cable television antenna or antennae, may be provided for the use of Owners, and the Declarant and the Community Association may grant and hereby reserves easements for such purposes.

Subject to Section 12, below, no Owner or occupant of a Unit shall alter the exterior of the building in which it is contained on the common elements/common areas thereof. Rather, any such alteration may be made only by the applicable Neighborhood Association and then only in compliance with (i) all governmental requirements and (ii) the approval of the Country Club Association through its Architectural Review Board.

Section 10. Insurance Rates. Nothing shall be done or kept in the Common Areas which will increase the rate of insurance on any property insured by the Community Association without the approval of the Board, nor shall anything be done or kept in the Buildings, on the Units or on the Common Areas which would result in the cancellation of insurance on any property insured by the Community Association or which would be in violation of any law.

Section 11. Neighborhood Common Area and Common Element Maintenance; Maintenance of Certain Other Land. The Neighborhood Associations have an affirmative duty to maintain the in common areas/elements in a neat, orderly and attractive manner which shall meet, at a minimum, the standard established for the overall appearance of The Properties. Without limiting the generality of the foregoing, the Community Association may require specific maintenance or repairs or aesthetic changes to be effected, require that a proposed budget include certain items and that expenditures be made therefor, veto or cancel any contract providing for maintenance, repair or replacement of the property governed by such Neighborhood Association and otherwise require or veto any other action as the Community Association deems appropriate from time to time.

Any action required by the Community Association to be taken by a Neighborhood Association shall be taken within the time frame set by the Community Association in such written notice. If the Neighborhood Association fails to comply with the requirements set

forth in such written notice, the Community Association shall have the right to effect such action on behalf of the Neighborhood Association and shall assess the Units and Units governed by the Neighborhood Association for their pro-rata share of any expenses incurred by the Community Association in connection therewith, together with an administrative charge to be determined by the Community Association under the circumstances (to cover the Community Association's administrative expenses in connection with the foregoing and to discourage the Neighborhood Association from failing to comply with the requirements of the Community Association). Such Assessments may be collected as Special Assessments against all Units within the applicable Neighborhood Association and shall be subject to all lien rights and the Collateral Assignment of Rents provided for herein.

Any non-Common Area land owned by the Declarant, a Developer or any other party shall be the maintenance responsibility of such Owner. Such land shall be maintained in a neat and clean manner but with due regard for the fact that it is vacant or under construction (e.g., vacant land need not be landscaped, but shall be kept reasonably free of weeds, refuse and overgrowth).

Section 12. Hurricane Protection. No type of hurricane protection may be installed in or around the Units other than hurricane shutters approved by the Board of Directors. The Board of Directors shall adopt hurricane shutter specifications for each building, which specifications shall include color, style and other factors deemed relevant by the Board. All such specifications shall be consistent with applicable building codes and the Board shall not refuse to approve the installation or replacement of hurricane shutters conforming to such specifications.

Section 13. Window and Door Treatments. No reflective film or tinting shall be installed on any windows or glass doors except any necessary to replace or restore tinting of glass surfaces as originally installed.

Section 14. Drilling. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted in or on The Properties, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted. No derrick or other structure designed for use in boring for water, oil, natural gas or minerals shall be erected, maintained or permitted on or around The Properties.

Section 15. Documents. All Owners shall be obligated to deliver the documents originally received from the Declarant, containing this and other declarations and documents, to any grantee of such Owners.

Section 16. Variances. The Board of Directors may authorize variances from compliance with any of the foregoing use restrictions of or the Association's Rules and Regulations for good cause shown, as reasonably determined by the Association's Board of Directors. No variance granted as aforesaid shall, however, alter, waive or impair the operation or effect of the provisions of this Article or of the Rules and Regulations in any instance in which such variance is not granted, be it with other affected parties or the party to whom/which the variances is granted in other circumstances.

Section 17. Garage Conversion Prohibited. No garage shall be converted into living space or otherwise altered so as to prevent its use for vehicular parking at the capacity originally constructed.

Section 18. Declarant and Developers. The Declarant and/or any Developers and their successors or assigns will undertake the work of constructing Buildings, Units and Improvements relating

thereto. The completion of that work and the sale, rental and other disposal of Units is essential to the establishment and welfare of The Properties as a community. As used in this Section and its subparagraphs, the words "successors or assigns" specifically do not include purchasers of completed Units. In order that said work may be completed and The Properties established as a fully occupied community as rapidly as possible, no Owner nor the Community Association shall do anything to interfere with the aforesaid activities. Without limiting the generality of the foregoing, nothing in this Declaration or the Articles or By-Laws shall be understood or construed to:

(a) Prevent the Declarant and/or any Developer, their successors or assigns, or its or their contractors or subcontractors, from doing on any property owned by them whatever they determine to be necessary or advisable in connection with the completion of said work, including without limitation, the alteration of construction plans and designs as they deem advisable in the course of development (all models or sketches showing plans for future development of The Properties may be modified at any time and from time to time, without notice);

(b) Prevent any of such parties from erecting, constructing and maintaining on any property owned or controlled by them, such structures as may be reasonably necessary for the conduct of their business of completing said work and establishing The Properties as a community and disposing of the same by sale, lease or otherwise;

(c) Prevent the any of such parties from conducting on any property owned or controlled by them the business of developing, subdividing, grading and constructing Improvements on The Properties and of disposing of Units therein by sale, lease or otherwise;

(d) Prevent any of such parties from determining in their sole discretion the nature of any type of Improvements to be initially constructed as part of The Properties; or

(e) Prevent any of such parties from maintaining such sign or signs on any property owned or controlled by any of them as may be necessary in connection with the sale, lease or other marketing of Units, or otherwise from taking such other actions deemed appropriate.

ARTICLE XIII

RELATIONSHIP OF COMMUNITY ASSOCIATION AND NEIGHBORHOOD ASSOCIATIONS

Section 1. Preamble. In order to ensure the orderly development, operation and maintenance of The Properties and the properties subject to the administration of the Neighborhood Associations as integrated parts of The Properties, this Article has been promulgated for the purposes of (1) giving the Community Association certain powers to effectuate such goal, (2) providing for intended (but not guaranteed) economies of scale and (3) establishing the framework of the mechanism through which the foregoing may be accomplished.

Section 2. Cumulative Effect; Conflict. The covenants, restrictions and provisions of this Declaration shall be cumulative with those of the Neighborhood Associations and the Community Association may, but shall not be required to, enforce the latter; provided, however, that in the event of conflict between or among such covenants, restrictions and provisions, or

any Articles of Incorporation, By-Laws, Rules and Regulations, policies or practices adopted or carried out pursuant thereto, those of the Neighborhood Associations shall be subject and subordinate to this Declaration and the Articles, By-Laws and Rules and Regulations of the Community Association. The foregoing priorities shall apply, but not be limited to, the liens for Assessments created in favor of the Community Association and the Neighborhood Associations as provided for herein. As to any Neighborhood Association which is a condominium association, no duties of same hereunder shall be performed or assumed by the Community Association if same are required by law to be performed by the Neighborhood Association and no such Neighborhood Association shall be required to perform any duties beyond its lawful authority.

Section 3. Maintenance and Use Restrictions. All Unit maintenance requirements and use restrictions provided for in or pursuant to this Declaration shall, initially, be exercised and enforced by the Community Association. However, the Community Association may delegate to a Neighborhood Association(s) all or any part of such rights/duties, on an exclusive or non-exclusive basis, upon written notice recorded in the Public Records of Palm Beach County, Florida.

Section 4. Collection of Assessments. The Neighborhood Associations shall, initially, collect all Assessments and other sums due the Community Association and the applicable Neighborhood Association from the members thereof. The Neighborhood Association will remit the Assessments so collected to the respective payees pursuant to such procedures as may be adopted by the Community Association. The sums so collected shall be applied first to the Assessments of the Community Association and then to those of the collecting Neighborhood Association. No sums collected by a Neighborhood Association on behalf of the Community Association shall be deemed a common expense of the collecting Neighborhood Association.

Notwithstanding the priority of disbursements of collected lump sums as provided above, all Capital Improvement Assessments, Special Assessments, interest, late charges, recovered costs of collection and other extraordinary impositions shall be remitted to the respective entity imposing same separate and apart from the priorities established above.

The Community Association shall notify the various Neighborhood Associations, by written notice given at least thirty (30) days in advance, of any changes in the amounts of the Assessments due it or the frequency at which they are to be collected. The aforesaid notice period shall also apply to Capital Improvement Assessments, but may be as short as five (5) days before the next-due General Assessment installment in the case of Special Assessments of the Community Association.

The Neighborhood Associations shall not be required to record liens or take any other actions with regard to delinquencies in Assessments payable to the Community Association unless the Community Association gives them written notice of its election to have them do so. In the event that the Community Association does, however, make such election, then all of the Community Association's rights of enforcement provided in this Declaration shall be deemed to have automatically vested in the applicable Neighborhood Association, but all costs and expenses of exercising such rights shall nevertheless be paid by the Community Association (which shall be entitled to receive payment of any such costs and expenses which are ultimately recovered).

The Community Association may, from time to time by sixty (60) days' prior written notice to the affected Neighborhood Association(s), change the procedures set forth in this Section 4 in whole or in part. Such change may include, without limita-

tion, the assumption by the Community Association of all or some of the collection functions (including those for a Neighborhood Association) provided for herein or in the declaration for a Neighborhood Association(s) (to which assumption the Neighborhood Association and its members shall be deemed to have automatically agreed).

All fidelity bonds and insurance maintained by a Neighborhood Association shall reflect any duties performed by it pursuant hereto and the amounts to be received and disbursed by it and shall name the Community Association as an obligee/insured party for so long as its Assessments are being collected and remitted by the Neighborhood Association.

To the extent lawful, a Neighborhood Association may delegate, or contract for the performance of, any duties performed by it pursuant hereto to/with a Management Company approved by the Community Association, provided that (1) the Neighborhood Association shall remain ultimately liable hereunder, (2) the Management Company, as well as the Neighborhood Association, shall comply with the requirements of the foregoing paragraph and (3) the approval of the Management Company may be withdrawn, with or without cause, at any time upon thirty (30) days' prior written notice. Any management agreement or similar contract entered into by the Neighborhood Association shall be subject to the provisions of this Article and shall not require the Neighborhood Association to pay fees for the performance of duties which would otherwise be delegated to the Management Company in connection with this Article if such duties are performed by the Community Association as provided above.

In the event of any change in Assessment collection procedures elected to be made by the Community Association, the relative priorities of Assessment remittances and liens (i.e., the Community Association first and the applicable Neighborhood Association second) shall nevertheless still remain in effect, as shall the Community Association's ability to modify or revoke its election from time to time.

Section 5. Delegation of Other Duties. Subject to Section 2 of this Article, the Community Association shall have the right to delegate to a Neighborhood Association, on an exclusive or non-exclusive basis, such additional duties not specifically described in this Article as the Community Association shall deem appropriate. Such delegation shall be made by written notice to the Neighborhood Association, which shall be effective no earlier than thirty (30) days from the date it is given. Any delegation made pursuant hereto may be modified or revoked by the Community Association at any time.

Section 6. Acceptance of Delegated Duties. Whenever the Community Association delegates any duty to a Neighborhood Association pursuant to this Article, the Neighborhood Association shall be deemed to have automatically accepted same and to have agreed to indemnify, defend and hold harmless the Community Association for all liabilities, losses, damages and expenses (including attorneys' fees actually incurred and court costs, through all trial, administrative and appellate levels) arising from or connected with the Neighborhood Association's performance, non-performance or negligent performance thereof.

Section 7. Expense Allocations. The Community Association may, by written notice given to the affected Neighborhood Association at least thirty (30) days prior to the end of the Neighborhood Association's fiscal year, allocate and assess to a Neighborhood Association a share of the Common Expenses incurred by the Community Association which are reasonably allocable to the Neighborhood Association and/or the portion of The Properties within its jurisdiction (e.g., for street lighting systems). In such event, the Common Expenses so allocated shall thereafter be

deemed common expenses of the Neighborhood Association payable by it (with assessments collected from its members) to the Community Association.

In the event of a failure of a Neighborhood Association to budget or assess its members for Common Expenses allocated as aforesaid, the Community Association shall be entitled to pursue all available legal and equitable remedies against the Neighborhood Association or, without waiving its right to the foregoing, specially assess the members of the Neighborhood Association and their Units for the sums due (such special Assessments, as all others, to be secured by the lien provided for in this Declaration).

Section 8. Non-Performance of Neighborhood Association Duties. In addition to the specific rights of the Community Association provided in Section 7, above, and subject to the limitations set forth in Section 2 of this Article, in the event that a Neighborhood Association fails to perform any duties delegated to, or required of, it under this Declaration or to otherwise be performed by it pursuant to its own declaration, articles of incorporation, by-laws or related documents, which failure continues for a period in excess of thirty (30) days after the Community Association's giving notice thereof, then the Community Association may, but shall not be required to, assume such duties. In such event, the Neighborhood Association shall not perform such duties unless and until such time as the Community Association directs it to once again do so.

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

ARTICLE XIV

GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind The Properties, and shall inure to the benefit of and be enforceable by the Declarant, the Community Association, any Neighborhood Association, the Owner of any property subject to this Declaration and the Architectural Control Committee, and their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the then Owners of 75% the mortgagees of 100% of the Units, and the Country Club Association agreeing to revoke said covenants has been recorded and the Community Association has given its prior written consent thereto. No such agreement to revoke shall be effective unless made and recorded in advance of the effective date of such agreement and unless written notice of the proposed agreement is sent to every Member at least thirty (30) days in advance of any action taken.

Notwithstanding any of the foregoing, or any other provision of this Declaration (including, without limitation, Article IV, Section 2(f) and similar provisions of the By-Laws) to the contrary, this Declaration may be terminated by an instrument to such effect executed solely by Declarant and recorded in the Public Records of Palm Beach County, Florida if, but only if:

- (1) there is only one (1) Neighborhood Association and same governs all Units within The Properties;

- (ii) the Common Areas are conveyed to such Neighborhood Association, which Declarant may do (or cause Association to do) without the joinder or consent of any other party; and
- (iii) such Neighborhood Association accepts and assumes substantially all of the duties of the Community Association hereunder to operate, maintain, repair, replace, administer and insure the Common Areas.

The foregoing unilateral Declarant's rights of termination and conveyance, subject to the conditions thereof, shall vest in the Community Association upon the termination of the Declarant's right to appoint any members of the Board of Directors, but may be exercised only upon the vote or written agreement of a majority of all of the Owners (rather than a majority of the votes cast at a meeting thereof).

Upon the termination of this Declaration, the Community Association shall cease to have or exercise any of the powers or duties hereunder, regardless of any separate recitation thereof in the Articles of Incorporation or By-Laws. It is the intention hereof that upon or immediately after termination, the Community Association shall be dissolved or merged with the sole Neighborhood Association then in existence.

Section 2. Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Community Association for the purpose of service of such notice, or to the Unit of such person if no address has been given to the Community Association. Such address may be changed from time to time by notice in writing to the Community Association.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be accomplished by means of a proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure of the Community Association, the Declarant, the Country Club Association, any Neighborhood Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. These covenants may also be enforced by any architectural control committee of a Neighborhood Association established in other covenants that may from time to time be recorded.

Section 4. Severability. Invalidation of any one of these covenants or restrictions or any part, clause or word hereof, or the application thereof in specific circumstances, by judgment or court order shall not affect any other provisions or applications in other circumstances, all of which shall remain in full force and effect.

Section 5. Amendment. In addition, but subject, to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges and liens of this Declaration may be amended, changed or added to at any time and from time to time upon the execution and recordation of an instrument executed by the Declarant, for so long as it or its affiliate holds title to any Unit or Units affected by this Declaration; or alternatively, by an instrument signed by the President of the Community Association, attested to by its Secretary and certifying that the amendment set forth in the instrument was adopted by the affirmative vote or written consent

of at least two-thirds (2/3rds) of the votes entitled to be cast by the Members at a duly constituted meeting thereof, provided that so long as the Declarant or any of its affiliates is the Owner of any Unit affected by this Declaration, the Declarant's consent must be obtained if such amendment, in the sole opinion of the Declarant, affects its interest. In the event Arvida/JMB Partners is not the Declarant any time, no amendment nevertheless may be made which, in its opinion, adversely affects its interest without its consent. The foregoing sentence may not be amended.

Section 6. Conflict. This Declaration shall take precedence over conflicting provisions in the Articles of Incorporation and the By-Laws, the Articles shall take precedence over the By-Laws and all three (3) instruments shall take precedence over any conflicting rules and regulations.

Section 7. Effective Date. This Declaration shall become effective upon its recordation in the Palm Beach County Public Records.

Section 8. Standards for Consent, Approval, Completion, Other Action and Interpretation. Whenever this Declaration shall require the consent or other action by the Declarant or its affiliates, the Community Association or a Neighborhood Association such consent, approval or action may be withheld in the sole and unfettered discretion of the party requested to give such consent or approval or take such action, and all matters required to be completed or substantially completed by the Declarant or its affiliates, the Community Association shall be deemed so completed or substantially completed when such matters have been completed or substantially completed in the reasonable opinion of the Declarant or the Community Association, as appropriate.

Section 9. Easements. Should the intended creation of any easement provided for in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to be so created shall nevertheless be considered as having been granted directly to the Community Association as agent for such intended grantees for the purpose of allowing the original party or parties to whom the easements were originally to have been granted the benefit of such easement and the Members designate hereby the Declarant and the Community Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such Members' behalf as may hereafter be required or deemed necessary for the purpose of later creating such easement as it was intended to have been created herein. Formal language of grant or reservation with respect to such easements, as appropriate, is hereby incorporated in the easement provisions hereof to the extent not so recited in some or all of such provisions.

Section 10. No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Common Areas to the public, or for any public use.

Section 11. Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Unit or other portion of The Properties shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, conditions and covenant contained herein, whether or not any reference hereto is contained in the instrument by which such person acquired an interest in such Unit or other property.

Section 12. WARRANTIES AND WAIVER OF JURY TRIAL. NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, HAVE BEEN GIVEN OR MADE BY THE DECLARANT OR ITS AGENTS OR

EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE COMMON AREAS, THEIR PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAW, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IN CONNECTION WITH THE SUBDIVISION, CONSTRUCTION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF OR IN CONNECTION WITH DECLARANT'S OPERATION OF THE COMMUNITY ASSOCIATION.

ALL OWNERS, BY VIRTUE OF THEIR ACCEPTANCE OF TITLE TO THEIR RESPECTIVE UNITS (WHETHER FROM THE DECLARANT OR ANOTHER PARTY) SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ALL OF THE AFORESAID DISCLAIMED WARRANTIES.

ALL OWNERS AND MEMBERS' PERMITTERS, BY ACCEPTANCE OF TITLE TO, OR POSSESSORY OR OTHER RIGHTS IN, THEIR UNITS SHALL BE DEEMED TO HAVE WAIVED ALL RIGHTS OF TRIAL BY JURY AS TO ALL CLAIMS AGAINST DECLARANT ARISING FROM OR CONNECTED WITH THIS DECLARATION OR ANY MATTERS REGARDING THE PROPERTIES.

Section 13. Covenants Running with the Land. Anything to the contrary herein notwithstanding and without limiting the generality (and subject to the limitations) of Section 1 hereof, it is the intention of all parties affected hereby (and their respective heirs, personal representatives, successors and assigns) that these covenants and restrictions shall run with the land and with title to The Properties. Without limiting the generality of Section 4 hereof, 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 the parties affected hereby (that these covenants and restrictions run with the land as aforesaid) be achieved.

Section 14. Applicability of Condominium Act. This Declaration has been made with the understanding that the Community Association is subject to the Florida Condominium Act, Chapters 718, Florida Statutes, by virtue of Florida Statute 718.103(2). Accordingly, in the event of conflict between this Declaration and its exhibits (including the Articles of Incorporation and By-Laws of the Association) and said Statute, said Statute shall control, as shall any conflicting provisions of the Florida Administrative Code promulgated pursuant thereto. However, in the event that the Community Association's status as aforesaid changes (e.g., by virtue of the admission of members who/which own non-condominium residential units) then the foregoing shall no longer apply.

Section 15. Acquisition and Improvement of Property. It is the intention hereof, as well as of the Articles of Incorporation and By-Laws, that among the Community Association's powers as a Florida corporation not for profit shall be the power to acquire, improve and dispose of real and personal property. Subject only to the provisions hereof requiring votes of Members for Capital Improvement Assessments and the disposition of Common Areas, the Community Association may exercise the aforesaid powers upon the decision to do so made by a majority vote of the Board of Directors and without the joinder or consent of the Members or any Neighborhood Association, but subject to the prior written approval of the Declarant for so long as it owns any Unit.

Section 16. Disclaimer of Association Liability NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BY-LAWS, ANY RULES OR REGULATIONS OF THE ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING OR BINDING THE

ASSOCIATION (COLLECTIVELY, THE "ASSOCIATION DOCUMENTS"), THE ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF THE PROPERTIES INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

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

(b) THE ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN AGENCY WHICH ENFORCES OR ENSURES COMPLIANCE WITH THE LAWS OF THE STATE OF FLORIDA, THE CITY OF CLEARWATER OR PINELLAS COUNTY OR THE PREVENTION OF TORTIOUS ACTIVITIES.

EACH UNIT OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS UNIT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE PROPERTIES (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USE) SHALL BE BOUND BY THIS ARTICLE AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED IN THIS ARTICLE. EACH OWNER DOES HEREBY RELEASE THE DECLARANT, ALL DEVELOPERS AND THE ASSOCIATION FROM ALL LIABILITY FROM INJURY AND/OR ACCIDENTAL DEATH DUE TO HURRICANE CONDITIONS AND ALL EFFECTS AND RESULTS THEREOF.

AS USED IN THIS ARTICLE, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING THE COMMUNITY ASSOCIATION, THE COUNTRY CLUB ASSOCIATION, ALL NEIGHBORHOOD ASSOCIATIONS AND ALL OF THEIR RESPECTIVE DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES), SUBCONTRACTORS, SUCCESSORS AND ASSIGNS.

THE PROTECTIONS OF THIS SECTION SHALL IN ALL RESPECTS INURE, ALSO, TO THE BENEFIT OF THE DECLARANT AND ALL DEVELOPERS.

Section 17. Notices and Disclaimers as to Community Systems. The Declarant, the Country Club Association, the Community Association or the Neighborhood Associations, or their successors, assigns or franchisees and any applicable cable telecommunications system operator (an "Operator"), may enter into contracts for the provision of security services through any Community Systems. THE DECLARANT, DEVELOPERS, THE COUNTRY CLUB ASSOCIATION, THE COMMUNITY ASSOCIATION, THE NEIGHBORHOOD ASSOCIATIONS 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 CATV 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 SERVICED BY THE COMMUNITY SYSTEMS ACKNOWLEDGES THAT DECLARANT, THE COMMUNITY ASSOCIATION, THE NEIGHBORHOOD ASSOCIATIONS OR ANY SUCCESSOR, ASSIGN OR FRANCHISEE OF THE DECLARANT OR ANY OF THE OTHER AFORESAID ENTITIES AND ANY OPERATOR, ARE NOT INSURERS OF THE OWNER 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 the Declarant, the Community Association, the Neighborhood Associations 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 service provider. Every owner or occupant of property obtaining security services through the Community Systems further agrees for himself, his grantees, tenants, guests, invitees, licensees, and family members that if any loss or damage should result from a failure of performance or operation, or from defective performance or operation, or from improper installation, monitoring or servicing of the system, or from negligence, active or otherwise, of the security service provider or its officers, agents, or employees, the liability, if any, of the Declarant, the Community Association, the Neighborhood Associations, any franchisee of the foregoing and the Operator or their successors or assigns, for loss, damage, injury or death sustained shall be limited to a sum not exceeding Two Hundred Fifty and No/100 U.S. Dollars (\$250.00), 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 the Declarant, the Community Association, the Neighborhood Associations or any franchisee, successor or assign of any of same or any Operator. Further, in no event will the Declarant, the Community Association, the Neighborhood Associations, 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 any refund, rebate, discount or offset in applicable fees, for any interruption in Community Systems services, regardless of whether or not same is caused by reasons within the control of the then-provider(s) of such services.

Section 18. Government Approvals. The Properties shall be subject to and be bound by, and the Declarant and each Owner of any Unit by acceptance of a deed therefor or other conveyance thereof, whether or not it shall be so expressed in any such deed or other conveyance shall be deemed to be subject to and bound by, any development orders, zoning approvals and declarations of covenants or restrictions or similar documents binding any portion of The Properties.

Section 19. Country Clubs. Neither the Declarant, any Developer nor any representative or agent of either of them is authorized to make any representations as to the availability or terms of membership in any country or other type of club located in, or otherwise serving, the residents of the Broken Sound community. Accordingly, each Owner shall be deemed, by virtue of the acceptance of title to a Unit or other portion of The Properties, to have ratified and confirmed that no such representations have been made. All persons are hereby further notified that the acquisition of title to, or any other interest in, a Unit or other portion of The Properties does not vest in them any easement in (prescriptive or otherwise) or other right of use of, the land or facilities of any such club as described above.

EXHIBIT "A"

All of PARCEL 17 BROKEN SOUND OF UNIVERSITY
PARK P.U.D., according to the Plat thereof
recorded in Plat Book 68, Page 154 of the
Public Records of Palm Beach County, Florida.

NOT A CERTIFIED COPY

EXHIBIT "B"

ARTICLES OF INCORPORATION FOR
BRIDGEPOINTE COMMUNITY ASSOCIATION, INC.

The undersigned incorporator, for the purpose of forming a corporation not for profit pursuant to the laws of the State of Florida, hereby adopts the following Articles of Incorporation:

ARTICLE 1

NAME

The name of the corporation shall be BRIDGEPOINTE AT BROKEN SOUND COMMUNITY ASSOCIATION, INC. For convenience, the corporation shall be referred to in this instrument as the "Association", these Articles of Incorporation as the "Articles", and the By-Laws of the Association as the "By-Laws".

ARTICLE 2

PURPOSE

The purpose for which the Association is organized is to provide an entity for the operation of that certain real estate development located in Palm Beach County, Florida ("The Properties"), and subject to the Declaration of Community Covenants for Bridgepointe at Broken Sound (the "Declaration").

ARTICLE 3

DEFINITIONS

The terms used in these Articles shall have the same definitions and meaning as those set forth in the Declaration unless herein provided to the contrary, or unless the context otherwise requires.

ARTICLE 4

POWERS

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

- 4.1 General. The Association shall have all of the common-law and statutory powers of a corporation not for profit under the Laws of Florida that are not in conflict with the provisions of these Articles, the Declaration or the By-Laws.
- 4.2 Enumeration. The Association shall have all of the powers and duties set forth in Florida law, and all of the powers and duties reasonably necessary to operate The Properties pursuant to the Declaration and as more particularly described in the By-Laws, as they may be amended from time to time, including, but not limited to, the following:
 - (a) To make and collect Assessments and other charges against members as Owners, and to use the proceeds thereof in the exercise of its powers and duties.

- (b) To buy, accept, own, operate, lease, sell, trade and mortgage both real and personal property in accordance with the Declaration.
 - (c) To maintain, repair, replace, reconstruct, add to and operate the Common Areas, and other property acquired or leased by the Association.
 - (d) To purchase insurance upon the Common Areas and insurance for the protection of the Association, its officers, directors and Owners.
 - (e) To make and amend reasonable rules and regulations for the maintenance, conservation and use of the Common Areas and for the health, comfort, safety and welfare of the Owners.
 - (g) To enforce by legal means the provisions of the Act, the Declaration, these Articles, the By-Laws, and the rules and regulations for the use of the Common Areas.
 - (h) To contract for the management and maintenance of the Common Areas and to authorize a management agent (which may be an affiliate of the Declarant) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Areas with such funds as shall be made available by the Association for such purposes.
 - (i) To employ personnel to perform the services required for the proper operation of The Common Areas.
- 4.3 Association Areas. All funds and the title to all properties acquired by the Association and their proceeds shall be held for the benefit and use of the members in accordance with the provisions of the Declaration, these Articles and the By-Laws.
- 4.4 Distribution of Income; Dissolution. The Association shall make no distribution of income to its members, directors or officers, and upon dissolution, all assets of the Association shall be transferred only to another non-profit corporation or a public agency or as otherwise authorized by the Florida Not for Profit Corporation Statute.
- 4.5 Limitation. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions hereof and of the Declaration and the By-Laws provided that in the event of conflict, the provisions of the Declaration shall control over the provisions hereof and of the By-Laws.

ARTICLE 5

MEMBERS

- 5.1 Membership. The members of the Association shall consist of all of the record title owners of Units in The Properties from time to time, and after termination of the Declaration, shall also consist of those who were members at the time of such termination, and their successors and assigns.

5.2 Assignment. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Unit for which that share is held.

5.3 Voting. On all matters upon which the membership shall be entitled to vote, there shall be only one (1) evote for each Unit, which vote shall be exercised or cast in the manner provided by the Declaration and By-Laws. Any person or entity owning two (2) or more residential Units shall be entitled to one vote for each Unit owned.

Notwithstanding the foregoing, and any other provision of these Articles to the contrary, for so long as the Declarant owns any portion of The Properties (even if only Common Areas), it shall have one (1) vote, plus two (2) votes for every one (1) vote which may be cast by the other Owners (including any Developer).

5.4 Meetings. The By-Laws shall provide for an annual meeting of members, and may make provision for regular and special meetings of members other than the annual meeting.

ARTICLE 6

TERM OF EXISTENCE

The Association shall have perpetual existence.

ARTICLE 7

INCORPORATOR

The name and address of the Incorporator of this Corporation is:

NAME

ADDRESS

ARTICLE 8

OFFICERS

The affairs of the Association shall be administered by the officers holding the offices designated in the By-Laws. The officers shall be elected by the Board of Directors of the Association at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. The By-Laws may provide for the removal from office of officers, for filling vacancies and for the duties and qualifications of the officers. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

President:

George C. Yeonas

5398 Jog Road
Boca Raton, Florida 33496

Vice President:

Sandy Matteson

5398 Jog Road
Boca Raton, Florida 33496

Secretary/Treasurer:

Ira A. Martin

5398 Jog Road
Boca Raton, Florida 33496

ARTICLE 9

DIRECTORS

- 9.1 Number and Qualification. The property, business and affairs of the Association shall be managed by a board consisting of the number of directors determined in the manner provided by the By-Laws, but which shall consist of not less than three (3) nor more than five (5) directors. Directors, other than designees of the Declarant, must be members of the Association.
- 9.2 Duties and Powers. All of the duties and powers of the Association existing under the Act, the Declaration, these Articles and the By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by Owners when such approval is specifically required.
- 9.3 Election; Removal. Directors of the Association shall be elected at the annual meeting of the members, and may be elected to staggered terms, in the manner determined by and subject to the qualifications set forth in the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.
- 9.4 Term of Declarant's Directors. The Declarant of the shall appoint the members of the first Board of Directors and their replacements who shall hold office for the periods described in the By-Laws.
- 9.5 First Directors. The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have taken office, as provided in the By-Laws, are as follows:

| <u>NAME</u> | <u>ADDRESS</u> |
|------------------|--|
| George C. Yeonas | 5398 Jog Road Boca Raton, Florida 33496 |
| Sandy Matteson | 5398 Jog Road Boca Raton, Florida 33496 |
| Ira A. Martin | 5398 Jog Road Boca Raton, Florida 33496 |

ARTICLE 10

INDEMNIFICATION

- 10.1 Indemnity. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, employee, officer or agent of the Association, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, unless (a) a court of competent jurisdiction determines, after all available appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith or in a manner he reasonably believed to be not in, or opposed to, the best interest of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (b) such court further specifically determines that indemnification should be denied. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or did act in a manner which he reasonably believed to be not in or opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.
- 10.2 Expenses. To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 10.1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.
- 10.3 Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the affected director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article 10.
- 10.4 Miscellaneous. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of members or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and personal representatives of such person.
- 10.5 Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving, at the request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted

against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

- 10.6 Amendment. Anything to the contrary herein notwithstanding, the provisions of this Article 10 may not be amended without the prior written consent of all persons whose interest would be adversely affected by such amendment.

ARTICLE 11

BY-LAWS

The first By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided in the By-Laws and the Declaration.

ARTICLE 12

AMENDMENTS

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

- 12.1 Notice. Notice of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered and shall be otherwise given in the time and manner provided in Chapter 617, Florida Statutes. Such notice shall contain the proposed amendment or a summary of the changes to be affected thereby.
- 12.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than one-third (1/3) of the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing the approval is delivered to the Secretary at or prior to the meeting. The approvals must be:
- (a) by not less than a majority of the votes of all of the members of the Association represented at a meeting at which a quorum thereof has been attained and by not less than 66-2/3% of the entire Board of Directors; or
 - (c) by not less than 100% of the entire Board of Directors.
- 12.3 Limitation. No amendment shall make any changes in the qualifications for membership, nor in the voting rights or property rights of members, nor any changes in Sections 4.3, 4.4 or 4.5 of Article 4, entitled "Powers", without the approval in writing of all members and the joinder of all record owners of mortgages upon Units. No amendment shall be made that is in conflict with the Act, the Declaration or the By-Laws, nor shall any amendment make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of or of either reserved to the Declarant or any Developer, or an affiliate of Declarant, unless the affected party shall join in the execution of the amendment. No amendment to this paragraph 12.3 shall be effective.

12.4 Declarant Amendments. To the extent lawful, the Declarant may amend these Articles consistent with the provisions of the Declaration allowing certain amendments to be effected by the Declarant alone.

12.5 Recording. A copy of each amendment shall be filed with the Secretary of State pursuant to the provisions of applicable Florida law, and a copy certified by the Secretary of State shall be recorded in the public records of Palm Beach County, Florida with an identification on the first page thereof of the book and page of said public records where the Declaration is recorded.

ARTICLE 13

INITIAL REGISTERED OFFICE:
ADDRESS AND NAME OF REGISTERED AGENT:
PRINCIPAL OFFICE

The initial registered office of this corporation shall be at 7900 Glades Road, Suite 200 Boca Raton, Florida 33439 with the privilege of having its office and branch offices at other places within or without the State of Florida. The initial registered agent at that address shall be Ted R. Brown.

Until changed, the principal office and mailing address of the Community Association shall be 7900 Glades Road, Suite 200 Boca Raton, Florida 33439, attention: John Baric.

IN WITNESS WHEREOF, the Incorporator has affixed his signature the day and year set forth below.

/s/ Ted R. Brown

TED R. BROWN

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

The foregoing instrument was acknowledged before me this _____ day _____, 1992 by _____ who ☐ is personally known to me or ☐ has produced _____ as identification and who did not take an oath.

My commission expires: _____

Notary Public, State of Florida
Print Name: _____
Commission No.: _____

[NOTARIAL SEAL]

**BY-LAWS
OF
BRIDGEPOINT AT BROKEN SOUND COMMUNITY ASSOCIATION, INC.**

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

1. **Identity.** These are the By-Laws of **BRIDGEPOINT AT BROKEN SOUND COMMUNITY ASSOCIATION, INC.**, a corporation not for profit incorporated under the laws of the State of Florida, and organized for the purposes set forth in its Articles of Incorporation.
 - 1.1 **Fiscal Year.** The fiscal year of the Association shall be the twelve month period commencing January 1st and terminating December 31st of each year.
 - 1.2 **Seal.** The seal of the Association shall bear the name of the corporation, the word "Florida", the words "Corporation Not for Profit", and the year of incorporation.
2. **Definitions.** For convenience, these By-Laws shall be referred to as the "By-Laws" and the Articles of Incorporation of the Association as the "Articles". The other terms used in these By-Laws shall have the same definitions and meanings as those set forth in the Declaration of Community Covenants for Bridgepointe at Broken Sound, unless herein provided to the contrary, or unless the context otherwise requires.
3. **Members.**
 - 3.1 **Annual Meeting.** The annual members' meeting shall be held on the date, at the place and at the time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and, to the extent possible, no later than twelve (12) months after the last preceding annual meeting. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors, and to transact any other business authorized to be transacted by the members, or as stated in the notice of the meeting sent to Owners in advance thereof. Unless changed by the Board of Directors, the first annual meeting shall be held in the month of December following the year in which the Declaration is recorded.
 - 3.2 **Special Meetings.** Special members' meetings shall be held at such places as provided herein for annual meetings, and may be called by the President or by a majority of the Board of Directors of the Association, and must be called by the President or Secretary upon receipt of a written request from a majority of the members of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting. Special meetings may also be called by Owners in the manner provided for in the Act. Notwithstanding the foregoing: (i) as to special meetings regarding the adoption of the Condominium's estimated operating budget, reference should be made to Section 10.1 of these By-Laws; and (ii) as to special meetings regarding recall of Board members, reference should be made to Section 4.3 of these By-Laws.
 - 3.3 **Participation by Owners.** Subject to the following and such further reasonable restrictions as may be adopted from time to time by the Board, Owners shall have the

right to speak at the annual and special meetings of the Owners, committee meetings which make budgetary recommendations to the Board or act on its behalf and meetings of the Board itself, in each case with respect to all designated agenda items. A Owner does not have the right to speak with respect to items not specifically designated on the agenda, provided, however, that the Board may permit an Owner to speak on such items in its discretion. Every Owner who desires to speak at a meeting may do so, provided that the Owner has filed a written request with the Secretary of the Association not less than 48 hours prior to the scheduled time for commencement of the meeting. Unless waived by the chairman of the meeting (which may be done in the chairman's sole and absolute discretion and without being deemed to constitute a waiver as to any other subsequent speakers), all Owners speaking at a meeting shall be limited to a maximum of three (3) minutes per speaker. Any Owner may tape record or videotape a meeting, subject to the following and such further reasonable restrictions as may be adopted from time to time by the Board:

- (a) The only audio and video equipment and devices which Owners are authorized to utilize at any such meeting is equipment which does not produce distracting sound or light emissions;
- (b) Audio and video equipment shall be assembled and placed in position in advance of the commencement of the meeting.
- (c) Anyone videotaping or recording a meeting shall not be permitted to move about the meeting room in order to facilitate the recording; and
- (d) At least 24 hours' prior written notice shall be given to the Secretary of the Association by any Owner desiring to make an audio or video taping of the meeting.

- 3.4 Notice of Meeting; Waiver of Notice. Notice of a meeting of members (annual or special), stating the time and place and the purpose(s) for which the meeting is called, shall also be given by the President or Secretary. A copy of the notice shall be posted at a conspicuous place on the Condominium Property. The notice of the annual meeting shall be hand delivered or sent by regular mail to each Owner, unless the Owner waives in writing the right to receive notice of the annual meeting by mail. The delivery or mailing shall be to the address of the member as it appears on the roster of members. Where a Unit is owned by more than one person, the Association shall provide notice, for meetings and all other purposes, to that one address initially identified for that purpose by the Declarant and thereafter as one or more of the Owners of the Unit shall so advise the Association in writing, or if no address is given or if the Owners disagree, notice shall be sent to the address for the Owner as set forth on the deed of the Unit. The posting and mailing of the notice for either special or annual meetings, which notice shall incorporate an identification of agenda items, shall be effected not less than fourteen (14) days, nor more than sixty (60) days, prior to the date of the meeting. The Board shall adopt by rule, and give notice to Owners of, a specific location on the Common Areas upon which all notices of members' meetings shall be posted.

Notice of specific meetings may be waived before or after the meeting and the attendance of any member (or person

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

An officer of the Association, or the manager or other person providing notice of the meeting shall provide an affidavit or United States Postal Service certificate of mailing, to be included in the official records of the Association, affirming that notices of meetings were posted and mailed or hand delivered in accordance with this Section and Section 718.112(2)(d) of the Act, to each Owner at the appropriate address for such Owner. No other proof of notice of a meeting shall be required.

- 3.5 Quorum. A quorum at members' meetings shall be attained by the presence, either in person or by proxy (limited or general), of persons entitled to cast in excess of 33 1/3% of the votes of members entitled to vote at the subject meeting, except as provided below with respect to elections of Directors.

3.6 Voting.

- (a) Number of Votes. Except as provided in Section 3.11 hereof, in any meeting of members, the Owners of Units shall be entitled to cast one vote for each Unit owned. The vote of a Unit shall not be divisible.
- (b) Majority Vote. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum shall have been attained shall be binding upon all Owners for all purposes, except where otherwise provided by law, the Declaration, the Articles or these By-Laws. As used in these By-Laws, the Articles or the Declaration, the terms "majority of the Owners" and "majority of the members" shall mean a majority of the votes entitled to be cast by the members and not a majority of the members themselves and shall further mean more than 50% of the then total authorized votes present in person or by proxy and voting at any meeting of the Owners at which a quorum shall have been attained. Similarly, if some greater percentage of members is required herein or in the Declaration or Articles, it shall mean such greater percentage of the votes of members and not of the members themselves.
- (c) Voting Member. If a Unit is owned by one person, that person's right to vote shall be established by the roster of members. If a Unit is owned by more than one person, those persons (including husbands and wives) shall decide among themselves as to who shall cast the vote of the Unit. In the event that those persons cannot so decide, no vote shall be cast. A person casting a vote for a Unit shall be presumed to have the authority to do so unless the President or the Board of Directors is otherwise notified. If a Unit is owned by a corporation, the

person entitled to cast the vote for the Unit shall be designated by a certificate signed by an appropriate officer of the corporation and filed with the Secretary of the Association. Such person need not be a Owner. Those certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. A certificate designating the person entitled to cast the vote for a Unit may be revoked by any record owner of an undivided interest in the Unit. If a certificate designating the person entitled to cast the vote for a Unit for which such certificate is required is not on file or has been revoked, the vote attributable to such Unit shall not be considered in determining whether a quorum is present, nor for any other purpose, and the total number of authorized votes in the Association shall be reduced accordingly until such certificate is filed.

- 3.7 Proxies. Votes to be cast at meetings of the Association membership may be cast in person or by proxy. Except as provided herein, Owners may not vote by general proxy, but may vote by limited proxies substantially conforming to the limited proxy form approved by the Division of Florida Land Sales, Condominiums and Mobile Homes (the "Division"). Limited proxies shall be permitted for votes taken to: waive or reduce reserves; waive financial statements; amend the Declaration, Articles or ByLaws; or for any other matter requiring or permitting a vote of Owners. General proxies may be used for other matters for which limited proxies are not required and may also be used in voting for nonsubstantive changes to items for which a limited proxy is required and given. A proxy may be made by any person entitled to vote, but shall only be valid for the specific meeting for which originally given and any lawful adjourned meetings thereof. In no event shall any proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the person executing it. A proxy must be in writing, signed by the person authorized to cast the vote for the Unit (as above described), name the person(s) voting by proxy and the person authorized to vote for such person(s) and filed with the Secretary before the appointed time of the meeting, or before the time to which the meeting is adjourned. Each proxy shall contain the date, time and place of the meeting for which it is given and, if a limited proxy, shall set forth the matters on which the proxy holder may vote and the manner in which the vote is to be cast. There shall be no limitation on the number of proxies which may be held by any person (including a designee of the Declarant). If a proxy expressly provides, any proxy holder may appoint, in writing, a substitute to act in its place. If such provision is not made, substitution is not permitted.

- 3.8 Adjourned Meetings. If any proposed meeting cannot be organized because a quorum has not been attained, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting. Except as required above, proxies given for the adjourned meeting shall be valid for the newly scheduled meeting unless revoked for reasons other than the new date of the meeting.

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

- (a) Call to order by President;
- (b) Processing and counting of ballots for positions on the Board of Directors;
- (c) Appointment by the President of a chairman of the meeting (who need not be a member or a director);
- (d) Proof of notice of the meeting or waiver of notice;
- (e) Reading of minutes;
- (f) Reports of officers;
- (g) Reports of committees;
- (h) Unfinished business;
- (i) New business;
- (j) Adjournment.

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

3.10 Minutes of Meeting. The minutes of all meetings of Owners shall be kept in a book available for inspection by Owners or their authorized representatives and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.

3.11 Action Without A Meeting. Anything to the contrary herein notwithstanding, to the extent lawful, any action required or which may be taken at any annual or special meeting of members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the members (or persons authorized to cast the vote of any such members as elsewhere herein set forth) having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of members at which all members (or authorized persons) entitled to vote thereon were present and voted. In order to be effective, the action must be evidenced by one or more written consents describing the action taken, dated and signed by approving members having the requisite number of votes and entitled to vote on such action, and delivered to the Secretary of the Association, or other authorized agent of the Association. Written consent shall not be effective to take the corporate action referred to in the consent unless signed by members having the requisite number of votes necessary to authorize the action within sixty (60) days of the date of the earliest dated consent and delivered to the Association as aforesaid. Any written consent may be revoked prior to the date the Association receives the required number of consents to authorize the proposed action. A revocation is not effective unless in writing and until received by the Secretary of the Association, or other authorized agent of the Association. Within ten (10) days after obtaining such authorization by written consent, notice must be given to members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. A consent signed in accordance with

the foregoing has the effect of a meeting vote and may be described as such in any document.

4. Directors.

4.1 Membership. The affairs of the Association shall be governed by a Board of not less than three (3) nor more than nine (9) directors, the exact number to be determined in the first instance in the Articles, and, thereafter, except as provided herein, from time to time upon majority vote of the membership. Directors must be natural persons who are 18 years of age or older. Directors may not vote at Board meetings by proxy or by secret ballot, except that a secret ballot may be used for the election of officers.

4.2 Election of Directors. Election of Directors shall be held at the annual members' meeting, except as herein provided to the contrary. Not less than sixty (60) days prior to a scheduled election, the Association shall mail or deliver to each Owner entitled to vote, a first notice of the date of election. Any Owner or other eligible person desiring to be a candidate for the Board shall give written notice to the Association not less than forty (40) days prior to the scheduled election. The Board shall hold a meeting within five (5) days after the deadline for a candidate to provide notice to the Association of intent to run. At this meeting, the Board shall accept additional nominations. Not less than thirty (30) days before the election, the Association shall mail or deliver a second notice of the election meeting to all Owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet no larger than 8 1/2 inches by 11 inches, which must be furnished by the candidate not less than thirty five (35) days prior to the election, to be included with the mailing in of the ballot, with the costs of mailing and copying to be borne by the Association. The Association shall have no liability for the contents of the information sheets prepared by the candidates.

The election of directors shall be by written ballot or voting machine. Proxies shall in no event be used in electing the Board, either in general elections or elections to fill vacancies caused by recall, resignation or otherwise. Elections shall be decided by a plurality of those ballots and votes cast. There shall be no quorum requirement, however at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the Board. There shall be no cumulative voting.

Notwithstanding the provisions of this Section 4.2, an election and ballot are not required unless more candidates file notices of intent to run or are nominated than vacancies exist on the Board.

4.3 Vacancies and Removal.

(a) Except as to vacancies resulting from removal of Directors by members (as addressed in subsection (b) below), vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors at any Board meeting, provided that all vacancies in directorships to which Directors were appointed by the Declarant pursuant to the provisions of paragraph

4.15 hereof shall be filled by the Declarant without the necessity of any meeting.

- (b) Any Director elected by the members (other than the Declarant) may be removed by concurrence of a majority of the voting interests of the members at a special meeting of members called for that purpose or by written agreement signed by a majority of all voting interests. The vacancy in the Board of Directors so created shall be filled by the members at a special meeting of the members called for such purpose, or by the Board of Directors as and when permitted by the Act or by the rules of the Division. The conveyance of all Units owned by a Director in The Properties (other than appointees of the Declarant or Directors who were not Owners) shall constitute the resignation of such Director.
- (c) Anything to the contrary herein notwithstanding, until a majority of the Directors are elected by members other than the Declarant of the Condominium, neither the first Directors of the Association, nor any Directors replacing them, nor any Directors named by the Declarant, shall be subject to removal by members other than the Declarant. The first Directors and Directors replacing them may be removed and replaced by the Declarant without the necessity of any meeting.
- (d) If a vacancy on the Board of Directors results in the inability to obtain a quorum of directors in accordance with these By-Laws, any Owner may apply to the Circuit Court within whose jurisdiction the Condominium lies for the appointment of a receiver to manage the affairs of the Association. At least thirty (30) days prior to applying to the Circuit Court, the Owner shall mail to the Association and post in a conspicuous place on the Common Areas a notice describing the intended action and giving the Association an opportunity to fill the vacancy(ies) in accordance with these By-Laws. If, during such time, the Association fails to fill the vacancy(ies), the Owner may proceed with the petition. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs and attorneys' fees. The receiver shall have all powers and duties of a duly constituted Board of Directors, and shall serve until the Association fills the vacancy(ies) on the Board sufficient to constitute a quorum in accordance with these By-Laws.

4.4 Term. Except as provided herein to the contrary, the term of each Director's service shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and has taken office, or until he is removed in the manner elsewhere provided. Notwithstanding the foregoing, any Director designated by the Declarant shall serve at the pleasure of the Declarant and may be removed and replaced by the Declarant at any time.

4.5 Organizational Meeting. The organizational meeting of newly-elected or appointed Directors shall be held within ten (10) days of their election or appointment. The Directors calling the organizational meeting shall give at least three (3) days advance notice thereof to the other Directors, stating the time and place of the meeting.

- 4.6 Meetings. Meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of meetings shall be given to each Director, personally or by mail, telephone or telegraph, and shall be transmitted at least three (3) days prior to the meeting. Meetings of the Board of Directors and any committee thereof at which a quorum of the members of that committee are present shall be open to all Owners. Any Owner may tape record or videotape meetings of the Board, in accordance with the rules of the Division and the Association. The right to attend Board meetings includes the right to speak at such meetings with respect to all designated agenda items. The Association may adopt reasonable rules governing the frequency, duration and manner of Owner statements. Adequate notice of such meetings, which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously on the Common Areas at least forty-eight (48) continuous hours preceding the meeting, except in the event of an emergency. Notwithstanding the foregoing, written notice of any meeting of the Board at which nonemergency special assessments, or at which amendment to rules regarding unit use will be considered shall be mailed or delivered to all Owners and posted conspicuously on the Common Areas not less than fourteen (14) days prior to the meeting. Evidence of compliance with this fourteen (14) day notice shall be made by an affidavit executed by the person providing the notice and filed among the official records of the Association. The Board shall adopt by rule, and give notice to Owners of, a specific location on the Common Areas upon which all notices of Board and/or Committee meetings shall be posted. Special meetings of the Directors may be called by the President, and must be called by the President or Secretary at the written request of one-third (1/3) of the Directors or where required by the Act.

Notwithstanding the foregoing, items not included in the notice of the Board meeting may be taken up by at least a majority plus one of the Directors, but shall be noticed and ratified at the next regular meeting of the Board.

- 4.7 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by said Director of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting, and a waiver of any and all objections to the place of the meeting, to the time of the meeting or the manner in which it has been called or convened, except when a Director states at the beginning of the meeting, or promptly upon arrival at the meeting, any objection to the transaction of affairs because the meeting is not lawfully called or convened.
- 4.8 Quorum and Voting. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is specifically required by the Declaration, the Articles or these By-Laws.

Each Director shall have one (1) vote on all matters coming before the Board, such vote to be cast only by the Director (i.e. not by proxy) and to be recorded in the minutes of the Board meeting at which it is cast, except

that officers of the Association may be elected by secret ballot.

- 4.9 Adjourned Meetings. If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required hereunder. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted as long as notice of such business to be conducted at the rescheduled meeting is given, if required (e.g., with respect to budget adoption).
- 4.10 Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the approval of that Director of the business conducted at the meeting, but such joinder shall not allow the applicable Director to be counted as being present for purposes of quorum.
- 4.11 Presiding Officer. The presiding officer at the Directors' meetings shall be the President (who may, however, designate any other person to preside).
- 4.12 Order of Business. If a quorum has been attained, the order of business at Directors' meetings shall be:
- (a) Proof of due notice of meeting;
 - (b) Reading and disposal of any unapproved minutes;
 - (c) Reports of officers and committees;
 - (d) Election of officers;
 - (e) Unfinished business;
 - (f) New business;
 - (g) Adjournment.
- Such order may be waived in whole or in part by direction of the presiding officer.
- 4.13 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Owners, or their authorized representatives, and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.
- 4.14 Committees. The Board may by resolution also create committees and appoint persons to such Committees and vest in such committees such powers and responsibilities as the Board shall deem advisable; provided, however, that same shall only be subject to the open meeting requirements imposed by law to the extent provided in Section 3.3.
- 4.15 Proviso. Notwithstanding anything to the contrary contained in this Section 4 or otherwise, the Board shall consist of three directors during the period that the Declarant is entitled to appoint a majority of the Directors, as hereinafter provided. The Declarant shall have the right to appoint all of the members of the Board of Directors until Owners other than the Declarant own

fifteen (15%) percent or more of the Units in the Condominium. When Owners other than the Declarant own fifteen percent (15%) or more of the Units in the Condominium that will be operated ultimately by the Association, the Owners other than the Declarant shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors. Upon the election of such director(s), the Declarant shall forward to the Division the name and mailing address of the director(s) elected. Owners other than the Declarant are entitled to elect not less than a majority of the members of the Board of Directors upon the first to occur of: (a) three years after the first Unit that will be operated ultimately by the Association has been conveyed to a purchaser; (b) four months after seventy-five (75%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (c) when all of the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Declarant in the ordinary course of business; or (d) when some of the Units have been conveyed to purchasers, and none of the others are being constructed or offered for sale by the Declarant in the ordinary course of business. The Declarant is entitled (but not obligated) to elect at least one (1) member of the Board of Directors as long as the Declarant holds for sale in the ordinary course of business five percent (5%) of the Units that will be operated ultimately by the Association.

The Declarant may transfer control of the Association to Owners other than the Declarant prior to such dates in its sole discretion by causing enough of its appointed Directors to resign, whereupon it shall be the affirmative obligation of Owners other than the Declarant to elect Directors and assume control of the Association. Provided at least thirty (30) days' notice of Declarant's decision to cause its appointees to resign is given to Owners, neither the Declarant, nor such appointees, shall be liable in any manner in connection with such resignations even if the Owners other than the Declarant refuse or fail to assume control.

Within seventy-five (75) days after the Owners other than the Declarant are entitled to elect a member or members of the Board of Directors, or sooner if the Declarant has elected to accelerate such event as aforesaid, the Association shall call, and give not less than sixty (60) days' notice of an election for the members of the Board of Directors. The meeting may be called and the notice given by any Owner if the Association fails to do so.

At the time the Owners other than the Declarant elect a majority of the members of the Board of Directors of the Association, the Declarant shall relinquish control of the Association and such Owners shall accept control. At that time (except as to subparagraph (g), which may be ninety (90) days thereafter) Declarant shall deliver to the Association, at Declarant's expense, all property of the Owners and of the Association held or controlled by the Declarant, including, but not limited to, the following items, if applicable to the Condominium:

- (a) The original or a photocopy of the recorded Declaration and all amendments thereto. If a photocopy is provided, the Declarant must certify by affidavit that it is a complete copy of the actual recorded Declaration.

- (b) A certified copy of the Articles of Incorporation of the Association.
- (c) A copy of the By-Laws of the Association.
- (d) The minute book, including all minutes, and other books and records of the Association.
- (e) Any rules and regulations which have been adopted.
- (f) Resignations of resigning officers and Board members who were appointed by the Declarant.
- (g) The financial records, including financial statements of the association, and source documents from the incorporation of the Association through the date of the turnover. The records shall be audited for the period from the incorporation of the Association or from the period covered by the last audit, if applicable, by an independent certified public accountant. All financial statements shall be prepared in accordance with generally accepted accounting principles and shall be audited in accordance with generally accepted auditing standards as prescribed by the Florida Board of Accountancy. The accountant performing the audit shall examine to the extent necessary supporting documents and records, including the cash disbursements and related paid invoices to determine if expenditures were for Association purposes, and billings, cash receipts and related records to determine that the Declarant was charged and paid the proper amounts of Assessments.
- (h) Association funds or the control thereof.
- (i) All tangible personal property that is the property of the Association or is or was represented by the Declarant to be part of the Common Areas or is ostensibly part of the Common Areas, and an inventory of such property.
- (j) A copy of the plans and specifications utilized in the construction or remodeling of improvements and the supplying of equipment, and for the construction and installation of all mechanical components serving the improvements on the Common Areas with a certificate, in affidavit form, of an officer of the Declarant or an architect or engineer authorized to practice in Florida, that such plans and specifications represent, to the best of their knowledge and belief, the actual plans and specifications utilized in the construction and improvement of the Common Areas and the construction and installation of the mechanical components serving the improvements on the Common Areas.
- (k) A list of the names and addresses of all contractors, subcontractors and suppliers, of which Declarant had knowledge at any time in the development of the Common Areas, utilized in the construction or remodeling of the improvements and the landscaping of the Common Areas.
- (l) Insurance policies.
- (m) Copies of any Certificates of Occupancy or their equivalents which may have been issued for the Common Areas.

- (n) Any other permits issued by governmental bodies applicable to the Common Areas in force or issued within one (1) year prior to the date the Owners take control of the Association.
- (o) All written warranties of contractors, subcontractors, suppliers and manufacturers, if any, that are still effective.
- (p) A roster of Owners and their addresses and telephone numbers, if known, as shown on the Declarant's records.
- (q) Leases of the Common Areas and other leases to which the Association is a party, if applicable.
- (r) Employment contracts or service contracts in which the Association is one of the contracting parties, or service contracts in which the Association or Owners have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charge of the person or persons performing the service.
- (s) All other contracts to which the Association is a party.

4.17 Owner Complaints. When an Owner files a written complaint by certified mail with the Board of Directors, the Board shall respond to such complaint within thirty (30) days of its receipt thereof by giving a substantive response thereto or by notifying the Owner that a legal opinion or the advice of the Division has been requested. The Board's failure to act within thirty (30) days or to notify the Owner within thirty (30) days after the action taken shall preclude the Association from recovering attorneys' fees and costs in any subsequent litigation, administrative proceeding or arbitration arising out of the complaint.

5. Authority of the Board.

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

- (a) Operating and maintaining all Common Areas.
- (b) Determining the expenses required for the operation of the Association and the Common Areas.
- (c) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Areas and the Association.
- (d) Adopting and amending rules and regulations concerning the details of the operation and use of the Common Areas, subject to a right of the Owners to overrule the Board as provided in Section 14 hereof.

- (e) Maintaining bank accounts on behalf of the Association and designating the signatories required therefor.
- (f) Purchasing, leasing or otherwise acquiring title to, or an interest in, property in the name of the Association, or its designee, for the use and benefit of its members. The power to acquire personal property shall be exercised by the Board and the power to acquire real property shall be exercised as described herein and in the Declaration.
- (g) Purchasing, leasing or otherwise acquiring Units or other property, including, without limitation, Units at foreclosure or other judicial sales, all in the name of the Association, or its designee.
- (h) Selling, leasing, mortgaging or otherwise dealing with Units acquired, and subleasing Units leased, by the Association, or its designee.
- (i) Organizing corporations and appointing persons to act as designees of the Association in acquiring title to or leasing Units or other property.
- (j) Obtaining and reviewing insurance for the Common Areas and otherwise as provided in the Declaration.
- (k) Making repairs, additions and improvements to, or alterations of the Common Areas and repairs to and restoration of the Common Areas, in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or otherwise.
- (l) Enforcing obligations of the Owners, allocating profits and expenses and taking such other actions as shall be deemed necessary and proper for the sound management of the Common Areas and the Association.
- (m) Levying fines against appropriate Owners for violations of the rules and regulations established by the Association to govern the conduct of such Owners. No fine shall be levied except after giving reasonable notice and opportunity for a hearing to the affected Owner and, if applicable, his tenant, licensee or invitee. No fine may exceed \$100.00 per violation, however, a fine may be levied on the basis of each day of a continuing violation with a single notice and opportunity for hearing, provided however, that no such fine shall in the aggregate exceed \$1,000.00. No fine shall become a lien upon a Unit.
- (n) Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep and maintenance of Common Areas or the acquisition of real property, and granting mortgages on and/or security interests in Association owned property; provided, however, that the consent of the Owners of at least two-thirds (2/3rds) of the Units represented at a meeting at which a quorum has been attained in accordance with the provisions of these By-Laws shall be required for the borrowing of any sum which would cause the total outstanding indebtedness of the Association to exceed \$10,000.00.

- (o) Subject to the provisions of applicable law (unless waived as provided therein), contracting for the management and maintenance of the Common Areas and authorizing a management agent (who may be an affiliate of the Declarant) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair, and replacement of the Common Areas with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Declaration, the Articles, these By-Laws and the Act, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association.
- (p) At its discretion, but within the parameters of applicable law, authorizing Owners or other persons to use portions of the Common Areas for private parties and gatherings and imposing reasonable charges for such private use.
- (q) Exercising (i) all powers specifically set forth in the Declaration, the Articles, these By-Laws and in the Act, (ii) all powers incidental thereto, and (iii) all other powers of a Florida corporation not for profit.
- (r) Contracting with and creating or joining in the creation of special taxing districts, joint councils and the like.

6. Officers.

- 6.1 Executive Officers. The executive officers of the Association shall be a President, a Vice-President, a Treasurer and a Secretary (none of whom need be Directors), all of whom shall be elected by the Board of Directors and who may be peremptorily removed at any meeting by concurrence of a majority of all of the Directors. A person may hold more than one office, except that the President may not also be the Secretary. No person shall sign an instrument or perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall deem necessary or appropriate to manage the affairs of the Association. Officers, other than designees of the Declarant, must be Owners (or authorized representatives of corporate/partnership/trust Owners).
- 6.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of president of an association.
- 6.3 Vice-President. The Vice-President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He also shall assist the President and exercise such other powers and perform such other duties as are incident to the office of the vice president of an association and as may be required by the Directors or the President.
- 6.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. The

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

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

6.6 Declarant Appointees. No officer appointed by the Declarant may be removed except as provided in Section 4.15 hereof and by law.

7. Fiduciary Duty. The officers and directors of the Association have a fiduciary relationship to the Owners. An officer, director or manager employed by the Association shall not solicit, offer to accept, or accept any thing or service of value for which consideration has not been provided for his own benefit or that of his immediate family, from any person providing or proposing to provide goods or services to the Association. Any such officer, director or manager who knowingly so solicits, offers to accept or accepts any thing or service of value shall, in addition to all other rights and remedies of the Association and Owners, be subject to a civil penalty in accordance with the Act. Notwithstanding the foregoing, this paragraph shall not prohibit an officer, director or manager from accepting services or items received in connection with trade fairs or education programs.

8. Compensation. Neither Directors nor officers shall receive compensation for their services as such, but this provision shall not preclude the Board of Directors from employing a Director or officer as an employee of the Association, nor preclude contracting with a Director or officer for the management of the Condominium or for any other service to be supplied by such Director or officer. Directors and officers shall be compensated for all actual and proper out of pocket expenses relating to the proper discharge of their respective duties.

9. Resignations. Any Director or officer may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Units owned by any Director or officer (other than appointees of the Declarant or officers who were not Owners) shall constitute a written resignation of such Director or officer.

10. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:

10.1 Budget.

- (a) Adoption by Board: Items. The Board of Directors shall from time to time, and at least annually, prepare a budget for all Condominiums governed and operated by the Association (which shall detail all accounts and items of expense and contain at least all items set forth in Section 718.504(20) of the Act, if applicable), determine the amount of Assessments payable by the Owners to meet the expenses of such Condominium(s) and allocate and assess such expenses among the Owners in accordance with the provisions of the Declaration. In addition, if the Association maintains limited common elements with the cost to be shared only by those entitled to use the limited common elements, the budget or a schedule attached thereto shall show amounts budgeted therefor. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance (to the extent required by law). These accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000.00. The amount of reserves shall be computed by means of a formula which is based upon the estimated life and the estimated replacement cost of each reserve item. The Association may adjust replacement and reserve assessments annually to take into account any extension of the useful life of a reserve item caused by deferred maintenance. Reserves shall not be required if the members of the Association have, by a majority vote at a duly called meeting of members, determined for a specific fiscal year to provide no reserves or reserves less adequate than required hereby. Prior to transfer of control of the Association to Owners other than the Declarant, the Declarant may vote to waive reserves for the first two (2) years of operation of the Association, after which time, reserves may only be waived or reduced upon the vote of a majority of non-Declarant voting interests present at a duly called meeting of the Association. If a meeting of Owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect. Reserve funds and any interest accruing thereon shall remain in the reserve account for authorized reserve expenditures, unless their use for any other purposes is approved in advance by a vote of the majority of the voting interests present at a duly called meeting of the Association.

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

- (i) Notice of Meeting. A copy of the proposed budget of Common Expenses shall be mailed to each Owner not less than fourteen (14) days prior to the meeting of the Board of Directors at which the budget will be considered, together with a notice of that

meeting indicating the time and place of such meeting.

(ii) Special Membership Meeting. If a budget is adopted by the Board of Directors which requires Assessments against such Owners in any year exceeding one hundred fifteen percent (115%) of such Assessments for the preceding year, as hereinafter defined, upon written application of ten percent (10%) of the Owners, a special meeting of the Owners shall be held within thirty (30) days of delivery of such application to the Board of Directors. Each Owner shall be given at least ten (10) days' notice of said meeting. At the special meeting, Owners shall consider and adopt a budget. The adoption of said budget shall require a vote of Owners of not less than 50% of all the Units (including Units owned by the Declarant). If a meeting of the Owners has been called as aforesaid and a quorum is not obtained or a substitute budget has not been adopted by the Owners, the budget adopted by the Board of Directors shall go into effect as scheduled.

(iii) Determination of Budget Amount. In determining whether a budget requires Assessments against Owners in any year exceeding one hundred fifteen percent (115%) of Assessments for the preceding year, there shall be excluded in the computations any authorized provisions for reasonable reserves made by the Board of Directors in respect of repair or replacement of the Condominium Property or in respect of anticipated expenses of the Association which are not anticipated to be incurred on a regular or annual basis, and there shall be excluded further from such computation Assessments for improvements to the Condominium Property.

(iv) Proviso. As long as the Declarant is in control of the Board of Directors of the Association, the Board shall not impose Assessments for a year greater than one hundred fifteen percent (115%) of the prior year's Assessments, as herein defined, without the approval of a majority of Owners other than the Declarant.

(b) Adoption by Membership. In the event that the Board of Directors shall be unable to adopt a budget for a fiscal year in accordance with the requirements of Subsection 10.1.(a) above, the Board of Directors may call a special meeting of Owners for the purpose of considering and adopting such budget, which meeting shall be called and held in the manner provided for such special meetings in said subsection, or propose a budget in writing to the members, and if such budget is adopted by the members, upon ratification by a majority of the Board of Directors, it shall become the budget for such year.

10.2 Assessments. Assessments against Owners for their share of the items of the budget shall be made for the applicable fiscal year annually at least twenty (20)

days preceding the year for which the Assessments are made. Such Assessments shall be due in equal installments, payable in advance on the first day of each month of the year for which the Assessments are made. If annual Assessments are not made as required, Assessments shall be presumed to have been made in the amount of the last prior Assessments, and monthly installments on such Assessments shall be due upon each installment payment date until changed by amended Assessments. In the event the annual Assessments prove to be insufficient, the budget and Assessments may be amended at any time by the Board of Directors, subject to the provisions of Section 10.1 hereof, if applicable. Unpaid Assessments for the remaining portion of the fiscal year for which amended Assessments are made shall be payable in as many equal installments as there are full months of the fiscal year left as of the date of such amended Assessments, each such monthly installment to be paid on the first day of the month, commencing the first day of the next ensuing month. If only a partial month remains, the amended Assessments shall be paid with the next regular installment in the following year, unless otherwise directed by the Board in its resolution.

- 10.3 Special Assessments and Assessments for Capital Improvements. Special Assessments and Capital Improvement Assessments (as defined in the Declaration) shall be levied as provided in the Declaration and shall be paid in such manner as the Board of Directors of the Association may require in the notice of such Assessments. The funds collected pursuant to a Special Assessment shall be used only for the specific purpose or purposes set forth in the notice of adoption of same. However, upon completion of such specific purpose or purposes, any excess funds will be considered common surplus, and may, at the discretion of the Board, either be returned to the Owners or applied as a credit towards future assessments.
- 10.4 Depository. The depository of the Association shall be such bank or banks in the State of Florida as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from those accounts shall be made only by checks signed by such person or persons as are authorized by the Directors. All sums collected by the Association from Assessments or otherwise may be commingled in a single fund or divided into more than one fund, as determined by a majority of the Board of Directors. In addition, a separate reserve account should be established for the Association in such a depository for monies specifically designated as reserves for capital expenditures and/or deferred maintenance.
- 10.5 Acceleration of Installments Upon Default. If an Owner shall be in default in the payment of an installment upon his Assessments, the Board of Directors or its agent may accelerate the next twelve (12) months' of the Assessments upon thirty (30) days' prior written notice to the Owner and the filing of a claim of lien, and the then unpaid balance of the Assessments for the balance of the year shall be due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the Owner, or not less than ten (10) days after the mailing of such notice to him by certified mail, whichever shall first occur.
- 10.6 Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors for all persons handling or

responsible for Association funds in such amounts as shall be determined by a majority of the Board. The premiums on such bonds shall be paid by the Association as a common expense.

- 10.7 Accounting Records and Reports. The Association shall maintain accounting records in the State, according to accounting practices normally used by similar associations. The records shall be open to inspection by Owners or their authorized representatives at reasonable times and written summaries of them shall be supplied at least annually. The records shall include, but not be limited to, (a) a record of all receipts and expenditures, and (b) an account for each Unit designating the name and current mailing address of the Owner, the amount of Assessments, the dates and amounts in which the Assessments come due, the amount paid upon the account and the dates so paid, and the balance due. Written summaries of the records described in clause (a) above, in the form and manner specified below, shall be supplied to each Owner annually.

Within sixty (60) days following the end of the fiscal year, the Board shall mail, or furnish by personal delivery, to each Owner a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall show the amount of receipts by accounts and receipt classifications and shall show the amount of expenses by accounts and expense classifications, including, if applicable, but not limited to, the following:

- (a) Costs for security;
- (b) Professional and management fees and expenses;
- (c) Taxes;
- (d) Costs for recreation facilities;
- (e) Expenses for refuse collection and utility services;
- (f) Expenses for lawn care;
- (g) Costs for building maintenance and repair;
- (h) Insurance costs;
- (i) Administrative and salary expenses; and
- (j) General reserves, maintenance reserves and depreciation reserves.

- 10.8 Application of Payment. All payments made by a Owner shall be applied as provided in these By-Laws and in the Declaration or as otherwise determined by the Board.

- 10.9 Notice of Meetings. Notice of any meeting where Assessments against Owners are to be considered for any reason shall specifically contain a statement that Assessments will be considered and the nature of any such Assessments.

11. Roster of Owners. Each Owner shall file with the Association a copy of the deed or other document showing his ownership. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above. Only Owners of record on the date notice

of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such meeting other Owners shall produce adequate evidence, as provided above, of their interest and shall waive in writing notice of such meeting.

12. Parliamentary Rules. Except when specifically or impliedly waived by the chairman of a meeting (either of members or directors), Robert's Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Act, the Declaration, the Articles or these By-Laws; provided, however, that a strict or technical reading of said Robert's Rules shall not be made so as to frustrate the will of the persons properly participating in said meeting.
13. Amendments. Except as may be provided in the Declaration to the contrary, these By-Laws may be amended in the following manner:
 - 13.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting at which a proposed amendment is to be considered.
 - 13.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than one-third (1/3) of the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary at or prior to the meeting. The approval must be:
 - (a) by not less than a majority of the votes of all members of the Association represented at a meeting at which a quorum has been attained and by not less than 66-2/3% of the entire Board of Directors; or
 - (b) after control of the Association has been turned over to Owners other than the Declarant, by not less than 80% of the votes of the members of the Association represented at a meeting at which a quorum has been attained.
 - 13.3 Proviso. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Declarant or mortgagees of Units without the consent of said Declarant and mortgagees in each instance. No amendment shall be made that is in conflict with the Articles or Declaration. No amendment to this Section shall be valid.
 - 13.4 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of these By-Laws, which certificate shall be executed by the President or Vice-President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed, or by the Declarant alone if the amendment has been adopted consistent with the provisions of the Declaration allowing such action by the Declarant. The amendment shall be effective when the certificate and a copy of the amendment is recorded in the Public Records of the County with an identification on the first page of the amendment of the Official

Records Book and Page of said Public Records where the Declaration is recorded.

14. Rules and Regulations. Attached hereto as Schedule A and made a part hereof are initial rules and regulations concerning the use of portions of the Condominium and Association Property. The Board of Directors may, from time to time, modify, amend or add to such rules and regulations, except that subsequent to the date control of the Board is turned over by the Declarant to Owners other than the Declarant, Owners of a majority of the Units may overrule the Board with respect to any such modifications, amendments or additions. Copies of such modified, amended or additional rules and regulations shall be furnished by the Board of Directors to each affected Owner not less than thirty (30) days prior to the effective date thereof. At no time may any rule or regulation be adopted which would prejudice the rights reserved to the Declarant.
15. Official Records. From the inception of the Association, the Association shall maintain a copy of each of the following, where applicable, which shall constitute the official records of the Association:
 - (a) The plans, permits, warranties, and other items provided by the Declarant pursuant to the Act;
 - (b) A photocopy of the recorded Declaration of Condominium and all amendments thereto;
 - (c) A photocopy of the recorded By-Laws of the Association and all amendments thereto;
 - (d) A certified copy of the Articles of Incorporation of the Association or other documents creating the Association and all amendments thereto;
 - (e) A copy of the current Rules and Regulations of the Association;
 - (f) A book or books containing the minutes of all meetings of the Association, of the Board of Directors, and of Owners, which minutes shall be retained for a period of not less than 7 years.
 - (g) A current roster of all Owners, their mailing addresses, Unit identifications, voting certifications, and if known, telephone numbers;
 - (h) All current insurance policies of the Association and of all Condominiums operated by the Association;
 - (i) A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the Owners have an obligation or responsibility;
 - (j) Bills of Sale or transfer for all property owned by the Association;
 - (k) Accounting records for the Association and the accounting records for the Condominium, according to good accounting practices. All accounting records shall be maintained for a period of not less than 7 years. The accounting records shall include, but not be limited to:
 - (i) Accurate, itemized, and detailed records for all receipts and expenditures.

- (ii) A current account and a monthly, bimonthly, or quarterly statement of the account for each Unit designating the name of the Owner, the due date and amount of each Assessment, the amount paid upon the account, and the balance due.
- (iii) All audits, reviews, accounting statements, and financial reports of the Association or Condominium.
- (iv) All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of 1 year.
- (l) Ballots, sign-in sheets, voting proxies and all other papers relating to voting by unit owners which shall be maintained for a period of 1 year from the date of the election, vote or meeting to which the document relates.
- (m) All rental records where the Association is acting as agent for the rental of Units.
- (n) A copy of the current Question and Answer Sheet, in the form promulgated by the Division, which shall be updated annually.
- (o) All other records of the Association not specifically listed above which are related to the operation of the Association.

The official records of the Association shall be maintained within the State of Florida.

The official records of the Association shall be open to inspection by any Association member or the authorized representative of such member at all reasonable times and within five (5) working days after receipt of written request for same by the Board or its designee. The right to inspect the records includes the right to make or obtain copies, at a reasonable expense, if any, of the Association member. The Association may adopt reasonable rules regarding the time, location, notice and manner of record inspections and copying. The failure of the Association to provide official records to an Owner or his authorized representative within ten (10) working days after receipt of a written request therefor shall create a rebuttable presumption that the Association wilfully failed to comply with this paragraph. Failure to permit inspection of the Association records as provided herein entitles any person prevailing in an enforcement action to recover reasonable attorneys' fees from the person in control of the records who, directly or indirectly, knowingly denies access to the records for inspection. The Association shall maintain an adequate number of copies of the Declaration, Articles, ByLaws and rules, and all amendments to the foregoing, as well as the Question and Answer Sheet, to ensure their availability to Owners and prospective purchasers. The Association may charge its actual costs for preparing and furnishing these documents to those persons requesting same.

Notwithstanding any of the foregoing, no item exempted from the records availability requirements of the Act (e.g., documents subject to attorney-client privilege) need be made available by the Association.

16. Certificate of Compliance. A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board as evidence of compliance of the Units to the applicable fire and life safety code.

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

The foregoing was adopted as the By-Laws of BRIDGEPOINTE AT BROKEN SOUND COMMUNITY ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, as of the ____ day of _____, 1992.

Approved:

President

Secretary

[CORPORATE SEAL]

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SCHEDULE "A"
TO
BY-LAWS

RULES AND REGULATIONS OF
BRIDGEPOINTE COMMUNITY ASSOCIATION, INC.

The Common Areas and facilities, shall not be obstructed nor used for any purpose other than the purposes intended therefor. No carts, bicycles, carriages, chairs, tables or any other similar objects shall be stored therein.

Employees of the Association are not to be sent out by Owners for personal errands. The Board of Directors shall be solely responsible for directing and supervising employees of the Association.

The use of rooms constituting Common Areas for parties and other gatherings is subject to prior reservation with the Association and the making of such damage/cleaning deposit as the Association's Board of Directors may require from time to time.

All persons using any swimming pool shall do so at their own risk and shall comply with all posted pool rules. Pool hours are 8:00 a.m. to 10:00 p.m. All children under twelve (12) years of age must be accompanied by a responsible adult. Bathers are required to wear footwear and cover their bathing suits in any enclosed recreation facilities. Glasses and other breakable objects may not be utilized in the pool or on the pool deck. Pets are not permitted in the pool or pool area under any circumstances.

No Owner may alter in any way any portion of the Common Areas, including, but not limited to, landscaping.

No flammable, combustible or explosive fluids, chemicals or substances shall be kept on the Common Areas.

Children will be the direct responsibility of their parents or legal guardians, including full supervision of them while within the Common Areas and including full compliance by them with these Rules and Regulations and all other rules and regulations of the Association. Loud noises will not be tolerated. All children under twelve (12) years of age must be accompanied by a responsible adult when entering and/or utilizing recreation facilities.

Every Owner and occupant shall comply with these rules and regulations as set forth herein, any and all rules and regulations which from time to time may be adopted, and the provisions of the Covenants, By-Laws and Articles of Incorporation of the Association, as amended from time to time. Failure of an Owner or occupant to so comply shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. The Association shall have the right to suspend voting rights and use of recreation facilities in the event of failure to so comply. In addition to all other remedies, in the sole discretion of the Board of Directors of the Association, a fine or fines may be imposed upon an Owner for failure of an Owner, his tenants, family, guests, invitees or employees, to comply with any covenant, restriction, rule or regulation herein or in the Covenants, or Articles of Incorporation or By-Laws, as provided in the Master Declaration.

These rules and regulations shall not apply to the Declarant, nor its affiliates, agents or employees and contractors (except in such contractors' capacity as Owners), nor property

EXHIBIT "D-1"

The Common Areas shall consist of those portions of the property described in the foregoing Exhibit "A" which are within the definition set forth in Article I, Section (g) of the foregoing Declaration, such Common Areas to be more specifically identified by a formal legal description in a Supplemental Declaration.

EXHIBIT "D-2"

There are presently no Areas of Common Responsibility

NOT A CERTIFIED COPY