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DECLARATION OF

RESTRICTIONS, COVENANTS, EASEMENTS AND CONDITIONS

OF

BERMUDA ISLES AT BOCA RIO

This Declaration is made this 25th day of November, 1986,
by LEONARD S. ROBBINS, Trustee (hereinafter referred to as the
"Declarant").

145.60
Declarant is the owner of Units described on Exhibit "A"
which are located within the boundaries of that certain real
property situate in Palm Beach County, Florida, more fully
described in Exhibit "B" which is attached hereto and made a part
hereof as if fully set forth herein. Bermuda Isles at Boca Rio
Homeowners Association, Inc. (hereinafter the "Association") is
the owner of the real property described on Exhibit "B".
Hereinafter, the real property described on Exhibits "A" and "B"
and any property annexed thereto, shall be referred to as the
"Property". Declarant and the Association hereby declare that
the Property is and shall be held, transferred, sold, conveyed,
used and occupied in accordance with and subject to the
restrictions, covenants, easements and conditions contained in
this Declaration. The restrictions, covenants, easements and
conditions set forth in this Declaration shall bind, and the
benefits shall inure to, all persons and entities having any
right, title or interest in the Property or any part thereof,
their representatives, agents, heirs, personal representatives,
successors and assigns.

Ref. David L. Wynn
1615 P.B. Bldg. Bldg. 500 E
West Palm Beach FL 33401

ARTICLE I

DEFINITIONS

The following terms shall have the following meanings
whenever used in this Declaration:

- 1.1 "Articles" shall mean and refer to the Articles of
Incorporation of the Association, as they may be amended from
time to time.
- 1.2 "Association" shall mean and refer to the BERMUDA ISLES AT
BOCA RIO HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit
corporation, its successors and assigns.
- 1.3 "Board of Directors" shall mean and refer to the Board of
Directors of the Association.
- 1.4 "Bylaws" shall mean and refer to the Bylaws of the
Association, as they may be amended from time to time.
- 1.5 "Common Area" shall mean and refer to all real property, and
any buildings and improvements thereon, owned or leased by, or
dedicated to, the Association for the common use and enjoyment of
the Owners. The Common Area shall consist of:

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1.5.1 All portions of the Property that are not Units or Lots;

1.5.2 All portions of the Property that are not dedicated to a governmental entity or to the public for a public use;

1.5.3 The open spaces between the Lots and Units;

1.5.4 The private roads and walkways to the Lots and Units;

1.5.5 The parking areas located on the Property; and

1.5.6 The Recreation Area.

1.5.7 Any building or improvement, including but not limited to, docks and gazebos, located on, adjacent to or within the Lake Area owned by the Association (hereinafter the "Lake Amenities").

Any lands which are dedicated to or submitted as "Common Property" to (the Master Association) are not intended to be, and are not intended to be, and are specifically excluded from being, Common Area under this Declaration.

1.6 "Cypress Preserve" shall mean that area not located on the Property but shown and depicted as Tract "G" as "Cypress Preserve/Park" on the Plat of Boca Rio North filed in Plat Book 50, Page 172, of the Public Records of Palm Beach County, Florida. The Cypress Preserve is owned by the Master Association.

1.7 "Declarant" shall mean and refer to LEONARD S. ROBBINS, Trustee, his successors and assigns, but shall not include the Association.

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

1.9 "Institutional Mortgagee" shall mean and refer to any lending institution that has a lien upon a Unit or Lot by virtue of its owning and holding a mortgage given by the Owner of the Unit or Lot, including any of the following institutions: an insurance company or subsidiary thereof, a federal or state savings and loan association, a federal or state bank, a real estate investment trust, an agency of the United States Government, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any mortgage company doing business in the State of Florida and the Declarant.

1.10 "Lake Area" shall mean and refer to that portion of the Property that is part of the Master Common Property depicted as Tract "D" more particularly described on the Plat of Boca Rio North recorded in Plat Book 50, Page 172 of the Public Records of Palm Beach County, Florida. The Lake Area is owned by the Master Association.

1.11 "Lot" shall mean and refer to each platted lot located within the boundaries of the Property that is not a Unit, Common Area, Recreation Area or Roadway Area, but upon which it is intended that a residential dwelling be constructed.

1.12 "Master Association" shall mean and refer to the BOCA RIO MASTER HOMEOWNERS' ASSOCIATION, INC., a Florida not-for-profit corporation.

1.13 "Master Common Property" shall mean and refer to any real property that is dedicated to or owned by the Master Association. Notwithstanding the delegation of the responsibility for maintaining the Master Common Property to COUNTRYPARK AT BOCA RATON HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit corporation (hereinafter referred to as "COUNTRYPARK"), and BOCA RIO TOWNHOME ASSOCIATION, INC., a Florida not-for-profit corporation (hereinafter referred to as "BOCA RIO TOWNHOME"), or the Association, the Master Common Property is specifically excluded from the Common Area under this Declaration.

1.14 "Member" shall mean and refer to the persons and entities who are Members of the Association pursuant to Article III, Paragraph 3.1, of the Bylaws.

1.15 "Owner" shall collectively mean and refer to the fee simple record title holder or holders of a Unit or Lot, excluding any person or entity that has any interest in a Unit or Lot merely as security for the performance of an obligation.

1.16 "Easement Agreement" shall mean and refer to that certain Easement Agreement to be entered into between the Association and BOCA RIO TOWNHOME relative to ingress and egress, use rights and maintenance responsibility for that portion of the Roadway Area known as Thames Boulevard as described as Tract "A" and a portion of Tract "I" on the Plat of Boca Rio North filed in Plat Book 50, Page 172 of the Public Records of Palm Beach County, Florida, and any improvements to be located thereon (the "Easement Area").

1.17 "Recreation Area" shall mean and refer to the Lake Amenities and other property Declarant designates as Recreation Area by recording a certificate in the public records of Palm Beach County, Florida, upon which certain buildings and improvements are, or shall be, located for the benefit and use of the Owners and the Association.

1.18 "Roadway Area" shall mean and refer to that certain private roads owned by CYPRESS LAKES AT BOCA RIO at HOMEOWNERS ASSOCIATION, INC. ("Cypress Lakes") known as Severn Drive as described as Tract "A" shown on the Replat of Boca Rio North, filed in Plat Book 50, Page 196, of the Public Records of Palm Beach County, Florida and the Easement Area. Declarant may designate additional property as Roadway Area by recording a certificate describing such property in the Public Records of Palm Beach County, Florida.

1.19 "Rules and Regulations" shall mean and refer to any and all rules and regulations for the use and occupancy of the Property established by Declarant prior to Declarant's transfer of control of the Association to the Owners, and thereafter to any and all rules and regulations approved by the Board of Directors of the Association, in accordance with the terms and provisions contained in Article XVI of this Declaration.

1.20 "Unit" shall mean and refer to each platted lot located on the Property upon which a single family residential dwelling is substantially completed as evidenced by a Certificate of Occupancy issued by appropriate governmental agency. A Unit shall not be deemed to have come into existence until title to the single-family residential dwelling, located upon a platted lot, is conveyed to of the Declarant. Additionally, Declarant shall have the right to declare any Lot a Unit by recording a certificate in the Public Records of Palm Beach County, Florida. The term "Unit" as used in this Declaration shall include the fenced in private area that surrounds the dwelling.

ARTICLE II

ANNEXATION AND WITHDRAWAL

2.1 Annexation by Declarant. Declarant hereby reserves the right to annex additional residential property, roadway areas, common area and recreation areas to the Property, including but not limited to, three bedroom townhouses and related common areas located adjacent to the Property. Declarant shall have such right until such time as Declarant transfers control of the Association to the Owners as provided in Article V of this Declaration. Declarant's exercise of such right shall not require the consent of any other person or entity, except for approval, if required, by any applicable governmental entity with jurisdiction over the use and occupancy of the Property. Any additional residential property, roadway areas, common areas or recreation areas that Declarant may annex to the Property shall be subject to the terms and provisions of this Declaration upon Declarant's execution and recording in the Public Records of Palm Beach County, Florida, an amendment to this Declaration effecting such annexation. Such amendment shall refer to this Declaration and shall incorporate by reference all of the restrictions, covenants, easements and conditions contained in this Declaration, thereby subjecting the annexed residential property, roadway areas, common areas or recreation areas to the restrictions, covenants, easements and conditions of this Declaration as though the annexed properties were fully described herein as a portion of the Property. Any such amendment may contain only additions or modifications of the restrictions, covenants, easements and conditions contained in this Declaration as may be necessary to reflect the different character, if any, of the annexed properties so long as such additions or modifications are not inconsistent with the general scheme of this Declaration.

2.2 Annexation by Owners. The Owners may, at any time after Declarant transfers control of the Association to the Owners, annex additional residential property, roadway areas, common areas and recreation areas with the vote of two-thirds (2/3) of the Owners present in person or by proxy at a special meeting of the Members of the Association called for that purpose and held in accordance with the terms and provisions of the Bylaws, and with the approval of any applicable governmental entity having jurisdiction over the use and occupancy of the Property, if such approval is required.

2.3 Withdrawal by Declarant. Declarant reserves the right to withdraw any portion of the Property, including, but not limited to, any residential property, roadway areas, common areas and recreation areas that may be annexed pursuant to Paragraph 2.1 of this Article II, from the restrictions, covenants, easements and conditions of this Declaration. Declarant shall have this right until such time as Declarant transfers control of the Association to the Owners. Declarant shall exercise Declarant's right of withdrawal by executing and recording in the Public Records of Palm Beach County, Florida, an amendment to this Declaration effecting such withdrawal; provided, however, that Declarant's right of withdrawal shall not be applicable to any portion of the Property which has been conveyed to an Owner (except Lots or Units owned by Declarant) unless Declarant specifically reserves such right of withdrawal in the Owner's Special Warranty Deed or other instrument of conveyance. Declarant's withdrawal of any portion of the Property shall not require the consent of any person or entity including, but not limited to, any Owner, the Association, or any Mortgagee of the Property. Declarant may agree to share by cross-easement agreements or other instruments Common Areas with any Owners of Units and Lots in the portion of the withdrawn Property; provided, however, such Owners in the portion of withdrawn Property must give Owners of Lots and Units in the portions of the Property subject to this Declaration

similar use rights with respect to Common Areas in the withdrawn portion of the Property. Declarant will make suitable arrangements for the sharing of maintenance costs for all applicable Common Areas. The Association shall have lien rights over the withdrawn property, including Units, Lots and Common Areas. In the event the owner of the withdrawn property fails to pay its pro rata portion of payments under applicable agreements, the Association may place a lien on the withdrawn property, or any portion thereof, which may be foreclosed in the same manner as a mortgage in the State of Florida.

2.4 Dissolution. In the event of the dissolution of the Association, other than incident to a merger or consolidation, any Member may petition the Circuit Court of the Fifteenth Judicial Circuit of the State of Florida to manage the affairs of the dissolved Association which had managed the Property, in the place and instead of the Association, and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and the Property; the portion of the Property consisting of the surface water management system shall be dedicated to an appropriate public agency utility to be devoted to surface water management purposes. In the event that such dedication is refused acceptance, the Property consisting of the surface water management system shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to surface water management purposes.

ARTICLE III

PROPERTY RIGHTS

3.1 Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, Recreation Area and Roadway Area. Such right and easement shall be appurtenant to, and shall pass with, the title to every Unit and Lot or authorized right to occupy any Unit and Lot, subject to the following terms and provisions:

3.1.1 The Association's right to suspend an Owner's voting rights and right to use the Recreation Area and other recreational Common Areas for any period during which any assessment against the Owner's Unit remains unpaid.

3.1.2 The Association's right to suspend an Owner's voting rights and right to use the Recreation and other recreational Common Areas for a period not to exceed sixty (60) days for any infraction of the Rules and Regulations.

3.1.3 The Association's right to dedicate or transfer all or any part of the Common Area or its interest in Roadway Area to any public agency, authority or utility for such purposes, and subject to such conditions, as may be approved by the Board of Directors; provided, however, that such dedication or transfer shall be approved by a majority vote of the Owners present at a special meeting called for that purpose and held in accordance with the terms and provisions of the Bylaws and approved in writing by the Declarant.

3.1.4 Any and all rules and regulations that govern the use and enjoyment of the Common Area, Recreation Area, Roadway Area, and Master Common Property.

3.1.5 The Association's right to grant permits, licenses and easements over, in, across and under the Common Area, Recreation Area, Roadway Area, and over property annexed to the Property for such services, utilities, roads and other purposes that are reasonably necessary for the benefit of, and

for proper maintenance or operation of, the Property or in the event that any part of the Property is withdrawn.

3.1.6 An access easement over, in, across, through and under the Property in favor of Owners and/or the providers of any equipment necessary for the provision of utilities and services to or for the benefit of the Property, and their servicemen and repairmen, which easement is necessary for the maintenance, repair and replacement of any such equipment, including but not limited to, electric, gas, light, telephone, cable television, water, sewage, drainage and waste removal.

3.1.7 An access easement in favor of the Association which is necessary for the Association to keep the Common Area, Recreation Area and Roadway Area in good state of maintenance and repair.

3.1.8 An easement for the encroachment of any building or other improvement located on the Property upon any Unit, and for the encroachment of any Unit upon the Property, which encroachment results from minor inaccuracies in survey, construction or reconstruction, or from settlement or movement. Any such easement for an encroachment shall include an easement in favor of the owner of the encroachment for the maintenance, occupancy and use of the encroaching Unit, building or improvement, whether the Owner be an Owner, the Association or any public or governmental agency, authority or utility to which any portion of the Property has been dedicated or transferred.

3.2 Delegation of Use. Any Owner may delegate his right in an easement of enjoyment to the Common Area, Recreation Area, Roadway Area and Master Common Property to the Members of Owner's immediate family and to Owner's approved lessees or contract purchaser so long as any such family member, contract purchaser or lessee resides in the Owner's Unit. Any such delegation with regard to an Owner's lessee or contract purchaser shall not be effective unless the transfer of occupancy of the Owner's Unit is made in accordance with the terms and provisions of this Declaration. For purposes of this Paragraph, "immediate family" shall include spouses, adult children, parents, parents-in-law, and adult siblings.

3.3 Regulation of Uses. Notwithstanding anything to the contrary contained herein, Declarant reserves, until such time as Declarant transfers control of the Association to the Owners, the right to regulate the use of the Property through the establishment of Rules and Regulations.

3.4 Pedestrian Easement. There is hereby created an easement for pedestrian right of way over and across the Common Area, Recreation Area, Roadway Area, and Master Common Property for the purpose of pedestrian passage by all persons who are lawfully upon the Common Area, Recreation Area, Roadway Area, and Master Common Property.

3.5 Easement in Favor of Declarant. Declarant hereby reserves an easement to enter the Lots, Common Area, Recreation Area and Roadway Area, on the Property, or any additional residential property, lots, common area, roadway area, recreation area or lake area that may be annexed to the Property, and to maintain such Common Area, Recreation Area, Roadway Area, Lake Area, and Lots and Units owned by Declarant, and perform such operations as in Declarant's sole opinion may be reasonably required, convenient or incidental to the construction, sale and lease of the Units and Lots, including, but not limited to, construction, maintenance of Units, Lots, business offices, sales and leasing offices, workshops, maintenance areas, storage areas, construction yards, signs, flags, banners and model Units.

ARTICLE IV

VOTING RIGHTS

4.1 One Vote Per Unit. Each Unit shall be allocated and entitled to one vote in any Association matter requiring a vote of the Members of the Association. No Lot shall be entitled to vote in any Association matter. When any Unit is owned by more than one person or entity, all such persons or entities shall be Members of the Association, but in no event shall more than one vote be cast with respect to any one Unit. When a Unit is owned by more than one person or entity, those persons or entities shall designate one of them for the purpose of casting the vote that is appurtenant to their Unit. When a Unit is owned by an entity, the entity shall designate a partner, officer or employee of the entity for the purpose of casting the vote that is appurtenant to the entity's Unit. All such designations shall be made in accordance with the terms and provisions of the Bylaws.

ARTICLE V

TRANSFER OF CONTROL OF THE ASSOCIATION

5.1 Declarant's Transfer of Control. Declarant shall be entitled to elect all members of the Association's Board of Directors until one of the following events occurs:

5.1.1 Six (6) months after ninety percent (90%) of the Units have been conveyed by Declarant to Owners other than Declarant by Special Warranty Deed or otherwise; or

5.1.2 January 1, 2006; or

5.1.3 Such earlier date as Declarant may, at Declarant's option, determine.

Prior to, or not more than sixty (60) days after the Declarant is no longer entitled to elect all the members of the Board of Directors, the Declarant shall relinquish control of the Association, and the Owners shall accept control.

ARTICLE VI

MAINTENANCE AND PARTY WALLS

6.1 Common Area, Lake Area and Recreation Area. The Association shall, at all times and at the Association's expense, maintain the Lake Area, Common Area and Recreation Area in good condition and repair. Such maintenance shall include the maintenance, repair and replacement of all buildings and improvements owned by, or dedicated or leased to, the Association, including systems for the provisions of water, electricity, gas and other utilities thereto.

6.2 Party Walls. Each wall that is built as a part of, and placed on the dividing line between the Units or Lots shall constitute a party wall. The maintenance and use of all party walls on the Property shall be governed by the terms and provisions of this Paragraph 6.2.

6.2.1 The center line of a party wall is the common boundary between adjoining Units and Lots.

6.2.2 Each Owner shall bear the cost of maintaining and repairing each side of the party walls in his Unit or Lot, except as otherwise provided in this Declaration.

6.2.3 To the extent not inconsistent with the provisions of this Declaration, general rules of law regarding party walls and liability for property damage due to negligence or wilfull acts or omissions shall apply thereto.

6.2.4 An Owner's use of the party walls contained in his Unit or Lot shall consist of normal interior usage including, but not limited to, panelling, plastering, painting, decoration, construction of tangent walls and shelving, but shall exclude any form of alteration which would cause an aperture, hole, conduit, break or other displacement of the original concrete forming any such party wall.

6.2.5 In the event a party wall is destroyed or damaged by fire or other casualty, any Owner who has used such party wall may restore it, and in the event the cost thereof is in excess of insurance proceeds received by the Owner, the Owner of the adjoining Unit or Lot shall contribute to the cost of the restoration of the party wall in proportion to his use thereof; the right any Owner to call for a larger contribution from any other Owner under any applicable rule of law regarding liability for negligent or wilfull acts or omissions. The right of any Owner to contribution from any other Owner under this Article VI shall be appurtenant to the Unit and shall pass with the title to the Unit or Lot.

6.2.6 Each Owner shall have a perpetual easement upon the Property surrounding his Unit or Lot for the maintenance and repair of the party walls contained in his Unit or Lot.

6.2.7 Mortgagee's Protections. So long as there shall be a mortgage or mortgages upon any Unit or Lot, the provisions of this Section 6.2 shall not be modified, abandoned or extinguished as to that Unit or Lot without the consent of such mortgagee. If an Owner shall give, or shall have given, a mortgage or mortgages upon his Unit or Lot, then the mortgagee shall have the full right, at his option, to exercise the rights of his mortgage or as an Owner hereunder and, in addition, the right to add to the outstanding balance of such mortgage any amounts paid by the mortgagee for repair hereunder and not reimbursed to said mortgagee by the Unit or Lot Owner.

6.2.8 Access and Reconstruction. In the event repairs or reconstruction shall be necessary, all necessary entries on the adjacent Unit or Lot shall not be deemed a trespass so long as the repairs and reconstruction shall be done in a good and workmanlike manner, and consent is hereby given to enter onto the adjacent Unit or Lot to effect necessary repairs and reconstruction. In the event of such reconstruction, said party wall or any part thereof shall be rebuilt in the same manner at the same location where it was initially constructed and shall be the same size and of the same or similar materials and of like quality as originally constructed.

6.3 Exterior Maintenance of Unit. In addition to maintenance of the Common Area, Lake Area and the Recreation Area, the Association shall provide maintenance, repair and replacement of only the exterior surfaces of each Unit or Lot with a Certificate of Occupancy. The maintenance, repair or replacement of each Unit or Lot under the exterior surface thereof shall be the obligation of the Owner. More specifically, the Association shall be responsible for the maintenance, repair and replacement of roofs, gutters, downspouts, exterior building surfaces, exterior building surfaces, exterior awnings, fences, trees, shrubs, sprinkler systems, grass, walks and other exterior improvements originally or hereafter placed or constructed upon the Property by Declarant, or Lot Owner or the Association. Such exterior maintenance, repair and replacement shall not include glass windows, surfaces or doors, screens or screen doors,

exterior doors and window fixtures and patios. With regard to the maintenance, repair and replacement of the roofs, the Association is responsible only for the maintenance, repair and replacement of the roofs, the Association is responsible only for the maintenance, repair and replacement of the roof tiles and tar paper (or the like) which are above the plywood sheathing (or the like) of the roofs of Units and Lots with Certificates of Occupancy. It is understood that the Units or Lots located in any one building share the same roof, and that the centerlines thereof are the common boundaries of the adjoining Units or Lots. The provisions of this Article VI pertaining to party walls shall also pertain to the roofs. With regard to the maintenance and replacement of landscaping, the Association is responsible only for that landscaping that is outside of the fenced-in privacy area of each Unit or Lot.

Each Owner shall maintain all landscaping and other ground surfaces located within the fenced-in privacy area of his Unit or Lot. In the event a portion of a master sprinkler system servicing more than one Unit or Lot or the Common Areas shall be within the boundaries of a Unit or Lot, the Owner of the Unit or Lot in which the sprinkler line is contained shall maintain it, but the Association shall have the right of access to the Unit or Lot to maintain said sprinkler line in the event the Owner fails to do so. In the event a utility line servicing more than one (1) Unit or Lot or the Common Area shall be within the boundaries of a Unit or Lot, the Association shall maintain said utility line and have the right of access to the Unit and/or Lot for such maintenance purposes.

6.4 Right of Entry in Favor of Association. The Association, through its authorized agents and employees, shall have the right to enter any portion of the Property, including individual Lots and Units, for the purpose of conducting an inspection to determine whether any maintenance, repair or replacement is necessary, or to ascertain an Owner's compliance with the provisions of this Declaration, or in case of any emergency such as fire, flood or hurricane, or for performance of any maintenance, repair or replacement to any portion of the Property, including individual Units or Lots, so long as such entry is made at reasonable times and upon reasonable notice to the Owner of any such Unit or Lot. Each Owner hereby appoints the Association as the Owner's agent for the purposes provided in this Article VI, and agrees that the Association shall not be liable for any alleged property damage, injury or theft caused or occurring on account of any such entry and inspection by the Association.

6.5 Owner's Maintenance Obligation. Each Owner is responsible, at the Owner's expense, for the maintenance, repair and replacement of all portions of, and all other improvements constructed on, his Lot or Unit which are not the obligation of the Association to maintain, repair and replace as provided in this Article VI. Accordingly, each Owner shall maintain, at his expense, the interior of the dwelling, and all doors (except the exterior surface thereof), windows, glass, screens, electric panels, electric wiring, electric outlets and fixtures, heaters, hot water heaters, refrigerators, dishwashers and other appliances, drains, plumbing fixtures and connections, and all air conditioning equipment. Additionally, each Owner shall maintain that portion of the roof not maintained by the Association in accordance with this Article VI. Each Owner is prohibited from performing any of the Association's maintenance, repair or replacement obligations without first obtaining written consent from the Association and Architectural Review Board. No Owner shall plant any additional trees, shrubs, bushes, grass or plants outside of the fenced-in privacy area of his Unit or Lot without first obtaining the written consent of the Association and Architectural Review Board.

6.6 Owner Liability. In the event any Owner (a) fails to observe and perform the obligation imposed upon Owner by the terms and provisions of this Declaration with regard to the maintenance, repair and replacement of his Unit or Lot and the improvements thereon; or (b) damages or causes any damage to any building, improvements or grounds that is the Association's responsibility to maintain, repair, replace or reconstruct; or (c) makes or causes any unauthorized improvement, alteration or modification to his Lot, Unit or to the Common Area, Recreation Area, Lake Area or Roadway Area, which improvements, alterations or modifications are not approved in the manner set forth in this Declaration; then the Association shall have the right, after providing ten (10) days prior written notice, to enter upon the Unit, Lot or other affected part of the Property and either cause the necessary repairs, replacements or maintenance to be performed, or remove any unauthorized improvements, alterations or modifications. The Owner of any Lot or Unit upon which the Association acts in accordance with this Paragraph 6.6 shall be responsible for all costs and expenses so incurred by the Association, and the Association shall have the right to add such amounts to the assessments for which such Owner and Lot or Unit is liable.

ARTICLE VII

ASSESSMENTS

7.1 Assessments. Declarant hereby covenants, creates and establishes the assessments, charges, fees and expenses described herein for the purpose of providing the Association with funds sufficient to maintain, repair and replace those portions of the Property that are the Association's responsibility to maintain, repair and replace. Each Owner shall, by acceptance of a Special Warranty Deed or other instrument of conveyance of title to any Lot or Unit, be deemed to have covenanted and agreed to pay to the Association the following assessments, charges, fees and expenses as provided herein.

7.1.1 Annual Assessment. An annual assessment shall be established by the Board of Directors for the purpose of operating the Association and accomplishing any and all of the Association's purposes, obligations and responsibilities with regard to:

- (a) the ownership, operation, maintenance, repair and replacement of the Common Area and Recreation Area;
- (b) the payment of the Association's pro rata share of maintenance expenses for maintenance of the Cypress Preserve, Roadway Area, and any part of the Recreational Area not lying within the Property;
- (c) the payment of any and all taxes, liens and assessments for public improvements levied or assessed against the Common Area, Lake Area, Recreation Area, and Roadway Area and equipment or any personal property located thereon and used in connection therewith;
- (d) the payment of any and all charges levied or assessed by any person or entity providing utilities or other services to the Common Area; Recreation Area, Lake Area and Roadway Area, including, but not limited to, charges

12.12 Immunity from Liability for Disapproval. The Association, its agents or employees, shall not be liable to any persons whomsoever for the approving or disapproving of any person pursuant to this Article XII, or for the method or manner of conducting the investigation. The Association, its agents or employees, shall never be required to specify any reason for a disapproval unless, such disapproval is for cause as stated in Paragraph 12.5 of this Article XII.

12.13 Exempt Sales, Leases, Conveyances and Transfers. The following transactions shall be exempt from the provisions of this Article XII:

12.13.1 A sale, lease, rental, conveyance or transfer between joint tenants, tenants in common, tenants by the entirety (whether or not such transfer is pursuant to a final judgment of dissolution of marriage), or members of immediate families where the grantee is granted a remainder interest in the Unit or Lot and is not intended to take immediate possession of the Unit or Lot.

12.13.2 Any sale, lease, rental, conveyance or transfer by Declarant, or Declarant's successors or assigns, including any entity that is a parent, affiliate or subsidiary of the Declarant.

12.13.3 Any sale, lease, rental, conveyance or transfer by which a person, entity or Institutional Mortgagee acquires title to a Unit or Lot at a foreclosure sale or by deed in lieu of foreclosure.

12.13.4 Any sale, lease, rental, conveyance or transfer by an Institutional Mortgagee.

Any Owner or other acquiror of title or right to occupy that is exempt from compliance with this Article XII as per the terms of this Paragraph 12.9 shall furnish the Association with written notice of such sale, lease, conveyance or transfer along with a certified copy of the instrument by which the Unit or Lot or interest therein or right to occupy the Unit or Lot was so acquired and any other information required by the Board of Directors. Such acquiror of title or interest or right to occupy shall, upon request by the Association, complete an Application for Approval of Proposed Sale, Lease, conveyance or transfer solely for the purpose of providing the Association with pertinent information as to the rightful occupant of the Unit.

ARTICLE XIII

AMENDMENT OF DECLARATION

13.1 Amendment. The restrictions, covenants, easements and conditions contained in this Declaration shall run with and bind the Property for a term of twenty-five (25) years from the date this Declaration is recorded in the Public Records of Palm Beach County, Florida. Thereafter, the restrictions, covenants, easements and conditions contained in this Declaration shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty-five (25) year period by an amendment approved by a vote of not less than a majority of the Owners, and thereafter by an amendment approved by a vote of a majority of the Owners at a special meeting of the Association called for that purpose in accordance with the terms and provisions of the Bylaws; provided, however, that for so long as Declarant, its successors and assigns, owns one (1) or more Units or Lots, Declarant's written consent to any amendment must first be obtained. Without limiting the generality of the foregoing, the Declarant reserves the right to amend this Declaration in any manner whatsoever so long as it owns all the Lots and Units within the Property.

Any amendment to this Declaration enacted in accordance with the terms and provisions of this Article XIII shall be recorded in the Public Records of Palm Beach County, Florida. Declarant shall have the right, at any time within ten (10) years of the date hereof, to amend this Declaration to correct scrivener's errors, and to clarify any ambiguities determined to exist herein. No amendment shall alter the subordination provisions of this Declaration without the prior approval of any Institutional Mortgagee enjoying such protection.

13.2 Exempt Easements. Notwithstanding anything to the contrary contained in this Article XIII, any easement referred to in this Declaration that is evidenced by an instrument recorded in the Public Records of Palm Beach County, Florida, shall not be subject to amendment, but rather, shall continue to exist in full force and effect according to the terms and provisions of the instrument creating such easement.

ARTICLE XIV

CONDEMNATION

14.1 Allocation of Awards. In the event that any portion of the Property is taken by any governmental authority pursuant to its power of eminent domain, all compensation and damages for such taking shall be allocated among the Owners and the Association, as their respective interests may appear. Awards for the taking of the Common Area shall be used to render the remaining portion of the Common Area useable in the manner chosen by the Board of Directors of the Association. Provided that the cost of such works shall exceed the balance of the funds from the awards for the taking, the Board shall, in its discretion, determine whether to specially assess the Owners for their proportionate share of the deficiency for the cost of such work. The balance of the awards for the taking of Common Area, if any, shall be distributed to the Owners in such proportions as their interests in the Property bear to the amount of such compensation and damages. If there is a mortgage on a Unit or Lot, the distribution shall be paid jointly to the Owner and the mortgagees of the Unit or Lot.

ARTICLE XV

RIGHT OF ENTRY AND INSPECTION IN FAVOR OF ASSOCIATION

15.1 Right of Entry and Inspection. The Association, and its authorized agents and representatives, shall have the right to enter upon any portion of the Property, including individual Units and Lots, during reasonable hours, for the purpose of conducting an inspection to ascertain whether the restrictions, covenants, easements and conditions contained in this Declaration are being complied with. In the event any such inspection reveals the existence of a violation of the restrictions, covenants, easements and/or conditions contained in this Declaration, then the Association, and its authorized agents and representatives, shall have the right to enter upon any portion of the Property, including individual Units or Lots, for the purpose of eliminating any such violation at the expense of the person or entity responsible for the cause of existence of such violation. Any such entry by the Association, or its authorized agents or representatives, shall be made at reasonable times and upon reasonable notice to the Owner of any such Unit or Lot.

for water, electricity, telephone, sewer, waste removal, extermination, landscaping and for the maintenance, repair and replacement of equipment in connection therewith. Notwithstanding the ability of the Association to assess Owners for the aforementioned charges for utility or other services, it shall be within the Association's discretion whether to assess Owner's in the event such charges are billed directly to Owners by the utilities providing said service;

- (e) the payment of any and all premiums on any policy of insurance and fidelity bond that may or must be purchased and maintained by the Association in accordance with the terms of this Declaration, including any and all premiums for the renewal of any such policy or bond;
- (f) the payment of expenses of and costs to the Association to indemnify and hold Declarant harmless from and against any and all claims, suits, actions, damages and causes of action arising from any personal injury, death or property damage which occurs on the Common Area, Recreation Area, Lake Area and/or Roadway Area, including attorneys' fees, court costs, in either the defense of any such claim or the commencement of any law suit for the purpose of enforcing Declarant's rights hereunder, at all trial and appellate court levels;
- (g) the payment of any and all ad valorem taxes and personal property taxes assessed against the Common Area, Recreation Area, Lake Area and Roadway Area, and the equipment, fixtures and personal property located thereon and used in connection therewith;
- (h) the payment of any interest, fees and other charges which are incidental to any of the taxes or assessments enumerated in this paragraph 7.1.1;
- (i) the payment of costs and expenses of the Association for the administration of the Association, including but not limited to, salaries of secretaries, bookkeepers, accountants and other employees necessary to carry out the obligations of the Association in accordance with the terms and provisions of this Declaration, and the retainment of a managing company or agent and attorneys for that purpose;
- (j) the payment of costs, expenses and fees incurred by the Association in connection with the enforcement of the restrictions, covenants, easements and conditions contained in this Declaration, including but not limited

to, a reasonable attorneys' fee and court costs at all trial and appellate levels;

- (k) the payment of security costs, including, but not limited, to the maintenance and operation of guard houses or security gates on the Common Area, Recreation Area, Lake Area and Roadway Area; and
- (l) the payment of all Shared Facilities Expenses and other costs payable by the Association under the Cross-Easement and Reciprocal Use Agreement of even date herewith among the Association, Declarant, Cypress Lakes and Cypress Lakes at Boca Rio Associates (the "Cross-Easement Agreement");
- (m) the payment of all costs incurred in performance of the Association's maintenance and insurance obligations under the Cross-Easement Agreement.
- (n) and for such other purpose as a majority of the Board of Directors deems necessary and appropriate.

The annual assessment shall include reserves in order to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Area, Recreation Area, Lake Area and Roadway Area. The annual assessment shall be allocated and assessed equally among the Owners.

7.1.2 Special Assessments. In addition to the annual assessment, the Association may levy special assessments for the purposes of defraying the cost of extraordinary items of expense, emergencies or other non-recurring expenses such as the cost of construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, Lake Area or Recreation Area, Roadway Area, including fixtures, equipment and personal property placed thereon and related thereto; provided, however, that any such special assessment must be consented to by a majority vote of the Board of Directors. Special assessments shall be allocated and assessed equally among the Owners. Special Assessments shall be paid within thirty (30) days after notice of such assessment is sent to the Owners, unless otherwise provided in such notice by the Association.

7.2 Payment of Annual Assessments. The annual assessment allocated to each Unit or Lot shall be paid on at least a quarter annual basis, with payment due dates to be determined by the Board of Directors at the time the Board of Directors establishes the Annual Operating Budget for the Association.

7.3 Fees for Use of Recreation Area. The Board of Directors may, at any regular or special meeting of the Board of Directors, establish specific fees, dues, charges and security deposits to be paid by Owners for any special or personal use of the facilities located on the Recreation Area or to reimburse the Association for any costs and expenses incurred in connection with the enforcement of any of the restrictions, covenants, easements or conditions contained in this Declaration. Any such fees, dues or charges shall be payable by the affected Owners at such time as the Board of Directors establishes and may be added to Assessments against Owners and their respective Units or Lots.

7.4 Establishing Annual Assessments. The Board of Directors shall, commencing with the first fiscal year of the Association, prepare an estimated Annual Operating Budget (hereinafter referred to as "Budget") not less than thirty (30) days prior to the commencement of the next fiscal year of the Association. Each Budget so prepared by the Board of Directors shall reflect the estimated annual expenses of the Association for the applicable year and shall be subject to the approval of a majority of the Board of Directors present, in person or by proxy, at a meeting of the Board of Directors duly called for that purpose at which a quorum is present. Upon rendition of each year's Budget, the Board of Directors shall allocate an equal share of the annual expenses of the Association to each Unit. In the event additional Lots or Units are added to the Property to which a share of the annual assessment shall be adjusted quarterly to allow for the proper allocation of the annual expenses among those Lots or Units existing, as of the date of such adjustment. Upon the adoption of a Budget, the Board of Directors shall, not less than thirty (30) days prior to the due date of the applicable assessment pursuant to said adopted Budget, provide written notice to the Owner of every Lot or Unit, informing the Owner of the amount due and the due date thereof.

7.5 Assessment Ledger. The Association shall prepare and maintain a ledger of all Lots and Units and assessment attributable to and paid on behalf of each Unit and Lot. The Association shall keep such ledger at its office, and shall make such ledger available to any Director or Owner for inspection during reasonable business hours. The Association shall, upon request, furnish a certificate in writing signed by any officer of the Association, certifying whether any assessments are outstanding as of a given date. The person to whom such certificate is addressed may rely upon the contents of the certificate, provided that such party is without knowledge of any error as to the information set forth in the certificate.

7.6 Non-Payment of Assessments; Liens for Assessments. An Owner, regardless of how title is acquired, including a purchaser at a judicial sale, shall be liable for all assessments coming due while he is the Owner. In a voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for a share of common expenses or otherwise up to the time of conveyance, without regard to any right the grantee may have to recover from the grantor the amount paid by the grantee. The liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Area, Recreation Area or Roadway Area, or by the abandonment of the Lot or Unit against which the assessments are made or otherwise.

Assessments, and installments thereof, not paid in full within ten (10) days from the date when they are due shall bear interest at the highest lawful rate from the due date until paid. Additionally, the Board of Directors may levy a late fee of twenty-five dollars (\$25.00) for each month the assessment remains unpaid, beginning with the original due date of any unpaid assessment. Such late charges are not to be considered additional interest on unpaid assessments. The Association has a lien on each Unit or Lot for any unpaid assessment on such Unit or Lot and interest thereon and for attorneys fees incurred by the Association in connection with such lien, at both trial and appellate levels, and costs incurred by the Association incident to the collection of the assessments or enforcement of the lien. The lien is effective from and after recording a Claim of Lien in the Public Records of Palm Beach County, stating the description of the Unit or Lot, the name of the record Owner, the amounts due and due dates. The lien is in effect until all sums secured by it have been fully paid or until barred by law. A Claim of Lien

shall be signed and acknowledged by an officer or agent of the Association. Upon payment, the Owner making the payments is entitled to a release of the lien. The Association may bring an action to foreclose a lien for unpaid assessments in the manner a mortgage of real property is foreclosed and may also bring an action at law to recover a money judgment for the unpaid assessments without waiving its right under any Claim of Lien. If an Owner shall be in default in the payment of an assessment or any part thereof, the Board of Directors may accelerate the remaining installments for assessments for the fiscal year upon notice to the Unit or Lot Owner and thereupon, the unpaid balance of the assessment due for the remainder of the fiscal year shall become due upon the date stated in the Notice, but not less than fifteen (15) days after delivery of or mailing of such Notice to the Unit or Lot Owner.

7.7 Enforcement of Liens for Assessments and Personal Obligation of Owner. In the event an Owner fails to pay assessments, in full and when due as provided in this Declaration, the Association may at any time thereafter institute an action to foreclose the lien in favor of the Association against the Owner's Unit or Lot, and/or to institute an action at law against the Owner personally obligated to pay such assessment. The Association's acceptance of any subsequent payment of any assessment, in whole or in part, shall not be deemed a waiver of the Association's right to enforce its lien against any Unit or Lot and/or enforce the Owner's obligation to any such assessments as provided in this Declaration.

7.8 Title Acquired Through or in Lieu of Foreclosure. The lien in favor of the Association for outstanding assessments shall be subordinate to a bona fide mortgage on any Unit or Lot, which mortgage is recorded in the Public Records of Palm Beach County, Florida prior to the recording of any Claim of Lien against such Unit or Lot. A lien in favor of the Association for outstanding assessments shall not be affected by the sale or transfer of any Unit or Lot, except that in the event a mortgagee obtains title to a Unit or Lot as a result of the foreclosure of the mortgage owned and held by such mortgagee or by deed given in lieu of foreclosure, or in the event another person or entity acquires of title, his successors and assigns shall not be liable for the outstanding assessments pertaining to such Unit or Lot or chargeable against the former Owner which became due prior to such acquirer's acquisition of title. In the event a Claim of Lien has not been recorded by the Association prior to the recording of the foreclosed mortgage or the mortgage for which a deed is given in lieu of foreclosure, the unpaid assessments shall be deemed to be assessments collectible from all other Owners and may, at the discretion of the Board of Directors, be reallocated and assessed to all other Units or Lots, including the Unit acquired through foreclosure or deed in lieu of foreclosure. Any foreclosure sale or transfer made in lieu of foreclosure shall not relieve the acquirer to title from the liability for, not relieve the Unit or Lot so acquired from the lien of, any assessments made after such acquisition of title. Notwithstanding anything contained herein to the contrary, the prior Owner of any Unit or Lot sold or transferred pursuant to a foreclosure shall not be released from liability to the Association for any outstanding assessments, or from the enforcement of the prior owner's personal obligation for outstanding assessments by means other than foreclosure of the lien in favor of the Association.

ARTICLE VIII

ENFORCEMENT OF DECLARATION

8.1 Right to Enforce. Declarant, the Association, and any Owner shall have the right, at both law and equity, to enforce the restrictions, covenants, easements and conditions contained in this Declaration. Failure by the Association or by any Owner to enforce any restriction, covenant, easement or condition contained in this Declaration shall in no event be deemed a waiver of the right to do so at any time.

ARTICLE IX

INSURANCE

9.1 Units. The Association shall purchase and maintain a policy of fire, hazard, casualty and extended coverage insurance for all Units and Lots with Certificates of Occupancy, and the improvements, as originally constructed and equipped, situated upon the Units and Lots with Certificates of Occupancy, in an amount not less than the maximum insurable replacement value thereof excluding land, foundation and excavation. Any such policy shall afford coverage against loss, damage or destruction by fire or other hazard or casualty as may be covered by a standard extended coverage endorsement, and all other such risks as may be covered with respect to buildings, improvements and other items similar in nature, construction, location or use, including but not limited to, theft, vandalism, malicious mischief and windstorm. Any such policy shall provide that it may not be modified or cancelled without at least thirty (30) days prior written notice to the insured thereunder. Owners of Lots without Certificates of Occupancy are responsible for insuring all improvements on such Lots.

9.2 Common Area, Recreation Area and Roadway Area. The Association shall purchase and maintain a policy of property insurance, naming the Association and Declarant as insureds and covering the Common Area, Recreation Area and Roadway Area, and any improvements, buildings, fixtures, personal property, and equipment, supplies and materials located on and used in connection with the operation of the Common Area and/or Recreation Area or Roadway Area, in an amount not less than the maximum insurable replacement value thereof, excluding land, foundation, excavation and other items normally excluded from coverage. Said coverage shall afford protection against loss, damage or destruction by fire, and other hazard or casualty as may be covered by a standard extended coverage endorsement, and all other such risks as may be covered with respect to buildings, improvements and other items similar in nature, construction, location or used including but not limited to theft, vandalism, malicious mischief, and windstorm. Any such policy shall provide that it cannot be cancelled or substantially modified without at least thirty (30) days prior written notice to the Association and Declarant.

9.3 Flood Insurance. In the event the Property is located within an area that has been designated a special flood zone, as defined by the Federal Emergency Management Agency, the Association shall purchase and maintain a policy of flood insurance, naming the Association and Declarant as insureds, and covering the Common Area, Recreation Area and Roadway Area, and any improvements, buildings, fixtures, personal property, equipment, supplies and materials located on and used in connection with the operation of the Property, and each Owner shall purchase and maintain a similar policy covering his Unit or Lot with a certificate of occupancy. The Association coverage shall be in an amount not less than the following: the lesser or (a) the maximum coverage available under the National Flood

Insurance Program for all buildings and other improvements located on any portion of the Common Area and Recreation Area that falls within a designated special flood zone; or (b) one hundred percent (100%) of the current replacement cost of such improvements, buildings and other insurable property. Any such policy shall provide that it cannot be cancelled or substantially modified without at least thirty (30) days prior written notice to the Association, Declarant, or Owner, whoever the insured is under such policy.

9.4 Liability Insurance. The Association shall purchase and maintain a policy of comprehensive general liability insurance, naming the Association and Declarant as insureds. The coverage shall be in an amount not less than ten million dollars (\$10,000,000.00) for bodily injury, death and property damage arising out of a single occurrence. Coverage shall include liability of the Association and Declarant for bodily injury, death and property damage. Any such policy will provide that it cannot be cancelled or substantially modified without at least thirty (30) days prior written notice to the Association and Declarant. An Owner is responsible for purchasing and maintaining a policy of comprehensive general liability insurance providing coverage for his Unit if he desires such coverage.

9.5 Personal Property Insurance; Renters Insurance. An Owner may purchase and maintain policies of insurance covering loss, theft, damage or destruction of or to the fixtures, appliances or personal property contained in the located on his Unit or Lot in the event such loss, theft, damage or destruction is caused by any third party or by the Owner's tenant, members of tenant's family, or tenant's guests, invitees, or licensees, in the event the Owner desires such insurance coverage. The Association shall not be responsible for any loss, theft, damage or destruction to the fixtures, appliances or personal property contained in and located on any Unit or Lot.

9.6 Fidelity Insurance. The Association shall purchase and maintain a policy of insurance or fidelity bond, naming the Association as the insured or as the obligee, to protect the Association against the wrongful acts or omissions of any officer, director, trustee, agent or employee of the Association and all other persons who handle or are responsible for handling funds of, or funds administered by, the Association. Any such policy or bond shall be in an amount determined by the Board of Directors, in their best business judgment, but in no event shall the amount of any such policy or bond be less than fifty percent (50%) of the estimated Annual Operation Budget of the Association for the current year during the term of each such policy or bond. Each such policy or bond shall provide that it shall not be cancelled or substantially modified without at least thirty (30) days prior written notice to the Association.

9.7 Waiver of Rights of Subrogation. The Association shall attempt to obtain in all policies that are required to be purchased and maintained, or that may be purchased and maintained pursuant to the terms and provisions of this Declaration, waivers of all the insurer's rights of subrogation as to any claims against any Owner, the Association or Declarant and their respective representatives, agents family members, invitees, licensees and guests. Each Owner, the Association and Declarant hereby agree to waive any claim or demand against each other and against other Owners that may exist or arise by virtue of any loss, damage or destruction that is covered by insurance and where the insurer has waived its rights of subrogation as provided herein.

9.8 Distribution of Proceeds; Reconstruction of Buildings and Improvements. The proceeds of any policy of insurance or bond required to be purchased and maintained, or which may be

purchased and maintained, pursuant to the terms of this Declaration shall be paid to either the Association and Declarant, as their interests may appear, or to the Owner, whichever of them is the insured or obligee under any such policy or bond, and shall be used as set forth in this Article IX.

9.8.1 Proceeds received by any Owner on account of loss, damage or destruction of his Unit or Lot shall be utilized to repair or reconstruct his Unit or Lot, which repair or reconstruction shall be substantially in accordance with the original plans and specifications used in the construction of the original Unit or Lot, or as the Unit or Lot was last repaired or reconstructed; provided, however, that such repair or reconstruction shall be subject to modification to conform with the then current restrictions, ordinances and codes of any governmental entity having jurisdiction over the use and occupancy of the Property.

9.8.2 All proceeds received by the Association and/or Declarant for any loss, damage or destruction of any building, improvement, landscaping, equipment, supplies or materials located on and used in connection with the Common Area, Recreation Area and/or Roadway Area shall be utilized by the Association and/or Declarant to repair, replace or reconstruct any such building, improvements, landscaping, equipment, supplies or materials. Any difference between the amount of insurance proceeds received by the Association and/or Declarant and the amount required to complete the repair, replacement or reconstruction shall be an expense of the Association for which the Association shall levy a special assessment against all Owners to obtain said difference within forty five (45) days from the date such loss, damage or destruction occurred. Any repair, replacement or reconstruction that is the responsibility of the Association as provided in this Declaration shall be substantially in accordance with the plans and specifications of the original building or improvement, or as the building or improvement was last repaired or reconstructed, and shall be modified when necessary to conform with the then current restrictions, ordinances and codes of any governmental entity that has jurisdiction over the use and occupancy of the Property.

9.8.3 Notwithstanding anything to the contrary stated in this Article IX, so long as the Declarant owns one hundred percent (100%) of the Units or Lots subject to the Declaration, it shall be in the Declarant's sole discretion as to whether to rebuild, repair or reconstruct any loss, damage or destruction to Units, Lots, Common Area or Recreation Area, or any portion thereof.

9.9 Estimates for Repair, Replacement or Reconstruction.
In the event any loss, damage or destruction occurs that is covered by an insurance policy purchased and maintained by the Association pursuant to the terms of this Declaration, the Association shall, immediately after the occurrence of such loss, damage or destruction, obtain a reliable, detailed estimate of the cost to place the damaged property in as good a condition that existed immediately prior to the loss, damage or destruction. The Association shall establish a separate account with a bank or savings and loan association located in Palm Beach County, Florida, and shall deposit into such account all insurance proceeds and any special assessments collected by the Association by virtue of the occurrence of any loss, damage or destruction as provided in this Declaration.

9.9.1 Said account shall constitute a repair, replacement and reconstruction fund which shall be disbursed in the manner provided in this Article IX as the required repair, replacement and reconstruction progresses.

9.9.2 The Association shall make payments for such repair, replacement or reconstruction upon the written request for a disbursement by the person or entity responsible for the repair, replacement or reconstruction, which in the case of the repair, replacement or reconstruction of a building or other improvement, shall be: (a) that the requested payment has either been made or is justly due, and certifying that the payment requested does not exceed the value of the services and materials already in place pursuant to such repair, replacement or reconstruction; (b) that, except for the payment requested, there are no outstanding payments for the repair, replacement or reconstruction being performed which may provide a basis for a vendor's or mechanic's lien; and (c) that the cost of the repair, replacement or reconstruction to be done subsequent to the date of such certificate does not exceed the amount of funds remaining in the repair, replacement and reconstruction fund after the requested payment is made.

9.9.3 In the event there is a balance in the repair, replacement and reconstruction fund after the Association has made all payment for any such repair, replacement or reconstruction pursuant to the terms of this Declaration, the Association shall be entitled to retain said balance and add it to the Association's reserve; provided, however, that in the event special assessments were collected and utilized for such repair, replacement or reconstruction, then a majority vote of the Owners, at a special meeting called for that purpose and held in accordance with the terms and provisions of the Bylaws shall determine whether the balance shall be retained by the Association and added to the Association's reserves, or shall be returned pro rata to the Owners who paid such special assessments.

9.10 Declarant Named as Insured. Whenever the Association is required to purchase and maintain a policy of insurance or bond which shall, according to the terms of this Article IX, name Declarant as an insured, such obligation to name the Declarant as an insured shall cease upon Declarant's conveyance of title to the last Unit or Lot owned by Declarant.

9.11 Mortgagee Endorsements. In the event a mortgage endorsement has been issued on any Unit or Lot, the share of the Owners shall be held in trust for the mortgagee as its interest may appear; provided, however that no mortgagee shall have the right to apply or have applied to any insurance proceeds the reduction of its mortgage debt. All mortgagees agree to waive the rights to said proceeds if the same are used pursuant to the provisions of this Declaration to pay for the restoration of such damage, provided owners shall deposit sufficient additional funds with the Mortgagees to assure full completion of any such restoration prior to the expenditure of any insurance proceeds. All covenants contained herein to the benefit of any mortgagee may be enforced by such mortgagee. Nothing contained herein, however, shall be construed as relieving the Owner of his duty to reconstruct damage to his dwelling as heretofore provided.

9.12 Review of Insurance Coverages. The Association shall, at least annually, review the adequacy of the insurance coverages required pursuant to this Declaration and shall make a determination as to the adequacy of the amounts and types of coverage then in effect.

ARTICLE X ARCHITECTURAL REVIEW

10.1 Architectural Review Board. There shall be an Architectural Review Board composed of the Board of Directors or any three (3) Members of the Board of Directors, or any three (3) or more persons that may be appointed by the Board of Directors

in accordance with terms and provisions of the Bylaws. The Architectural Review Board shall consider all plans and specifications submitted to the Architectural Review Board, and specifications, as provided in this Article X.

10.2 Restrictions. No building, fence, wall, screen, enclosure, exterior finish, sign, or other structure of any kind, either attached to or separate and apart from any Unit or Lot, shall be constructed, erected, built, placed or maintained upon the Property, including the individual Units or Lots, and no Unit or Lot shall be altered, changed, repaired or modified unless the prior written approval of the Architectural Review Board is obtained by any person or entity who desires to make any such improvement, alteration or modification.

10.3 Submission of Plans and Specifications for Approval. Two sets of plans and specifications for any proposed improvement, alteration or modification shall be submitted to the Architectural Review Board, which plans and specifications shall include the following:

10.3.1 Front, side and rear elevations of the improvement, alteration or modification; and

10.3.2 A plot plan indicating and fixing the exact location of the improvement, alteration or modification with reference to the Unit or Lot or closest Units or Lots, the surrounding property, and the streets nearest to the site to be improved, altered or modified; and

10.3.3 Data as to the types of materials to be used in, including the color and texture of all exteriors of, the proposed improvement, alteration or modification; and

10.3.4 Graphic depiction of, and narrative describing, the nature, kind, shape, height and location of the proposed improvement, alteration or modification; and

10.3.5 The harmony of the proposed improvement, alteration or modification to the external design and location of the existing Units, buildings and improvements on the Property, and the topography of the Property.

10.4 Approval of Plans and Specifications. The Architectural Review Board shall either approve or disapprove any plans and specifications that meet the requirements contained in this Article X as are submitted to the Architectural Review Board for its consideration. Such approval or disapproval shall be in writing, within thirty (30) days after such plans and specifications have been submitted to the Architectural Review Board. In the event the Architectural Review Board fails to approve or disapprove such plans and specifications, in writing and within said thirty (30) day period, then the approval of the Architectural Review Board shall not be required, and this Article X shall be deemed to have been fully complied with; provided, however, that all other restrictions, covenants, easements and conditions contained in this Declaration shall remain in full force and effect. In the event the Architectural Review Board approves any plans and specifications submitted to it, the Architectural Review Board shall endorse both sets of the plans and specifications submitted pursuant to this Article X. Thereafter, one (1) set of endorsed plans and specifications shall be returned to the person or entity who submitted such plans and specifications, and the other set shall remain in the possession of the Architectural Review Board until the proposed improvement, alteration or modification is completed in full conformance and compliance with the plans and specifications approved by the Architectural Review Board.

The approval by the Architectural Review Board of plans and specifications submitted for approval, as herein specified, shall not be deemed to be a waiver by the Architectural Review Board of the right to object to any of the features or elements embodied in such plans and specifications if and when the same features and elements are contained in any subsequent plans and specifications submitted for approval for use in connection with another Unit or Lot. After such plans and specifications and other data submitted have been approved by the Architectural Review Board, no building, outbuilding, garage, fence, wall, or other improvements and structures of any kind shall be erected, constructed, placed, altered or maintained upon the Property unless the same shall be erected, constructed or altered in conformity with the plans and specifications and plot plans theretofore approved by the Architectural Review Board.

10.5 Right of Entry and Inspection. The Architectural Review Board, any Member thereof, and any of its authorized representatives or agents, shall have the right to enter any portion of the Property that is subject to the jurisdiction of the Architectural Review Board, including individual Units or Lots for the purpose of conducting an inspection to ascertain whether the terms and provisions of this Article X are being violated.

10.6 Declarant Exempt. Declarant, all Units owned by Declarant and all improvements made by Declarant, shall be exempt from the terms and provisions contained in this Article X.

ARTICLE XI

PARKING SPACES

11.1 Assignment of Parking Spaces. All parking spaces for the Units and Lots shall be located on the Common Area. Any and all vehicles on the Property shall be parked only in designated parking areas in accordance with the Rules and Regulations to be adopted by the Board of Directors. Declarant may assign the exclusive use of designated parking spaces to an Owner. If such assignment is made, it shall be in writing and shall be delivered to an Owner. Thereafter, the use of each parking space shall be appurtenant to the Unit or Lot to which it was originally assigned by Declarant and shall pass with the title to such Unit.

11.2 Records and Subsequent Transfer of Parking Spaces. The Association shall prepare and maintain a ledger for the purpose of listing each assignee of each parking space and the transfers thereof. Whenever an Owner conveys title to or the right of occupancy to his Unit or Lot, the Owner shall execute a Notice of Transfer to the Association which shall state the name of the grantee or transferee of the Unit or Lot. Upon its receipt of such notice, the Association shall record the name of the grantee or transferee as the person or entity entitled to the exclusive use of the parking spaces appurtenant to the Unit or Lot so conveyed, if any. In the event any person or entity acquires title to a Unit or Lot other than by purchase, such acquiror of title shall notify the Association of such acquisition and provide the Association with a certified copy of the instrument effecting such conveyance.

11.3 Unassigned Parking Spaces. In the event there are any unassigned spaces after the Declarant, in its discretion, has assigned the exclusive use of spaces to each Unit or Lot, such unassigned parking spaces shall be designated for guest parking.

11.4 Use of Parking Spaces. All parking spaces may be used only by the Owners and their family members, invitees, licensees, guests and authorized tenants or other occupants, in accordance with the Rules and Regulations.

11.5 Prohibition against Separate Transfer of Parking Spaces. The exclusive use of a parking space is appurtenant to the Unit or Lot to which it is assigned and cannot be transferred or conveyed separate from the transfer or conveyance of the Unit.

ARTICLE XII

SALES, LEASES, CONVEYANCES AND TRANSFERS OF UNITS

12.1 Purpose of Restrictions. The purpose of restrictions on the sale, lease, conveyance and transfer of Units or Lots is to maintain a community of residents who are financially and socially responsible and to protect the value of the Units, Lots and the Property. The sale, lease, conveyance, transfer and mortgaging of the Units or Lots shall be subject to the provisions set forth in this Article XII.

12.2 Transfer Requiring Approval of the Association.

12.2.1 Sale. No Owner may sell his Unit, Lot or any interest therein without first obtaining the Association's written approval of the proposed grantee.

12.2.2 Lease. No Owner may lease his Unit, Lot or any interest therein without first obtaining the Association's written approval of the proposed lessee. No Owner may lease his Unit or Lot more than twice during any calendar year nor may any lease of a Unit or Lot be for a period of less than three (3) months.

12.2.3 Gift, Devise or Inheritance. The continuance of any person or entity's ownership that has been acquired by gift, devise or inheritance shall be subject to the Association's approval. Any person or entity that so acquires title to or the right to occupy a Unit or Lot shall give notice of such acquisition to the Association in the same format as required by this Article XII to be given to the Association by any Owner who desires to sell or lease his Unit or Lot, along with a certified copy of the instrument by which the Unit or Lot was so acquired.

12.2.4 Other transfers. In the event any person or entity acquires title to, an interest in, or the right to occupy any Unit or Lot by any manner not specifically mentioned in this Article XII, such person or entity shall give notice to the Association in the same format as required by this Article XII to be given to the Association by any Owner who desires to sell or lease his Unit or Lot, along with a certified copy of the instrument by which the Unit or Lot was so acquired.

12.3 Notice to the Association. Any Owner who intends to make a "bona fide" sale or lease of his Unit, Lot or any interest therein shall obtain, complete, execute and submit to the Association the then current Application For Approval of Sale, Lease, Conveyance or Transfer (hereinafter referred to as the "Notice") together with such information concerning the proposed purchaser or lessee as may be required by the Board of Directors. If an Owner intends to sell his Unit or Lot, such Owner shall attach to the Notice a copy of the executed contract of sale and purchase. If an Owner intends to lease his Unit or Lot, such Owner shall attach to the Notice an executed copy of the proposed lease. If any person or entity acquires title to, or an interest in, or the right to occupy any Unit or Lot by gift, devise, inheritance or otherwise, such person or entity shall attach to the Notice a certified copy of the instrument by which such person or entity acquired title to, or an interest in, or the right to occupy the Unit or Lot.

12.4 Approval of Sale, Conveyance or Transfer. The Board of Directors shall, within thirty (30) days after receipt of any Notice and other information as may be required by the Board of Directors including, but not limited to, responses to financial and character inquiries, either approve or disapprove, in writing, the proposed sale, lease, conveyance or transfer. The written approval of the Board of Directors shall be in recordable form, signed by either the President or Vice President of the Association, and shall be delivered to the person or entity who gave the Notice. The Board of Directors' failure to act within said thirty (30) day period shall be deemed to constitute the approval of the proposed sale, lease, conveyance or transfer, and the Association shall immediately thereafter prepare and deliver the written approval described in this Paragraph 12.4

12.4.1 Bona Fide Offer. For purposes of this Article XII, a "bona fide" offer shall mean an offer, in writing, binding upon the offeror, containing a price or rental rate reflecting the fair market value for the Unit or Lot proposed to be transferred, disclosing the names and addresses of the real parties in interest and containing all the terms and conditions of such proposed lease or sale and accompanied by an earnest money deposit in current legal funds.

12.4.2 Transfer Fee. There may be a fee, as established and charged by the Association, as an administrative fee for the approval procedures set forth in this Article.

12.5 Disapproval of Proposed Sale or Lease. In the event the Board of Directors disapproves any proposed sale or lease, the Association shall deliver a written certificate of disapproval, signed by the President or Vice President, to the person or entity who gave the Notice; provided, however, that unless such disapproval is for cause based upon any violation or potential violation of this Declaration, the Articles, the Bylaws, the Rules and Regulations or any nuisance or disturbance that violates any law, statute, ordinance, rule, regulation or restriction of any governmental entity that has jurisdiction over the use and occupancy of the Property, the Association shall, only if request is promptly made by the Owner whose sale, lease or other transfer has been disapproved, furnish to the person or entity that gave the Notice, a substitute purchaser or lessee approved by the Association within thirty (30) days after the delivery of the certification of disapproval by the Association to the person or entity who gave the Notice. Such substitute purchase or lease shall be upon terms as stated in the disapproved offer to sell or lease attached to the Notice, except that the substitute purchaser or lessee furnished by the Association shall not be obligated to consummate the transaction until at least thirty (30) days after the delivery of the notice of substitute purchaser or lessee by the Association to the person or entity who gave the Notice. In the event the substitute purchaser or lessee furnished by the Association defaults in his agreement to purchase or lease the subject Unit or Lot, or if the Association fails to provide a substitute purchaser or lessee as provided in this Article XII, then the Board of Directors shall approve the sale or lease, as originally provided in the Notice, and shall provide to the person or entity that originally gave the Notice a written approval of the proposed sale, lease, conveyance or transfer, in recordable form as provided in Paragraph 12.4 of this Article XII.

12.6 Disapproval of Continued Ownership Resulting from Gifts, Devises or Inheritance. If the Owner has acquired his title by gift, devise or inheritance, or in any other manner, and the continuance of ownership and occupancy is disapproved, the Association shall deliver or mail by certified mail, to the Owner an agreement to purchase the Unit or Lot by a purchaser approved by the Association who will purchase and to whom the Owner must sell the Unit or Lot upon the following terms:

12.6.1 The sale price shall be the fair market value determined by agreement between the Owner and the purchaser and closing shall occur within thirty (30) days from the delivery and mailing of such agreement. In the absence of agreement, the price shall be determined by the concurrence of two (2) M.A.I. appraisers, one (1) appointed by the Association and one (1) appointed by the Owner. If the two (2) appraisers disagree they shall choose a third whose determination shall be conclusive and binding upon all parties. Upon determination of the price, the Owner and purchaser shall execute a bona fide contract of purchase and sale of the Unit or Lot. The purchase price shall be paid in cash and the sale shall be closed within thirty (30) days following the determination of the sale price. The contract shall be in the form of the then current Florida Bar/Florida Association of Realtors Contract for Sale and Purchase. If the Association shall fail to provide a purchaser as required herein, or if a purchaser furnished by the Association shall default in his agreement to purchase, then the Board of Directors shall approve the continuance of ownership and occupancy and shall provide to the person or entity that originally gave the Notice, written approval of the continued ownership and occupancy by said person or entity in recordable form as provided in Paragraph 12.4 of this Article XII.

12.7 Approval of Corporate Owners, Purchasers and Lessees. If the proposed purchaser or lessee of a Unit is a corporation, partnership or other entity, the approval by the Board of Directors shall be conditioned on requiring that all persons who shall be occupants of the Units or Lots be approved by the Board of Directors, and that the principals of the corporation, partnership or other entity guarantee the performance by the corporation of the terms and provisions of this Declaration.

12.8 Unauthorized Sales, Leases, Conveyances or Transfers. Any sale, lease, conveyance or transfer that is not approved by the Board of Directors as provided in this Article XII, shall be void unless the Board of Directors, at the Board's option, subsequently approves such sale, lease, conveyance or transfer in the manner provided in this Article XII.

12.9 Restrictions on Leases. Any and all lease agreements between an Owner and a lessee of any Unit or Lot shall be in writing and shall provide that the lessee shall in all respects comply with, and be subject to, the restrictions, covenants, easements and conditions contained in this Declaration, the Articles, the Bylaws, and the Rules and Regulations. Any such lease agreement shall provide that the lessee's failure to comply with the terms and provisions of the aforementioned documents shall constitute a material default and breach of the lease agreement.

12.10 Payment of Assessments to the Association. The Board of Directors shall not approve, and the Association shall not issue a certificate of approval, for the sale, lease, conveyance or transfer of any Unit or Lot until all sums due to the Association by the Owner of such Unit or Lot pursuant to the terms of this Declaration are current and paid.

12.11 Transfer of Declaration of Restrictions, Covenants, Easements and Conditions and Other Owner Documents. An Owner shall be responsible for the transfer of a copy of this Declaration, the Articles, the Bylaws and the Rules and Regulations to a purchaser, lessee or other transferee at the time such Owner delivers, and the purchaser, lessee or other transferee accepts occupancy of the Unit or Lot.

ARTICLE XVI

RULES AND REGULATIONS FOR USE AND OCCUPANCY OF THE PROPERTY

16.1 Regulations of Uses. Notwithstanding anything to the contrary contained herein, Declarant reserves, until such time as Declarant transfers control of the Association to the Owners, the right to regulate the use of the Property through the establishment and publication, and amendment or rescission, of Rules and Regulations; provided, however, that any such rule or regulation shall not conflict with the terms and provisions of the Easement Agreement or the Cross-Easement Agreement.

16.2 Adoption of Rules and Regulations. After such time as Declarant transfers control of the Association to the Owners, the Board of Directors is authorized to adopt, amend or rescind at any regular or special meeting of the Board of Directors, rules and regulations governing the use and occupancy of the Property and any and all buildings and improvements thereon; provided, however, that such rules and regulations shall be for the elaboration and administration of the restrictions, covenants, easements and conditions contained in this Declaration, and shall not be inconsistent with any of the terms or provisions of the Declaration, the Articles or the Bylaws. Any such rule or regulation shall not conflict with the terms and provisions of the Easement Agreement or the Cross-Easement Agreement.

16.3 Publication and Distribution of Rules and Regulations. The Association shall publish the Rules and Regulations as may be promulgated, amended or rescinded by Declarant or the Board of Directors pursuant to this Article XVI, and shall mail copies of the Rules and Regulations to all Owners at their last known addresses as shown on the books and records of the Association.

16.4 General Provisions for Use and Occupancy of the Property.

16.4.1 Residential Use. All Units and Lots shall be used for residential purposes only, except for the construction, development, sale, rental or other activities conducted by Declarant in furtherance of Declarant's business.

16.4.2 Use of Recreational Vehicles on the Property. Recreational vehicles, mobile homes, campers, trailers or similar vehicles shall not be used as residences on any part of the Property for any period of time whatsoever.

16.4.3 Nuisances. No Owner or other authorized occupant of any Unit or Lot shall cause or permit any unreasonable or obnoxious noises or odors to emanate from, or cause or permit any nuisances or immoral or illegal activities upon, his Unit or Lot or any part of the Property.

16.4.4 Animals and Pets. No cat, dog or any other pet shall be allowed to be kept or harbored at the Property without the prior written approval of the Board of Directors or its designated managing agent, which approval may be granted or denied at the sole discretion of said Board, with respect to Owners, or the management office with respect to tenants. The Board is authorized to promulgate rules and regulations regarding the keeping or harboring of pets. No pet shall be kept or harbored in any area within the Property which exceeds the weight limit of twenty (20) pounds. The Board or management office shall have the right to require any pet to be removed from the Unit or Lot which causes an unreasonable source of annoyance to any Owner or tenant, or if this provision or any rules and regulations promulgated pursuant hereto are violated with respect to the pet.

16.4.5 Clothes Lines. Outdoor clothes lines and outdoor clothes drying are expressly prohibited on any part of the Property.

16.4.6 Parking Limitations. Notwithstanding anything to the contrary contained in this Declaration, no parking space on any part of the Property shall be used for the parking or storage of recreational vehicles, mobile home, campers, trailers, boats, or commercial vehicles, except for deliveries, without the prior written consent of the Board of Directors or managing agent.

16.4.7 Signs. No signs of any kind shall be displayed for the public view on any Unit or Lot, except such sign deemed necessary by Declarant, its successors and assigns, or its designees in the construction, development, sales and leasing operations of Declarant.

16.4.8 Antennas, Aerials and Satellite Dishes. No antennas, aerials or satellite dishes of any kind shall be placed upon the roof or exterior of any Unit or Lot, nor shall any Owner place or cause any antenna, aerial or satellite dish to be placed upon any part of the Property.

16.4.9 Trade, Business or Profession. No Owner or other authorized occupant of any Unit or Lot may conduct or carry on any trade, business, profession or other type of commercial activity in any Unit or Lot or otherwise upon the Property.

16.5 Declarant Exempt. The Declarant shall be exempt from the terms and provisions of this Article XVI.

ARTICLE XVII

GENERAL PROVISIONS

17.1 Captions and Headings. The captions and headings pertaining to the articles and paragraphs contained in this Declaration are solely for the convenience of reference and in no way shall such captions or headings define, limit or in any way affect the substance of the provisions contained in this Declaration.

17.2 Severability. In the event any one of the terms or provisions contained in this Declaration shall be deemed invalid by a court of competent jurisdiction, such term or provision shall be severable from this Declaration and the invalidity or unenforceability of any such term or provision shall not affect or impair any other term or provision contained in this Declaration.

17.3 Number and Gender. Whenever used in this Declaration, the singular number shall include the plural, the plural number shall include the singular and the use of any one gender shall be applicable to all genders.

17.4 Conflicting Provisions. In the event that there is any conflict between the Articles and this Declaration, the terms and provisions of the Declaration shall control, and in the event there is any conflict between the Bylaws and this Declaration, the terms and provisions of this Declaration shall control.

ARTICLE XVIII

MASTER ASSOCIATION

18.1 Master Association. The Property has been previously submitted to the "Declaration of Covenants, Conditions and Restrictions of Boca Rio, A Planned Unit Development"

(hereinafter referred to as "Master Declaration") as recorded on December 19, 1983, in Official Record Book 4112, Page 455, of the Public Records of Palm Beach County, Florida. Pursuant to the Master Declaration, all Owners, by acceptance of their deed to their Unit, become Members of the Boca Rio Master Homeowners Association, Inc., a Florida not-for-profit corporation (hereinafter referred to as "Master Association"), the functions of which are to maintain the Master Common Property which consist of the Lakes and Cypress Preserve contained within the Boca Rio P.U.D., as approved by Palm Beach County.

18.2 Sub-Association. Pursuant to the Master Declaration, the Association is a "Sub-Association" and is subject to all terms, conditions and provisions of the Master Declaration. As a Sub-Association, the Association has duties and obligations set forth in the Master Declaration, including but not limited to, the following:

- (a) The Association is the voting representative for all of its Members pertaining to matters concerning the Master Association. For these purposes, the President of the Association is hereby designated to be the person to act as the Voting Representative and the Vice President of the Association is hereby designated to act as the Alternative Voting Representative. The Secretary of the Association shall certify in writing to the Master Association, from time to time, as to the identity of the persons holding the office of President and Vice President of the Association and their addresses.
- (b) The Association is responsible for the collection and payment to the Master Association of the assessments which are due from Owners as Members to the Master Association for their pro rata share of maintenance of the Cypress Preserve. The Association is responsible for maintaining the Lake Area at its own expense. However, Cypress Lakes is responsible for a pro rata share of such expenses under the Cross-Easement Agreement.

ARTICLE XIX

MORTGAGE RIGHTS AND PROTECTIONS

19.1 Mortgage Protection Clause. Any breach of the restrictions, covenants, easements, and conditions contained in this Declaration shall in no manner impair the lien of any mortgage made in good faith and for value on the Property or any portion thereof.

19.2 Mortgagee Rights. Upon written request to the Association, identifying the name and address of the Institutional Mortgagee, and the applicable legal description or address of the subject property, any Institutional Mortgagee shall be entitled to timely written notice of:

- (a) Any condemnation, loss or casualty loss affecting a material portion of the Property or any individual Unit or Lot on which said Institutional Mortgagee holds a first mortgage;
- (b) Any delinquency in the payment of assessments or charges owned by any individual Owner subject to a first mortgage held by said Institutional Mortgagee which remains uncured for a period of sixty (60) days;
- (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

ARTICLE XX

DESIGNATED MORTGAGEE RIGHTS

GREAT WESTERN SAVINGS, a Federal Savings and Loan Association, and its successors and/or assigns, (hereinafter referred to as "GREAT WESTERN SAVINGS"), is the Institutional Mortgagee which will hold mortgages on Units and Lots owned by the Declarant to be created on the Property pursuant to this Declaration. Said GREAT WESTERN SAVINGS has required particular protections and rights unto itself as a condition to its granting financing to the Declarant for Units and Lots to be located on the Property. The following are such rights and protections which are hereby granted to GREAT WESTERN SAVINGS by the Declarant, its successors and assigns:

20.1 Waiver of Abandonment and Partition. So long as GREAT WESTERN SAVINGS holds a mortgage encumbering a Unit or Lot owned by Declarant or holds title to such a Unit or Lot pursuant to a foreclosure or deed in lieu thereof, all Owners waive their right to abandon the Property, or any portion thereof, or to partition the Common Area except, in the event of damage or destruction pursuant to Article IX of this Declaration, or condemnation pursuant to Article XIV of this Declaration.

20.2 Approval of Association Dissolution. Notwithstanding the provisions of Paragraph 2.4 of this Declaration, so long as GREAT WESTERN SAVINGS holds a mortgage encumbering a Unit or Lot owned by Declarant or holds title to such a Unit or Lot pursuant to a foreclosure or deed in lieu thereof, the Association may not be dissolved without the prior written consent of GREAT WESTERN SAVINGS which consent shall not be unreasonably withheld.

20.3 Exclusivity of Rights. The foregoing rights granted to GREAT WESTERN SAVINGS shall in no manner be construed to apply or to be granted to any other Institutional Mortgagee or other mortgagee and this Article XX is deemed to inure to the sole and exclusive benefit of GREAT WESTERN SAVINGS.

20.4 GREAT WESTERN SAVINGS as Named Insured. So long as GREAT WESTERN SAVINGS hold a mortgage encumbering a Unit or Lot owned by Declarant, whenever the Association is required to purchase and maintain a policy of insurance or bond, GREAT WESTERN SAVINGS shall be named as an insured, as its interest may appear.

20.5 Approval of Amendments. So long as GREAT WESTERN SAVINGS holds a mortgage encumbering a Unit or Lot owned by Declarant or holds title to a Unit or Lot pursuant to a foreclosure or deed in lieu thereof, no amendment shall be made to this Declaration without the prior written approval of GREAT WESTERN SAVINGS, which consent shall not unreasonably be withheld or delayed.

20.6 Enjoyment of Rights and Privileges. It is expressly understood and agreed that in the event GREAT WESTERN SAVINGS shall obtain title to any Unit or Lot pursuant to a foreclosure of a mortgage encumbering a Unit or Lot owned by Declarant on the Property, GREAT WESTERN SAVINGS shall succeed to all of the rights and privileges of Declarant hereunder, including specifically but without limitation, the rights contained in paragraphs 3.5 and 5.1.

20.7 Approval of Liens and Encumbrances. So long as GREAT WESTERN SAVINGS holds a mortgage encumbering a Unit or Lot owned by Declarant or title to a Unit or Lot pursuant to a foreclosure or deed in lieu thereof, the Association shall not encumber the Property and shall not suffer or permit any liens to be placed on the Property.

IN WITNESS WHEREOF, this Declaration of Restrictions,
Covenants, Easements and Conditions of Bermuda Isles at Boca Rio
have been executed by Declarant on this 25th day of December,
1986.

John A. Kunkin
Witness

Declarant:

By Leonard S. Robbins
Leonard S. Robbins,
Trustee

John J. Ruff
Witness

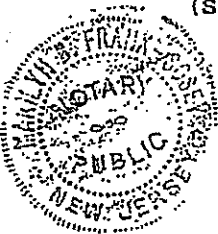
STATE OF New Jersey
COUNTY OF Morris

Before me personally appeared Leonard S. Robbins,
Trustee, to me well known and known to me to be the person
described in and who executed the foregoing instrument, and
acknowledged to and before me that he executed said instrument,
as Exchange Trustee, for the purposes therein expressed.

WITNESS my hand and official seal this 25th day of
Nov., 1986.

Marilyn B. Frank-Sozey
Notary Public, State and
County aforesaid

(Seal)




My commission expires:

MARILYN B. FRANK-BOSEY
NOTARY PUBLIC - NEW JERSEY
My Commission Expires July 23, 1990

JOINDER AND CONSENT

Bermuda Isles at Boca Rio Homeowners Association, Inc., a Florida not-for-profit corporation, being the record title holder of certain real property situate in Palm Beach County, Florida, which is specifically described on Exhibit "B" to this Declaration, does hereby join in and consent to this Declaration and all exhibits hereto and does hereby declare that all real property owned by the Association is and shall be subject to this Declaration.



William H. Schubert

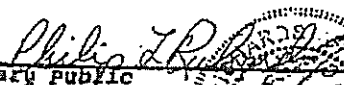
BERMUDA ISLES AT BOCA RIO
HOMEOWNERS ASSOCIATION, INC..

By: 

its president

STATE OF New Jersey)
COUNTY OF Morris) SS.

The foregoing instrument was acknowledged this 25 day of November, 1986, by Eric Robbins as president of Bermuda Isles at Boca Rio Homeowners Association, Inc., on behalf of the association.



Notary Public

State of

My Commission Expires

0331 11 86

SOLVING LITIGATION

2100

85103 P0172

EXHIBIT "A"

40 Townhouse Lots, all being a portion of the Replat of Boca Rio North, A Part of Boca Rio, P.U.D., according to the Plat thereof on file in the Office of the Clerk of the Circuit Court in and for Palm Beach County, Florida, recorded in Plat Book 50, Pages 196 to 203, inclusive; being more particularly described as:

Lots 102 A, 102 B, 102 C & 102 D
Lots 103 A, 103 B, 103 C & 103 D
Lots 104 A, 104 B, 104 C & 104 D
Lots 105 A, 105 B, 105 C & 105 D
Lots 106 A, 106 B, 106 C & 106 D
Lots 107 A, 107 B, 107 C & 107 D
Lots 108 A, 108 B, 108 C & 108 D
Lots 109 A, 109 B, 109 C & 109 D
Lots 110 A, 110 B, 110 C & 110 D
Lots 111 A, 111 B, 111 C & 111 D

BS103 P0173

EXHIBIT "B"

NORTH,
S.

DESCRIPTION OF PROPERTY SURVEYED

A PARCEL OF LAND LYING WITHIN THE REPLAT OF BOCA RIO NORTH, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 50, PAGES 196 THROUGH 201, INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WESTERLY RIGHT OF WAY LINE OF SEVERN DRIVE (TRACT "A"), AS SHOWN ON SAID PLAT, WITH THE NORTHERLY RIGHT OF WAY LINE OF THAMES BOULEVARD (BEING A PORTION OF TRACTS "A" AND "X" AS SHOWN ON THE PLAT OF BOCA RIO NORTH, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 50, PAGES 172, 173 AND 174, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA); SAID POINT OF BEGINNING BEING A POINT ON THE CURVED NORTHERLY RIGHT OF WAY LINE OF SAID THAMES BOULEVARD, SAID CURVE BEING CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 325.00 FEET AND WHOSE RADIUS POINT BEARS SOUTH 02°36'31" EAST; THENCE, SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 32°46'54", A DISTANCE OF 185.95 FEET TO A POINT ON THE EASTERLY BOUNDARY LINE OF "TRACT D", AS SHOWN ON SAID PLAT OF BOCA RIO NORTH; THENCE, THE FOLLOWING COURSES ALONG THE EASTERLY BOUNDARY LINE OF SAID TRACT "D", THENCE, NORTH 15°58'05" WEST, A DISTANCE OF 88.02 FEET; THENCE, NORTH 59°40'35" WEST, A DISTANCE OF 61.40 FEET; THENCE, NORTH 23°06'23" WEST, A DISTANCE OF 81.54 FEET; THENCE, NORTH 06°20'25" EAST, A DISTANCE OF 90.55 FEET; THENCE, NORTH 28°48'39" EAST, A DISTANCE OF 45.65 FEET; THENCE, NORTH 58°48'54" EAST, A DISTANCE OF 44.42 FEET; THENCE, NORTH 23°44'58" EAST, A DISTANCE OF 54.63 FEET; THENCE, NORTH 58°44'11" EAST, A DISTANCE OF 32.76 FEET; THENCE, NORTH 81°15'14" EAST, A DISTANCE OF 39.46 FEET; THENCE, NORTH 30°41'59" EAST, A DISTANCE OF 37.22 FEET; THENCE, NORTH 15°22'35" WEST, A DISTANCE OF 41.48 FEET; THENCE, NORTH 66°25'31" WEST, A DISTANCE OF 60.01 FEET; THENCE, NORTH 41°42'39" WEST, A DISTANCE OF 61.62 FEET; THENCE, NORTH 80°32'16" WEST, A DISTANCE OF 39.26 FEET TO A POINT OF INTERSECTION WITH THE CENTERLINE OF A 10 FOOT WIDE UTILITY EASEMENT; THENCE, NORTH 00°23'24" WEST, DEPARTING FROM THE BOUNDARY OF SAID "TRACT D", A DISTANCE OF 160.61 FEET ALONG THE CENTERLINE OF SAID 10 FOOT WIDE EASEMENT; THENCE, NORTH 89°36'35" EAST, A DISTANCE OF 25.20 FEET; THENCE, NORTH 00°23'25" WEST, CONTINUING ALONG SAID CENTERLINE, A DISTANCE OF 125.67 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF SAID SEVERN DRIVE (TRACT "A") SAID POINT BEING ON A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 525.00 FEET AND WHOSE RADIUS POINT BEARS SOUTH 15°43'22" WEST; THENCE, SOUTHEASTERLY ALONG SAID CURVE AND ALONG SAID RIGHT OF WAY LINE, THROUGH A CENTRAL ANGLE OF 08°55'00", A DISTANCE OF 81.70 FEET TO THE POINT OF CURVATURE OF A CURVE TO THE LEFT, HAVING A RADIUS OF 295.00 FEET AND WHOSE RADIUS POINT BEARS SOUTH 24°34'50" WEST; THENCE, SOUTHEASTERLY ALONG SAID CURVE AND CONTINUING ALONG SAID RIGHT OF WAY LINE, THROUGH A CENTRAL ANGLE OF 65°01'42", A DISTANCE OF 334.81 FEET TO THE POINT OF TANGENCY; THENCE, SOUTH 00°23'25" EAST, CONTINUING ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 472.15 FEET; THENCE, SOUTH 44°19'54" WEST, A DISTANCE OF 35.53 FEET TO THE POINT OF BEGINNING.

CONTAINING: 4.13 ACRES, MORE OR LESS.

LESS AND EXCEPTING THEREFROM ALL OF THE 40 TOWNHOUSE LOTS BEING MORE PARTICULARLY DESCRIBED ON EXHIBIT "B-1" ATTACHED HERETO AND MADE A PART HEREOF.

RECORDER'S MEMO: Legibility
of Writing, Typing or Printing
unsatisfactory in this document
when received.

EXHIBIT "B-1"

40 Townhouse Lots, all being a portion of the Replat of Boca Rio North, A Part of Boca Rio, P.U.D., according to the Plat thereof on file in the Office of the Clerk of the Circuit Court in and for Palm Beach County, Florida, recorded in Plat Book 50, Pages 196 to 203, inclusive, being more particularly described as:

Lots 102 A, 102 B, 102 C & 102 D
Lots 103 A, 103 B, 103 C & 103 D
Lots 104 A, 104 B, 104 C & 104 D
Lots 105 A, 105 B, 105 C & 105 D
Lots 106 A, 106 B, 106 C & 106 D
Lots 107 A, 107 B, 107 C & 107 D
Lots 108 A, 108 B, 108 C & 108 D
Lots 109 A, 109 B, 109 C & 109 D
Lots 110 A, 110 B, 110 C & 110 D
Lots 111 A, 111 B, 111 C & 111 D

BS103 P0175

Boca Rio #2
Certificate of Approval
9/25/86-gpa

CERTIFICATE OF APPROVAL

BOCA RIO MASTER HOMEOWNERS ASSOCIATION, INC., a Florida-Not-For-Profit Corporation, is the "Master Association" pursuant to the Declaration of Covenants, Conditions and Restrictions of Boca Rio, a Planned Unit Development, as recorded in Official Record Book 4112, Page 455, Public Records of Palm Beach County, Florida (hereinafter referred to as the "Declaration"); and

WHEREAS, WESTBURY HOMES CORPORATION, a Florida Corporation, is a "Developer" as that term is defined in the above-referenced Declaration of Covenants, Conditions and Restrictions of Boca Rio, as confirmed by that certain "Assignment and Designation of Successor Developer and Declarant", recorded in Official Record Book 4405, Page 655, Public Records of Palm Beach County, Florida; and

WHEREAS, pursuant to Section 2 of Article VIII of the Declaration, the parties hereto do hereby approve the Declaration of Restrictions, Covenants, Easements and Conditions of Bermuda Isles at Boca Rio, to which this Certificate is attached and recorded in the Public Records of Palm Beach County, Florida and to any amendments of said declaration made in accordance with the provisions thereof and the Master Association also hereby acknowledges that the lands being subjected to such Declaration have or will be withdrawn from the provisions and applicability of the Declaration of Restrictions for Boca Rio recorded in Official Record Book 4587, Page 802, of the Public Records of Palm Beach County, Florida, and the Articles of Incorporation and Bylaws of Boca Rio Townhome Association, Inc.

IN WITNESS WHEREOF, the parties have set their hands and seals of the 25 day of Sept, 1986.

WITNESSES:

David Henry
Valerie Wilson

Robert J. Jolly
Constance P. Kelly

Boca Rio Master Homeowners
Association, Inc.

By: David Henry

Westbury Homes Corporation

By: Michael J. Jolly
Vts. President

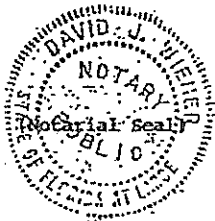
-1-

-35-

DECLARATION

STATE OF FLORIDA)
SS.:
COUNTY OF *Palm Beach*

The foregoing instrument was acknowledged before me this *25* day of
September, 1986 by *PARREL LARSON*, as President of Boca Rio Master
Homeowner's Association, Inc., a Florida-Not-For-Profit Corporation, on
behalf of the corporation.



David J. Wheeler
Notary Public
My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP SEPT 16, 1988
BONDED THRU GENERAL INS. 020.

STATE OF FLORIDA)
SS.:
COUNTY OF *Palm Beach*)

The foregoing instrument was acknowledged before me this *25* day of
September, 1986 by *MARION VAN WINKLE*, as President of Westbury Homes
Corporation, a Florida Corporation, on behalf of the corporation.



Barbara J. Jolly
Notary Public
My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA
MY COMMISSION EXPIRES MARCH 28, 1989

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

DECLARATION