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RECORDED 05/30/2008 08:06:17
Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
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**CERTIFICATE OF AMENDED AND RESTATED
DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS
FOR DELRAY LAKES HOMEOWNERS ASSOCIATION, INC.**

WHEREAS, the Declaration of Covenants, Restrictions, and Easements for Delray Lakes has been duly recorded on in Official Record Book 9664, at Pages 1763-1824, of the Public Records of Palm Beach County Florida, and from time to time amended; and

WHEREAS, at a duly called and noticed Meeting of the Board of Directors of Delray Lakes Homeowners Association, Inc., a Florida not for profit corporation, at which a quorum was present, a Resolution to adopt a restated Declaration of Covenants, Restrictions, and Easements for Delray Lakes Homeowners Association, Inc., was passed pursuant to the provision of said By-Laws; and

WHEREAS, on December 5, 2007, at a duly called an noticed Meeting of the Members of Delray Lakes Homeowners Association, Inc., a Florida not for profit corporation, at which a quorum was present, the required number of voting interests voted to approve the Amendment, together with the required number of written consents and approvals of the voting interests; and

WHEREAS, the attached instrument contains the Restated and Amended Declaration of Covenants, Restrictions, and Easements for Delray Lakes Homeowners Association, Inc., adopted by the board and approved by the required number of voting interests of said Association.

NOW, THEREFORE, the undersigned hereby certify that the attached Restated and Amended Declaration of Covenants, Restrictions, and Easements for Delray Lakes Homeowners Association, Inc., shall become effective and supercede the previous Declaration of Covenants, Restrictions, and Easements for Delray Lakes Homeowners Association, Inc., as a covenant that runs with the lands described in Exhibit "A-3," which is attached to the Restated and Amended Declaration of Covenants, Restrictions, and Easements for Delray Lakes Homeowners Association, Inc., and made a part hereof.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this 8th day of MAY 2008.

[Signature]
Witness

James Gallo
Printed Name of Witness

[Signature]
Witness

Carmelo Giralto
Printed Name of Witness

[Signature]
Witness

Michael Brancini
Printed Name of Witness

DELRAY LAKES HOMEOWNERS
ASSOCIATION, INC., a Florida not for profit Corporation.

By: Mariann Gerwig
Mariann Gerwig, President

Attest: Kurt Heide
Kurt Heide, Secretary

STATE OF FLORIDA
COUNTY OF PALM BEACH

Sworn to and subscribed before me this 8th day of May 2008 by Mariann Gerwig, President, Delray Lakes Homeowners Association, Inc., and Kurt Heide, Secretary, Delray Lakes Homeowners Association, Inc., who are personally known to me or produced PL as identification and and who did take an oath.

My Commission Expires:

[Signature]
Notary Public



**RESTATED AND AMENDED DECLARATION OF
COVENANTS, RESTRICTIONS, AND EASEMENTS
FOR DELRAY LAKES HOMEOWNERS ASSOCIATION, INC.**

RESTATED AND AMENDED DECEMBER 31, 2007

THIS DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS ("DECLARATION") made and Entered into this 31st day of December, 2007, by DELRAY LAKES HOMEOWNERS ASSOCIATION, INC., a Florida corporation, hereinafter referred to as "Association" (as such term is hereinafter defined).

RECITATIONS:

A. The Association, a Florida not for profit corporation has been formed for the efficient preservation of values and amenities on the Property which will be responsible for the ownership, maintenance and administration of the portions of the Property which may now or hereafter be designated as Common Properties, the enforcement of this Declaration, and collection and disbursement of the assessments and charges hereinafter created.

B. The members of the Association shall be the respective Owners of Lots in the Property..

NOW, THEREFORE, the Association declares that the Property shall be used and maintained subject to the recitations set forth above, the covenants, reservations, restrictions, easements, charges, and liens hereinafter set forth, all of which shall run with the Property and shall be binding upon and inure to the benefit of Association, its successors and assigns; all Owners of Lots subjected to this Declaration and located within the Property, their families, guests, tenants and invitees; and all persons having any right, title or interest in any part thereof.

ARTICLE I
DEFINITIONS

Unless otherwise expressly provided herein, the following words and phrases when used herein shall have the meanings hereinafter specified:

Section 1. "Architectural Committee" or "Committee" shall mean the committee created pursuant to Article VII hereof.

Section 2. "Articles" shall mean the Articles of Incorporation of the Association which have been filed in the Office of the Secretary of State of the State of Florida, a true copy of which is attached hereto as Exhibit "B," as such Articles may be amended from time to time.

Section 3. "Association" shall mean DELRAY LAKES HOMEOWNERS ASSOCIATION, INC., a Florida not for profit corporation, its successors and assigns (herein the "Association").

Section 4. "Board" shall mean the Board of Directors of the Association.

Section 5. "By-Laws" shall mean the By-Laws of the Association, which have been adopted by the Board, substantially in the form set forth as Exhibit "C" attached hereto, as such By-Laws may be amended from time to time.

Section 6. "Capital Improvement Assessment" shall mean a charge against each Owner and his Lot, representing a portion of the costs incurred by the Association for installation, construction or reconstruction of any Improvements on any portion of the Common Properties which the Association may, from time to time, authorize.

Section 7. "Common Assessment" shall mean the charge against each Owner and his Lot, representing a portion of the total costs incurred by the Association in owning, maintaining, improving, repairing, replacing, insuring, managing, and operating the Common Properties and the costs incurred by the Association in maintaining certain portions of Lots that the Association is responsible for maintaining pursuant to this Declaration.

Section 8. "Common Expenses" shall mean the actual and estimated costs of ownership, maintenance, management, operation, insurance, repair and replacement of the Common Properties, including, without limitation, those costs not paid by the Owner responsible for payment, the costs of any and all commonly metered utilities, cable, or master television systems, if any, and other commonly metered charges for the Common Properties; costs for insurance; costs of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other employees; costs of all utilities, gardening, and other services benefiting the Common Properties, and all recreational facilities thereon; costs of bonding the members of the Board and the Management Company; taxes paid by the Association, including real property taxes for the Common Properties; amounts paid by the Association for the discharge of any lien or encumbrance levied against the Common Properties, or portions thereof; any charges or expenses set forth in this Declaration as costs or expenses to be borne by the Association, and costs of any other item or items so designated by (or in accordance with other expenses incurred by) the Association for any reason whatsoever in connection with the Common Properties and/or the obligations and duties of the Association. Without limiting the generality of the foregoing, all expenses incurred in connection with the maintenance of the surface water management system within the Property (whether or not such systems and any and all parts thereof are now or hereafter conveyed to the Association) shall be Common Expenses. Without limiting the generality of the foregoing the Association shall (i) maintain, repair, and insure the Recreational Facilities (as that term is defined below) that may be constructed on the Property which is subject to the provisions of this Declaration, and (ii) maintain, repair and replace all lights, including fixtures and bulbs, located on the Common Properties and pay for all electricity used thereby, the foregoing to constitute Common Expenses.

ARTICLE I
DEFINITIONS
(continued)

Section 9. "Common Properties" shall mean those portions of the Property (or any interest therein) which are declared as being Common Properties in this Declaration or in any Amendment or Supplemental Declaration hereafter made by the Association or those portions of the Property (or any interest therein) which are conveyed or dedicated to the Association as Common Properties, including any Improvements thereon. Said Common Properties are for the common use and enjoyment of the Owners, subject to the terms and conditions of this Declaration and the rights hereunder of the Association, and such rules and regulations to be promulgated by the Association. The Common Properties are reflected on the Plat of the Property as being dedicated to the Association and are those portions of the Property that may be from time to time made subject to and encumbered by this Declaration and which are not included within the Lots shown thereon or dedicated to any governmental entity or public utility. The Common Properties shall also specifically include the surface water management system serving the Property, including the components thereof which are not only owned by the Association but also those existing within easements on Lots.

Section 10. "Delray Islands" shall refer to the Association to which the homes that were built prior to Bovis Homes, Inc. acquiring the land are members of. These homes are exempt from membership of Delray Lakes Homeowners Association, Inc. unless they choose otherwise in the future.

Section 11. "Declaration" shall mean this instrument, as it may be amended and supplemented from time to time.

Section 12. "Family" shall mean and refer to (i) a group of natural persons related to each other by blood, or legally related to each other by marriage or adoption, or (ii) a group of persons not so related who maintain a common household on a Lot, provided such group household does not violate any Federal, State, or Local ordinance or law.

Section 13. "FHA" shall mean and refer to the Federal Housing Administration and "VA" shall mean and refer to the Veteran's Administration. No provision of this Declaration requiring FHA or VA approval or compliance with FHA or VA requirements shall apply except to the extent that FHA or VA holds, guarantees, or insures a mortgage on a Lot or holds title thereto.

Section 14. "Improvement" shall mean all structures or artificially created conditions and purtenances thereto of every type and kind located on the Property including, but not limited to, buildings, out-buildings, walkways, sprinkler pipes, electric meters, lighting fixtures, light bulbs, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, docks, landscaping, hedges, windbreaks, plantings, water feature, entrance feature, planted trees and shrubs, poles, signs, and exterior air-conditioning and water softener fixtures or equipment, if any.

Section 15. "Institutional Mortgagee" shall mean a bank, savings and loan association, mortgage companies, the Federal National Mortgage Association, an insurance company or union pension fund authorized to do business in the United States of America, an agency of the United States Government, a real estate investment trust, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration/Veterans Administration or the holder of a mortgage guaranteed or insured thereby, a lender generally recognized in the community as an "institutional-type" lender, An "Institutional First Mortgagee" is an Institutional Mortgagee who holds a first mortgage on a Lot.

Section 16. "Lot" shall mean and refer to any residential lot located within the Property that has been or is intended to be conveyed to an Owner upon which a Unit is or may be constructed, that may from time to time be encumbered by and made subject to this Declaration within the Property.

Section 17. "Management Company" shall mean the person, firm, or corporation that may from time to time be employed by the Association hereunder to assist in fulfilling or carrying out certain duties, powers, or functions of the Association or as may be expressly designated by the Association as the "Management Company" under this Declaration.

Section 18. "Member" shall mean any person or entity holding a membership in the Association as provided herein.

Section 19. "Owner" shall mean and refer to the person or persona or legal entity or entities, including Association and Delray Islands, holding fee simple interests of record to any Lot, including sellers under executory contracts of sale, but excluding those persons having such interests in a lot merely as security for the performance of an obligation. Unless the context otherwise requires, the term Owner shall also include the Family, invitees, licensees, lessees and sublessees of any Owner, and any other user or occupant of a Lot. If a Lot is owned by more than one Person, the term Owner shall mean each Person, jointly and severally.

Section 20. "Person" shall mean and refer to any of an individual, corporation, governmental agency, trust, estate, partnership, association, two or more persons having a joint or common interest, or any other legal entity with the legal right to hold title to real property.

Section 21. "Plat" shall mean and refer to collectively the documents depicting the Property as described in Exhibit A-3 hereof, including Lots and Common Properties thereon, which documents have been recorded in the Public Records of Palm Beach County, Florida. Association reserves the right, in its sole discretion, and with the approval of the City of Delray Beach, Florida, to amend the Plat from time to time with the approval of the majority of Owners.

Section 22. "Recreational Facilities" shall mean those facilities maintained by the Association, upon the Property designated as Common Properties and consisting of a pool, tennis court, restrooms, equipment room, pool deck, boat ramp, boat storage area, boat trailer and boat vehicle parking area, and such other Improvements as shall be designated as "Recreational Facilities" by the Association.

Section 23. "Special Assessments" shall mean and include charges (not chargeable generally to all Owners as a Common Assessment) against one or more Owners and their Lots, and to the cost incurred by the Association for corrective action plus interest thereon and in connection with the enforcement of this Declaration against such Owner(s).

ARTICLE I
DEFINITIONS
(continued)

Section 24. "Supplemental Declaration" or shall mean any document executed with the formalities of a deed that shall be recorded in the Public Records of Palm Beach County, Florida, for the purpose of supplementing this Declaration, and/or for the purpose of declaring or removing certain portions of the Property as Common Properties or Lots.

Section 25. "Unit" shall mean and refer to any residential building constructed upon a Lot within the Property and all appurtenant Improvements. The foregoing definitions shall be applicable to this Declaration, the Articles, the By-Laws and also to any Supplemental Declaration or amendment hereto, unless otherwise expressly provided herein or therein.

ARTICLE II
OWNER'S PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a non-exclusive, common right and easement of ingress and egress and of enjoyment in, to, and over, and use of, the Common Properties that shall be appurtenant to and shall pass with title to every Lot, subject to the following:

- (a) The right of the Association to reasonably limit the number of guests or invitees of Owners using the Common Properties.
- (b) The right of the Board to establish from time to time uniform rules and regulations (hereinafter referred to as "Rules") pertaining to the use and operation of the Common Properties and Recreational Facilities, the Lots and Improvements thereon, and with regard to the rights, powers, and duties of the Association and Owners, including, but not limited to, the right and obligation of the Association to enforce all parking and traffic restrictions within the Common Properties as set forth in Sections 3 and 4 of this Article II and Sections 3 and 6 of Article IX hereof.
- (c) The right of the Association to charge uniform and reasonable admission and other fees for the use of Recreational Facilities constructed upon the Common Properties, if desired. The Association will be exempt from any such fees.
- (d) The right of the Association, in accordance with its Articles, By-Laws and this Declaration, with the vote or written assent of sixty percent (60%) of the voting Members, to borrow money for the purpose of improving the Common Properties and facilities and in aid thereof, to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of such mortgagee shall be subordinate to the use rights of Owners.
- (e) The right of the Association to suspend an Owner's right to use the Common Properties (except means of ingress and egress and parking) for any period during which any assessment against his Lot remains unpaid and delinquent; and the right of the Association to suspend such rights for a period not to exceed thirty (30) days for any single infraction or violation of this Declaration or the Rules, provided that any suspension of such right to use the Common Properties shall be made only by the Board after notice and hearing as provided herein and in the By-Laws.
- (f) The right of the Association (by action of the Board) to alter, reconstruct, replace or refinish any Improvement or portion thereof upon the Common Properties, in accordance with the original design, finish or standard of construction of such Improvement or otherwise.
- (g) The right of the Association to maintain all common area structures, replace destroyed trees and other vegetation, and to plant trees, shrubs and ground cover upon any portion of the Common Properties, and to gain access to all portions of the Common Properties for such purposes.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, the right of enjoyment to the Common Properties and facilities to the members of his Family, or to his approved tenants who reside in his Unit, subject to reasonable rules and regulations which may be, from time to time, imposed by the Board.

Section 3. Easements for Parking. The Association, through its officers, committees, and agents, is hereby empowered to establish parking regulations and to enforce parking regulations by all means lawful including, without limitation, removal of any violating vehicle by those so empowered.

Section 4. Easements for Vehicular Traffic. In addition to the general easements for use of the Common Properties reserved therein, there shall be, and Association hereby reserves and covenants for itself and all future Owners within the Property and all owners of the Prior Lots and their respective Institutional Mortgagees (if any), that each and every Owner and owner of a Prior Lot and their respective Institutional Mortgagee shall have a non-exclusive easement appurtenant to his Lot or his Prior Lot, as the case may be, for vehicular traffic over all private streets within the Common Properties, subject to the provisions hereof and of Section 3 of this Article II and reasonable rules and regulations of the Board. All Common Properties are reserved by the Association, its successors and assigns, for use by any individuals or entities who may, from time to time, be granted the right to use same by the Association, whether on a temporary or permanent basis. This easement for vehicular traffic is subject, however, to any Rules adopted by the Board from time to time and any alterations to the applicable portions of the Common Properties desired to be made by the Board for the purposes of limiting access or otherwise regulating traffic; provided, however, that neither the Board nor the Association shall be liable to any person or entity whomsoever/whatsoever for regulating or failing to regulate traffic. Any conveyance or encumbrance of the Common Properties shall be subject to the foregoing easement.

ARTICLE II
OWNER'S PROPERTY RIGHTS
(continued)

Section 5. Easements for Municipal, County, and Private Utility Use. In addition to the foregoing easements over the Common Properties, there shall be, and Association hereby reserves and covenants for itself and all future Owners within the Property, easements for county, municipal, and private and public utility services, including, but not limited to, the right of the police and fire departments to enter upon any part of the Common Properties for the purpose of enforcing the law, and the right of all utility companies to install and maintain their equipment and facilities; provided, however, that any such utility easements are approved in writing by Association.

Section 6. Waiver of Use. No Owner may exempt himself from personal liability for assessments duly levied by the Association, or release the Unit owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Properties and the facilities thereon, or by abandonment of his Unit.

Section 7. Access Easements. Association reserves unto itself and its successors and assigns perpetual non-exclusive easements of ingress and egress over and across the private streets constructed on the Common Properties from time to time, including use and access by construction vehicles and construction equipment.

Section 8. Utilities. The Property shall be subject to such non-exclusive easements as may be determined in the sole discretion of Association for utilities, including, but not limited to, water, sewer, telephone, electric and cable telecommunications, as may be reasonably required to properly and adequately serve the Property. Each of said easements, whether now in existence or hereafter created, shall constitute covenants running with the Property and, notwithstanding any other provisions of this Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with the proper and intended use thereof. Notwithstanding the foregoing, common utility lines shall not pass over, under, or through any of the Units and no connecting lines must run under any Unit other than the one it services.

Section 9. Services. Association hereby grants to courier or delivery services, pick-up, and fire protection services, police and other authorities of the law, United States mail carriers, representatives of electrical, telephone, cable television and other utilities authorized by Association to service the Property, and to such other persons as Association from time to time may designate, the non-exclusive, perpetual right of ingress and egress over and across the Common Properties for the purposes of performing their authorized services and investigation.

Section 10. Association. Non-exclusive easements are hereby granted in favor of the Association throughout the Property as may reasonably be necessary for the Association to perform its services required and authorized hereunder, so long as none shall unreasonably interfere with the use of any Lot. Furthermore, an easement is hereby granted in favor of the Association, including its agents and designees, for purposes of carrying out all obligations and/or rights of the Association pursuant to this Declaration, including but not limited to, the functions of the Association contained in this Declaration. Furthermore, a non-exclusive easement is hereby created over all utility easements and drainage easements located on any Lot, whether now existing or hereafter created, including but not limited to all utility easements and drainage easements contained on the Plat. Which easement is in favor of the Association, including its agents and designees, in perpetuity, to utilize for all proper purposes of the Association.

Section 11. Execution. If and to the extent that the creation of any of the easements described in this Article II requires the joinder of Owners, then Association may, by its duly authorized officers, as the agent or the attorney-in-fact for the Owners, execute, acknowledge and deliver such instruments required. The Owners, by the acceptance of deeds to their Lots, irrevocably nominate, constitute and appoint Association, through its duly authorized officers, as their proper and legal agent or attorney-in-fact for such purpose. This appointment is coupled with an interest and is therefore irrevocable. Any such instrument executed pursuant to this Article II shall recite that it is made pursuant to Article II of this Declaration.

Section 12. Drainage Over Lots. Each Lot shall enjoy and shall be subject to a perpetual cross easement of drainage in favor of all adjacent Lots and no owner may construct any improvement or other obstruction upon his Lot which will interfere with the runoff of rainwater onto or from his Lot.

Section 13. Restrictions on Additional Easements. No Owner, shall grant any easement upon any portion of the Property to any person or entity without the prior written consent of the Association

ARTICLE III
MEMBERSHIP IN ASSOCIATION AND VOTING RIGHTS

Section 1. Membership. Except as specifically, provided herein, every Owner, shall be a member of the Association, and no Owner shall have more than one membership in the Association and shall have one vote for each Lot owned. Membership in the Association shall not be assignable, except to the successor-in-interest of the Owner, and every membership of an Owner in the Association shall be appurtenant to and may not be separated from the fee ownership of his Lot. Ownership of such Lot shall be the sole qualification for membership of an Owner. The five (5) owners of the Prior Lots shall have the option, to be exercised in such Owner's sole discretion, to become a voting Member of the Association. Upon such election, each said Owner shall enjoy all the rights, privileges, and amenities of all other Members of the Association and shall be subject to the covenants of this Declaration and the obligation to pay Assessments. As of the date hereof, none of the owners of the Prior Lots has elected to join the Association. Until such time, if ever, that any owner of a Prior Lot exercises such option, such owner and any Institutional Mortgagee holding a mortgage on any of the Prior Lots, at no cost or expense to such owner or Institutional mortgagee, shall have a right and easement of ingress and egress, to and over the common roadways located on the Property, but shall have no right or privilege whatsoever to use and enjoy any of the other Common Properties and amenities located on the Property and shall have no obligation to pay Assessments.

ARTICLE III
MEMBERSHIP IN ASSOCIATION AND VOTING RIGHTS
(continued)

Section 2. Vote Distribution. Each voting Member shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. . When more than one person ("Co- Owner") holds an interest or interests in any Lot all such Co-Owners shall be Members and may attend any meetings of the Association, but only one such Co-Owner shall be entitled to exercise the vote to which the Lot may be entitled. Such Co-Owners may, from time to time, designate in writing one of their number to vote. Fractional votes shall not be allowed, and the vote for each Unit shall be exercised, if at all, as a whole. Where no voting Co-Owner is designated, or if such designation has been revoked, the vote for such Lot shall be exercised as the majority of the Co-Owners of the Lot mutually agree. Unless the Board receives a written objection from a Co-Owner, it shall be presumed that the voting Co-Owner is acting with the consent of his or her other Co-Owner(s). No vote shall be cast for any Lot where the majority of the Co-Owners cannot agree upon said vote or other action. All Co-Owners (including, without limitation, any non-voting Co-Owner or Co-Owners) shall be jointly and severally responsible for all of the obligations imposed upon the jointly-owned Lots and/or the Co-Owners and shall be entitled to all other benefits of ownership, except as expressly otherwise provided herein. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established herein, or in the By-Laws of the Association, shall be binding on all Co-Owners, their successors and assigns. Said voting rights shall be subject to the restrictions and limitations provided in this Declaration, any Supplemental Declaration, the Articles and By-Laws. If a Lot is owned by a corporation or other business entity, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by an appropriate officer of the corporation and filed with the Secretary of the Association.

ARTICLE IV
DUTIES AND POWERS OF ASSOCIATION

Section 1. Through Board Action. The affairs and decisions of the Association shall be conducted and made by the Board; the Members shall only have such power or rights of approval or consent as is expressly specified herein, or in the Articles or Bylaws. In the absence of a specific requirement of approval by Members, the Board may act on its own through its proper officers. The Association, acting through the Board of Directors, in addition to the powers and duties it may have pursuant to the Articles, By-Laws, and otherwise provided in this Declaration, shall also have the power and duty to:

- (a) Maintain, repair and otherwise manage the Common Properties and all Improvements thereon in accordance with the provisions of this Declaration.
- (b) Maintenance of any and all streets, roads, sidewalks, road and Lot drainage, including curbs, gutters, storm sewers and swales not adjacent to Lots, throughout the Common Properties which have not been dedicated to the public or any governmental body, including but not limited to all entry walls, signage, monuments, entry gates, gatehouse and all other Improvements on the Common Properties.
- (c) Maintain and replace when necessary trees and other landscaping on the Common Properties and outside the perimeter wall and/or fence along any public right of way.
- (d) Obtain, for the benefit of the Common Properties, all commonly metered water, sanitary sewage and electric services, and provide for all refuse collection, and cable or master telecommunication service (if any), as necessary.
- (e) Grant reasonable easements, rights-of-way or strips of land, where necessary, for utilities, and sewer facilities and other services over the Property to serve the Common Properties and other portions of the Property.
- (f) Maintain such policy or policies of liability and fire insurance with respect to the Common Properties and personal property located thereon or used in connection therewith, if any, owned by the Association or the Declarant as provided herein in furthering the purposes and protecting the interests of the Association and Members and as directed by this Declaration and the By-Laws.
- (g) At the option of the Association, employ or contract with a Management Company to perform all or any part of the duties and responsibilities of the Association, and delegate, at the option of the Board, its power to committees, officers, agents, and employees.
- (h) At the option of the Association, install and maintain security devices, detectors and communications facilities, and employ or contract for employment of security services, guards and watchmen for the Common Properties, if desired. Take such other action which the Board shall deem advisable with respect to the Property as may be permitted hereunder or under law.
- (i) At the option of the Board, to maintain and/or repair the exterior surfaces of the Units, including, although not limited to, the walls, roofs, pipes and utility conduits when the Owner fails to maintain same after the Board has determined the necessity of such maintenance and/or repair and has given the Owner notice in accordance with the provisions of Article VIII.
- (j) Pay the insurance, taxes, maintenance, repair and replacement expenses necessary in connection with the Common Properties.
- (k) At the option of the Board, to maintain such policy or policies of hazard, flood, if applicable, fire and extended coverage insurance with respect to the Common Properties, as provided for herein in furthering the purposes of protecting the interests of the Association and Members as directed by this Declaration and the By- Laws, it being recognized each Owner is responsible for insurance coverage on his Unit and Lot.
- (l) Make available to Owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, By-Laws, the rules concerning the Property and the books, records and financial statements of the

ARTICLE IV
DUTIES AND POWERS OF ASSOCIATION
(continued)

Association. "Available" means available for inspection, upon request, during normal business hours or under reasonable circumstances as provided by law.

(m) Take any and all actions necessary or desirable to enforce all covenants, restrictions and easements affecting the Property and performing any of the functions or services delegated to the Association in any covenants, conditions or restrictions applicable to the Property, or in the Articles or Bylaws.

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

Section 2. Actions by Association. Anything herein to the contrary notwithstanding, no general funds of the Association shall be utilized for bringing, supporting, investigating or otherwise abetting any legal action, claim or extra-judicial action except for (i) imposition, enforcement, and collection of Assessments, including lien rights, (ii) collecting of debts owed to the Association, (iii) bringing any contest or appeal of tax assessments relating to any property owned by the Association, (iv) actions brought by the Association to enforce the provisions of this Declaration, and (v) counterclaims brought by the Association in proceedings instituted against it, unless such legal action, claim or extra-judicial action shall be specifically approved for such purposes by Sixty Percent 60% of the total votes of all Members of the Association in existence at any time. If the Association's actions have been approved by the Members in accordance with this Section 2, all expenses incurred shall be deemed Common Expenses.

ARTICLE V
COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

(a) Subject to the provisions of Section 10 of this Article V and other applicable provisions of this Declaration, each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, to pay to the Association (1) annual Common Assessments, (2) Capital Improvement Assessments, (3) Special Assessments, and (4) all such other assessments and charges set forth in this Declaration with all such assessments to be imposed and collected as hereinafter provided.

(b) Such assessments, together with interest, costs and reasonable attorneys' fees for the collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such assessment(s), interest, costs and reasonable attorneys' fees is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person(s) who were the Owners of such property at the time when the assessment fell due. Each person(s) who is an Owner shall be jointly and severally liable with any former Owner for any previously unpaid assessments as well as being liable for assessments coming due while an Owner. Subject to the provisions of this Declaration protecting first Mortgagees the personal obligation for delinquent assessments shall pass to the successors-in-title to such Owner.

Section 2. Common Assessments. The assessments levied by the Association shall be used exclusively as provided in this Declaration and to promote, in the opinion of the Board, the common benefit, recreation and aesthetics of the Owners and the Property and to improve and maintain the Common Properties, Lots, and Units as otherwise in this Declaration. Disbursements shall be made by the Board for such purposes as are deemed necessary for the discharge of its responsibilities herein for the common benefit of the owners

Section 3. Amount of Common Assessments; Limitations on Increases; When Payable. At least twenty-four (24) days prior to the beginning of each fiscal year or within 30 days following recording of this Declaration for the balance of 2007, the Board of Directors shall prepare, adopt and distribute to all Members a written, itemized, estimated budget of the Common Expenses to be incurred by the Association during the coming year in performing its functions under this Declaration. The annual Common Assessment for each Lot shall equal the amount of the estimated operating budget, as adopted pursuant to the Bylaws (less any surplus or plus any deficit from prior years), divided by all Lots. From time to time during the fiscal year, the Board may modify the budget for the fiscal year and, upon written notice to Members, change the amount, frequency, (including requiring a lump sum payment) or due dates of Common Assessments, subject to the limitations and provisions set forth below. Subject to the right of the Association to accelerate Assessments for delinquencies as provided herein, annual Common Assessments shall be payable in equal monthly installments unless determined by the Board, from time to time, to be payable less frequently. In the event any Assessments for Common Expenses are made payable in equal periodic payments, as provided in the notice from the Association, such periodic payments shall automatically continue to be due and payable in the same amount and frequency unless and until (i) the notice specifically provides that the periodic payments will terminate or change upon the occurrence of a specified event or date or the payment of the specified amount, or (ii) the Association notifies the owner in writing of a change in the amount and/or frequency of the periodic payments. In no event shall any assessments for Common Expenses be due less than ten days from the date of the notification of such Assessments. The budget and Assessment procedure shall be further subject to the provisions of the Bylaws. For the year 2007, Common Assessments shall be One Hundred Fifteen and No/100 Dollars (\$115.00) per Lot per month. Said maximum rate of assessment may, however, be increased by the Board of Directors up to seven and one half percent (7.5%) per year without a vote of the Members. Increases above such seven and one half percent (7.5%) maximum shall be made only upon the consent of at least fifty-two percent (52%) of each of the Members at a meeting called for that purpose at which at least sixty percent (60%) of the Members are represented in person or by proxy. If such sixty percent (60%) attendance requirement is not met, a second meeting may be called immediately with the same, previously issued notice, and quorum for such meeting shall be thirty percent (30%) of the members of the Association in person or by proxy..

Section 5. Special Assessment. Any maintenance, repair, or replacement within the Property arising out of or caused by the act or failure to act of an owner and/or the owner's failure to fulfill any obligations contained in this Declaration, including the Owner's Family, tenants, guests or invitees, shall be effected at the Owner's expense and a Special Assessment therefor shall be made against the Owner's respective Lot, to the extent proceeds of insurance are not collected with respect to such loss.

ARTICLE V
COVENANT FOR ASSESSMENTS

(continued)

Section 6. Capital Improvement Assessments. In addition to the Common Assessments authorized above, the Board may levy, in any assessment year, a "Capital Improvement Assessment" applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement, or other such addition, upon the Common Properties, including fixtures and personal property related thereto; provided that such Assessment in excess of Two Hundred and Fifty and No/100 Dollars (\$250.00) per Lot shall require the vote or written assent of a majority of the votes of Members of the Association, except as provided in Article X hereof and except in the case of an emergency where in the reasonable judgment of the Board such action is necessary to prevent further material damage or to protect against bodily injury without taking the time necessary to obtain Membership approval. All Assessments, shall be accompanied with a budget for the intended assessment, even if a vote is not required.

Section 7. Equal Rate of Assessment. Except as otherwise provided with respect to the Delray Islands Common Assessments and Capital Improvement Assessments provided for in this Article V shall be allocated and assessed equally among the Lots subject to such assessments.

Section 8. Financial Reports. Within sixty (60) days following the end of each fiscal year, the Board of Directors shall cause to be prepared a financial statement and shall cause to be made available a copy of each such statement to each Member, and to each Institutional Mortgagee who has filed a written request for copies of the same with the Board.

Section 9. Assessment Roster and Notices. The Association shall maintain a roster of the amount of all Assessments against each Lot, which shall be calculated in accordance with this Article. The roster shall be kept in the office of the Association and shall be open to inspection by an owner. Written notice of such Assessments and the due date (s) thereof shall be sent to every owner subject to such Assessments.

Section 10. Date of Commencement of Common Assessments Due Date. The Board shall fix the amount of the annual Common Assessment against each Lot subject to the assessment at least thirty (30) days in advance of each Common Assessment period. Written notice of any change in the amount of the annual Common Assessment shall be sent to every Owner subject thereto at least thirty (30) days prior to the effective date of such change. The due dates shall be established by the Board. Notwithstanding the foregoing, however, such notice shall not be required in order for such change to become effective.

Section 11. Certificate of the Association as to the Status of Assessments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer or agent of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of the assessments against a Lot is binding upon the Association as of the date of its issuance. Failure of any Owner to request or demand said certificate does not relieve the current or future Owner of responsibility for payment of any and all assessments, debts, and related interest and fees associated with nonpayment.

Section 12. Additional Assessments. The assessments provided for hereinabove shall be in addition to all other assessments which may be levied by governmental authorities.

Section 13. Exemption. Notwithstanding anything to the contrary contained herein, all Lots now or hereafter owned by Delray Islands shall be exempt from all assessments for as long as each such Lot remains owned by Delray Islands and opts not to become a voting member of the Association.

ARTICLE VI
EFFECT OF NON-PAYMENT OF ASSESSMENTS REMEDIES OF THE ASSOCIATION

Section 1. Effect of Non-Payment of Assessments: Remedies of the Association. A lien is hereby imposed upon each Lot to secure the payment of all assessments now or hereafter imposed on the Lot by the Association, such lien to be effective as of the date of conveyance of each Lot to an Owner (notwithstanding the later date of the recording of a Claim of Lien). Any installment of a Common Assessment, Capital Improvement Assessment, Special Assessment or other assessment not paid within ten (10) days after the due date shall bear interest from the due date of such installment at the rate of eighteen percent (18%) per annum. If any installment due on an assessment is not paid within fifteen (15) days after the first day of each month, the Owner responsible therefor may be required by the Board to pay a late charge to be established by the Board; if the installment is not paid within thirty (30) days of the first day of each month, the Owner responsible therefor may be required by the Board to pay an additional late charge to be established by the Board. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the Lot, or both. Except as set forth in Article V, Section 1, no Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Properties or abandonment of his Lot. If the delinquent installments of assessments and any charges thereon are not paid in full on or before thirty (30) days from the due date, the Board may, at its option at any time thereafter, declare all of the unpaid balance of the annual Common Assessment to be immediately due and payable without further demand or notice and may enforce the collection of the full Common Assessment and all charges thereon in any manner authorized by law and this Declaration. If any assessments are more than thirty (30) days past due at the beginning of any fiscal year, the balance of the installments of the Common Assessments for the fiscal year just starting may be accelerated at the option of the Board without additional notice.

Section 2. Notice of Claim of Lien. No action shall be brought to enforce any assessment lien herein unless a copy of a Claim of Lien is deposited in the United States mail, certified or registered, postage prepaid, to the Owner at the address on the records of the Association and if none at the address of the Unit, and a copy thereof has been recorded by the Association in the Public Records of Palm Beach County, Florida; said Claim of Lien must recite a good and sufficient legal description of any such Unit, the record owner or reputed owner thereof, the amount claimed which may at the Association's option include interest on the unpaid assessment at the highest interest rate allowable by law, plus reasonable attorneys' fees and expenses of collection in connection with the debt secured by said lien. Such Claim of Lien shall be signed and acknowledged by an officer of the Association or by the attorney or an authorized agent for the Association. The lien shall continue until fully paid or otherwise released or satisfied.

ARTICLE VIII MAINTENANCE, REPAIRS, ADDITIONS AND REPLACEMENTS

Section 1. Maintenance Obligations of Owners. Subject to the right of the Association to provide remedial maintenance as provided in this Declaration, it shall be the duty of each owner in the Property at his sole cost and expense, subject to the provision so this Declaration regarding Committee approval, to maintain, repair, replace and restore the Lots and Units thereon as may be subject to their respective control or jurisdiction in a neat, sanitary and attractive condition subject to reasonable rules and regulations of the Board. Such maintenance duty shall also extend to swale areas serving Lots (i.e., between the boundary line of a Lot and the paving of an adjacent street), notwithstanding that same may be part of the Common Properties. In the event that any portion of the Lots or Units fall into disrepair, or it's not so maintained so as to thereby create a dangerous, unsafe, unsightly or unattractive condition, or to otherwise violate this Declaration or rules and regulations promulgated by the Board as may be amended from time to time, the Committee or the Association shall have the right, but not the duty, upon fifteen (15) days prior written notice, except in cases of emergency, in which event, the aforesaid notice shall be dispensed with, to correct such condition and to enter upon such Lot to make such repairs, replacement or to perform such maintenance, and the cost thereof shall be charged to the appropriate Owner said cost shall be a Special Assessment and shall create a lien upon all the affected Lots enforceable in the same manner as other assessments as set forth in this Declaration. The Owners of such Lots shall pay promptly all amounts due for such work, and the costs and expenses of collection may be added, at the option of the Board, to the amounts payable by each such owner. Owners shall also be obligated to maintain their yards and lawn in a neat and clean fashion, and in the event they fail to do so, the Committee or the Association may do so, upon ten (10) days prior notice to the Owner. Any amount expended by the Association or committee in such yard maintenance shall be a Special Assessment to be levied against the negligent Owner and his Lot. Owners shall also be obligated to operate, maintain, repair and replace the light fixtures on the front of their garages as originally installed, which obligations shall include the cost of electricity consumed by their illumination.

Section 2. Maintenance Repairs, Additions and Replacement by the Association. Subject to the provisions of Section 1 of this Article, the Association shall maintain, or provide for the maintenance and repair of, all of the Common Properties and all Improvements thereon, including Recreational Facilities, commonly metered utilities, the interior and exterior of the recreation building, and any and all utility facilities and buildings on the Common Properties. In addition, the Association shall provide all necessary landscaping and gardening to properly maintain and periodically replace when necessary the trees, plants and grass and other vegetation which are on the Common Properties including, but not limited to, the land located outside the perimeter walls and fences along public rights of ways. All of the foregoing obligations of the Association shall be discharged when in such manner as the Board shall determine in its judgment to be appropriate. Notwithstanding anything to the contrary herein contained, the Association's landscaping and gardening obligations shall not extend to all portions of Lots visible from the street immediately to the front and sides of each Lot, where applicable, including, without limitation, all landscaped portions of Lots lying outside the privacy walls of Units, if any, and the owners of such Lots shall be responsible to maintain same. Any additional cost attributable to a Lot due to extraordinary landscaping or other factors not affecting Lots in the Property generally may at the option of the Board be charged to the Owner of such Lot as a Special Assessment. Without limiting the generality of the foregoing, the Association shall continuously maintain the surface water management system serving the Property in accordance with the permit (including conditions) for same. If said permit requires any wetlands mitigation monitoring by the Association, then it shall do so as to complete the mitigation task successfully.

Section 3. Repair of Damage. The Owner of any Unit that has suffered damage shall apply to the Committee for Application for reconstruction, rebuilding or repair of the Improvements therein. Application for such approval shall be made in writing, together with full and complete plans and specifications, working drawings and elevations showing the proposed reconstruction and the end result thereof. The Committee shall grant such approval only if upon completion of the work, the exterior appearance and design will be substantially similar to that which existed prior to the date of the damage. Failure of the Committee to act within thirty (30) days after receipt of such request in writing, together with all information and documentation requested by the Committee, including without limitation, the drawings and plat plans showing the full and complete nature of the proposed changes, shall constitute approval thereof. If the obligation for repair falls upon the Association, Committee approval will not be required prior to the commencement of such work.

ARTICLE IX USE RESTRICTIONS

All real property comprising the Property shall be held, used, and enjoyed subject to the following limitations and restrictions. Each of the Use Restrictions stated hereinafter may be regulated, enforced, or waived by the Association, through its Board or its designees. The use restrictions are as follows:

Section 1. Nuisance. No noxious or offensive activity shall be carried on in any buildings, improvements, Unit, Lot or Common Properties located in the Property nor shall anything be done therein which may be or become an unreasonable annoyance or a nuisance to any Owner. No loud noises or noxious odors shall be permitted in any such buildings, Improvements, Unit, Lot or on the Common Properties, and the Board shall have the right to determine in accordance with the By-Laws if any noise, odor or activity constitutes a nuisance. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, large power equipment or large power tools, unlicensed off-road motor vehicles, or any items which may unreasonably interfere with television or radio reception of any Owner shall be located, used or placed on any portion of such buildings, Improvements, Unit, Lot or Common Properties, or be exposed to the view of other owners, without the prior written approval of the Board.

Section 2. No Signs or Flags. No signs, posters, displays, billboards, or other advertising devices or flags (other than one (1) American flag of reasonable size and in good condition) of any kind, including, but not limited to, "for rent", or "for sale" signs, shall be displayed to the public view on any portion of a Lot or Unit and/or the Common Properties without the written approval of the Committee.

Section 3. Automobiles, Commercial Vehicles and Boats. Except as provided below, no commercial truck, commercial van, bus, boat, recreational vehicle, mobile home, motor home, camper, trailer, motorcycle or similar vehicle may be kept overnight on the Property (the "Prohibited Vehicles") unless totally enclosed in a garage and not visible from the outside or in the case of boats only, in the designated boat storage area designated on the Plat, subject to the Association's rules and regulations. Prohibited Vehicles include, but are not limited to, those (i) not designed primarily for the routine transportation of people, rather than

ARTICLE IX
USE RESTRICTIONS
(continued)

equipment or goods, or (ii) bearing any advertising, logo, or other signs or having printed on the sides, front, or rear of same reference to any commercial undertaking or enterprise, or (iii) containing tool racks, saddle racks, or other elements of a commercial nature. Any vehicle the state registration for which contains a designation of the type of vehicle as anything other than "Automobile" shall be presumed to be prohibited hereunder, which presumption may be rebutted by substantial proof. No vehicles shall be repaired within or on the Property. No vehicle shall be left within the Property for more than one business day if not capable of self propulsion. All vehicles, including motorcycles, mopeds, etc., shall be equipped with effective sound muffling devices. Except as provided below, no boat or watercraft shall be stored overnight on the Property, unless totally enclosed in a garage and not visible from the outside; in no case may boats or watercraft be stored in driveways or yards, including backyards.

Section 4. Parking and Vehicular Restrictions. Parking on the Property shall be restricted to garages and the parking apron/driveway appurtenant to each Unit and in no other place, specifically, the swale areas, unless specifically designated for parking on the Plat or by the Board. No boats, on or off trailers, may be parked on any part of the Property except within an enclosed garage or a permitted dock. No vehicles, including service vehicles, shall be permitted to park on streets overnight. The prohibition of parking certain vehicles shall not apply to temporary parking of trucks and commercial vehicles, such as for pick-up, delivery and other commercial services, and contractors working on the Association's behalf carrying out work required to maintain the common properties. All vehicles permitted to be parked anywhere in the community must be in good working order, capable of self-propulsion, and properly licensed and insured.

Section 5. Agents of Association. No owner or resident may direct, supervise, or in any manner attempt to assert control over the employees or agents of the Association, unless such person is an officer or director of the Association acting within their scope of authority, or a person appointed by the Board.

Section 6. Animal Restriction. No animals, livestock, reptiles or poultry of any kind shall be raised, bred or kept on the Property. No dog, cat or other pet may remain loose (unleashed) on the Property and such pets may be walked only in the yard appurtenant to each Unit and not on the Common Properties unless the Board appropriates a portion of same for this purpose in the future. All Owners of pets shall be responsible for cleaning up any excretions of their pets. Pets shall be limited to either two (2) dogs, two (2) cats or one (1) of each. Notwithstanding the foregoing to the contrary, Association may waive this provision in order to initially permit a pet that is otherwise not permitted hereunder to be kept upon the Property. However, once such nonconforming pet(s) dies, it can only be replaced with an animal complying with the provisions hereof.

Section 7. Trash. No rubbish, trash, garbage or other waste or recyclable material shall be kept or permitted on the Property except in containers located in appropriate areas or in plastic bags, and no odor shall be permitted to arise therefrom, so as to render the Property or any portion thereof, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof, or to its occupants. No clothing or household fabrics shall be hung, dried or aired, and no lumber, grass, shrub or tree clippings or plant waste, metals, bulk material or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Property except within an enclosed area appropriately screened from view. Trash containers and plastic bags containing trash shall be permitted to be placed on the front of any Unit abutting the Common Properties or the streets only on the evening before scheduled day for trash removal, and same must be removed on the same day as trash removal and placed on the Lot Owner's property hidden from view from the Common Areas.

Section 8. Temporary Building; Further Parking Limitations. Except as expressly provided hereby, no outbuilding, basement, tent, shack, shed, or other temporary building or improvements of any kind shall be placed upon any portion of the Property either temporarily or permanently. No trailer, camper, motor home or recreation vehicle or boat shall be used as a residence, either temporarily or permanently. None of the foregoing shall be allowed to be parked in any guest parking space. The only basketball sets that may be allowed at the approval of the Association will be temporary movable type, and must be kept by the garage door or driveway area and are not allowed to be placed on sidewalks or on driveway aprons. Patio and lawn furniture must be placed in the backyards of lots and maintained in good condition.

Section 9. Outside Installations. No external radio or antenna, television antenna, satellite receiving dish or other antenna of any type shall be erected or maintained in the Units or elsewhere in the Property if a master antenna or antennae, or cable television antenna or antennae, is provided or made available for the use of Owners, and Association may grant and hereby reserves assessments for such purposes. However, if federal or state laws or rules do not permit a prohibition of all or any of the aforesaid equipment, then some shall be permitted to the extent required by such laws or rules but may be reasonably regulated by the Association by duly adopted rules.

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

Section 11. Garages. Garages shall only be used for the storage of automobiles and other uses authorized by Section 3 hereof, and shall not be permanently enclosed or converted to other uses. Garage doors shall be kept in the closed position except when vehicles are entering or leaving or the garage is otherwise being reasonably used or cleaned.

Section 12. Sprinkler System. Time clocks shall be installed on all underground sprinkler systems and shall be operated at such times as the Board or governmental agencies may determine necessary.

Section 13. Mailboxes. The design, size and type of mailbox shall be approved in advance solely by the Committee.

Section 14. Clothes Drying Area. No portion of any Lot shall be used as a drying or hanging area for laundry of any kind, unless reasonably screened from view.

Section 15. Alarms. An owner may install an audible security alarm only with the prior written approval of the Association.

ARTICLE IX
USE RESTRICTIONS
(continued)

Section 16. Underground Wires. All electrical conduits and hook-ups shall be kept underground. No overhead wires, poles or overhead facilities of any kind for electrical, telephone or TV service will be permitted.

Section 17. Tennis Courts. Tennis courts or other similar racquet sport courts shall not be permitted on any Lot.

Section 18. Common Properties Facilities. Nothing shall be added, altered, maintained or constructed in or removed by any Owner from the Common Properties except upon the written consent of the Association.

Section 19. Rules and Regulations. There are current Rules of the Association; provided, however, the Association may adopt additional reasonable rules and regulations, or amend or eliminate those operative from time to time, pertaining to the use and maintenance of the Property, including rules and regulations relating to any of the Common Properties.

Section 20. Fences. Fences, shall not be erected, removed or maintained upon any Lot except as approved by the Board in its sole discretion and/or as dictated by applicable governmental agencies. All fences, if permitted by the Committee, must be kept in good repair. If fences are permitted, the Committee may, in its discretion, require parallel shrubbery to camouflage the presence of such fence. There shall be no fences erected within maintenance easement areas identified on the Plat. Houses on Water: white PVC fence can be a maximum of 6 feet high from the front edge of the house extending out ten feet from the rear edge of the house. The height MUST then drop to four feet high and it MUST stop at the end of the Owners property line. It cannot extend past the Owners property line. Houses on Delray Lakes Drive: A white PVC fence can be a maximum of 6 feet high from the front edge of the house to the Lake Ida wall. The Association will at all times have an easement to maintain the Lake Ida Wall as needed.

Section 21. Solicitation. There shall be no solicitation by any person anywhere in the Property for any cause, charity or any purpose whatsoever, unless specifically authorized by the Board or by law.

Section 23. Boat Ramp. The Owners' will have access to the boat ramp on the Common Properties (as indicated in the Plat) to provide said Owners access to Lake Ida shall be restricted and prohibited during the hours between 10:00P.M. and 6:00 A.M. The parking area across from the Boat Storage Area is designated strictly for vehicles that are using the boat ramp between those hours only.

Section 24. Business Use. No trade or business may be conducted in or from any Lot, except that an Owner or occupant residing in a Lot may conduct business activities within the Lot so long as:

- (a) the existence or operation of the business activity is not readily apparent or detectable by sight, sound or smell from outside the Lot;
- (b) the business activity conforms to all zoning requirements and other applicable governmental regulations for the Property;
- (c) the business activity does not involve persons coming on to the Property who do not reside in the Property or door-to door solicitation of residents within the Property; and
- (d) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board. The terms "business" and "trade" as used in this Section 23 shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an on-going basis which involves the provision of goods or services to persons other than the provider's Family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether
 - (i) such activity is engaged in full or part time;
 - (ii) such activity is intended to or does generate a profit; or
 - (iii) a license is required therefor.

Section 25. Leasing a Lot. Lots shall not be leased without the prior written approval of the Association, as provided in Article XIX. Notwithstanding the lease of an Owner's Lot, the liabilities and obligations of the Owner created hereunder, including the Rules, shall continue unabated.

Section 26. Inner Lake. In addition to all applicable restrictions, laws and ordinances imposed by applicable governmental or quasi-governmental authorities from time to time, there shall be no swimming, motorized boating, or dumping of any materials whatsoever (whether organic or otherwise) within the inner lake on the Property. No docks or other structures shall be constructed or placed on, near or appurtenant to said inner lake. The Board shall have the right to promulgate Rules, from time to time, further restricting the use of the inner lake as the Board deems necessary or desirable in its sole discretion.

Section 27. Park. In addition to all applicable restrictions, laws and ordinances imposed by applicable governmental or quasi-governmental authorities from time to time, there shall be no dumping, littering, barbecuing or other cooking within the park area located within the Property. Such area is for use as a passive park only and shall be used only for proper purposes in connection therewith. The Board shall have the right to promulgate Rules, from time to time, further restricting the use of the park as the Board deems necessary or desirable in its sole discretion.

ARTICLE X
DAMAGE OR DESTRUCTION TO COMMON PROPERTIES OR LOTS/UNITS

Section 1. Damage to Units. In the event a Lot or Unit is damaged, through act of God or other casualty, the Owner thereof shall promptly cause his Lot or Unit to be repaired and rebuilt substantially in accordance with the original architectural plans and specifications relating thereto. The Owner shall commence such repair and reconstruction promptly and in good faith proceed diligently and continuously thereafter to complete same as soon as reasonably possible. It shall be the duty of the Committee or the Association to enforce such repair or rebuilding of the Lot or Unit to comply with this responsibility. To accomplish the requirements of this Section, each owner shall insure his Unit at the highest insurable replacement value and shall have the Association named as an additional insured in said policy.

Section 2. Damage to Common Properties.

- (a) In the event of damage to or destruction of the Common Properties, if the insurance proceeds are sufficient to effect total restoration, then the Association shall cause such Common Properties to be repaired and reconstructed substantially as it previously existed.
- (b) If the insurance proceeds are within Fifty Thousand and no/100 Dollars (\$50,000.00) or less of being sufficient to effect total restoration to the Common Properties, then the Association shall cause such Common Properties to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a Capital Improvement Assessment equally against each of the Owners.
- (c) If the insurance proceeds are insufficient by more than Fifty Thousand and no/100 Dollars (\$50,000.00) to effect total restoration to the Common Properties, then by written consent or vote of the Members holding at least 55% of the voting interest of all Members, they shall determine whether
- (1) to rebuild and restore the Common Properties in substantially the same manner as they existed prior to damage and to raise the necessary funds over the proceeds by levying Capital Improvement Assessments against all Lots;
 - (2) to rebuild and restore in a way which is less expensive than replacing these Improvements in substantially the same manner as they existed prior to being damaged; or
 - (3) subject to the approval as provided for in Article V, Section 4, to not rebuild and to retain the available insurance proceeds.
- (d) Each owner shall be liable to the Association for any damage to the Common Properties which may be sustained by reason of the negligence or willful misconduct of said Owner or of his tenants or any of each of their family, tenants, guests or invitees, both minor and adult. Notwithstanding the foregoing, the Association reserves the right to charge such owner's Special Assessment equal to the increase, if any, in the insurance premium directly attributable to the damage caused by the owner. The cost of correcting such damage shall be a Special Assessment against the Lot and may be collected as provided herein for the collection of assessments.

ARTICLE XI
INSURANCE

Section 1. Common Properties. The Association shall keep all Improvements and fixtures located on the Common Properties, other than landscaping and other components not customarily insured, insured against loss or damage by fire or other casualty for the full insurable replacement value thereof (with reasonable deductibles), and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property, whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Except as expressly otherwise provided, premiums for all insurance carried by the Association are Common Expenses included in the Common Assessments made by the Association.

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

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

Section 4. Liability and Other Insurance. The Association shall obtain comprehensive public liability insurance, including medical payment and malicious mischief, in such limits as it shall deem desirable, insuring against liability for bodily injury death and property damage arising from the activities of the Association and its Members, or with respect to property under its jurisdiction. The Association may also obtain Workmen's Compensation insurance and other liability insurance as it may deem desirable, insuring each Lot Owner and the Association, Board and Management Company, from liability in connection with the Common Properties, the premiums for which shall be Common Expenses and included in the Common Assessments made against the Lot Owners. All insurance policies may be reviewed at least annually by the Board and the limits increased in its discretion. The Board may also obtain such errors or omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board and the Management Company against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board or any committee hereof.

ARTICLE XI
INSURANCE
(continued)

Section 5. Owner's Insurance. EACH OWNER SHALL BE OBLIGATED TO MAINTAIN INSURANCE ON HIS LOT/UNIT AND ANY IMPROVEMENTS THEREON (IN FULL INSURABLE VALUE AS TO THE LOSS OR DAMAGE BY FIRE OR OTHER CASUALTY), AS WELL AS LIABILITY INSURANCE AND INSURANCE INSURING HIS PERSONAL PROPERTY.

ARTICLE XII
ANNEXATION OF ADDITIONAL PROPERTY AND WITHDRAWAL OF PROPERTY

Section 1. Annexation. Subject to the consent of the owner thereof, the Association may annex additional real property to the provisions of this Declaration and the jurisdiction of the Association. Such unilateral annexation shall require the affirmative vote of not less than sixty-seven (67%) percent of the voting Members of the Association. Annexation shall be accomplished by filing of record in the public records of Palm Beach County, a Supplemental Declaration describing the property being annexed. Any such Supplemental Declaration shall be signed by an authorized officer of the Association, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein.

Section 2. Amendment. This Article 12 shall not be amended without the prior written consent of Delray Islands, so long as that party owns any portions of the Property.

ARTICLE XIII
MORTGAGEE PRIVILEGES

Section 1. Liens on Mortgaged Lots. Where an Institutional First Mortgagee obtains title to a Lot as a result of foreclosure, such Institutional Mortgagee, its successors and assigns, shall not be liable for assessments pertaining to such Unit which became due prior to the acquisition of title unless such assessments are secured by a Claim of Lien which was recorded prior to the recording of such mortgage. Such unpaid assessments shall become Common Expenses collectible from all of the Lot Owners, including such acquirer, its successors and assigns.

Section 2. Sale, Lease or Mortgage of Lots. An Institutional First Mortgagee holding a mortgage on a Unit who becomes an owner of that Unit through foreclosure or by deed in lieu of foreclosure, or whomsoever shall become the acquirer of title at the foreclosure sale of an Institutional First Mortgagee or the Lien of Common Expenses, shall have the unqualified right to sell, lease or otherwise transfer said Unit and/or to mortgage said Unit without prior offer to or approval of the Board.

Section 3. Priority. The lien of an Institutional First Mortgage shall have priority over the Association's lien for assessments, if said mortgage was recorded prior to the recording of a Claim of Lien by the Association.

Section 4. Mortgagee's Option. Institutional First Mortgagee may pay any charges which, are in default and which may or have become a charge against any Association Property or Lot, and may pay overdue premiums on hazard insurance policy for the Association Property or Lot. Any Institutional First Mortgagee making such payment shall be entitled to an immediate reimbursement therefor from the Association, and to the extent of the monies so advanced, said Mortgagee shall be subrogated to the assessment and lien rights of the Association against the Owners for the payment of such item of Common Expense.

Section 5. Notice. An Institutional First Mortgagee, upon written request, is entitled to written notification from the Association of

- (a) any default in the performance by a Lot Owner whose Lot is encumbered by the Mortgage, of any obligation under this Declaration which is not cured within sixty (60) days;
- (b) any condemnation loss or casualty loss which affects a material portion of the Association Property or of the encumbered Lot;
- (c) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and
- (d) any proposed action which would require the consent of a specified percentage of mortgage holders. In addition to the foregoing, any holder of a first mortgage is entitled, upon written request, to a financial statement of the Association for the immediately preceding fiscal year.

ARTICLE XIV
ENCROACHMENTS; EASEMENTS

Section 1. Encroachments on Lots or Common Properties. In the event any portion of any roadway, walkway, parking area, Unit, foundation, footing, roof drainage system, roof, trellis, water lines, sewer lines, utility lines, sprinkler system or any other structure as originally constructed, overhangs or encroaches on any Lot deeded to another Owner or Common Properties, it shall be deemed that the Owner of such Lot or Common Properties has granted a perpetual easement to the Owner of the adjoining Lot or Common Properties or the Association as the case may be, for continuing maintenance and use of such overhanging or encroaching roadway, walkway, parking area, Unit, foundation, footing, drainage system, roof, trellis, water line, sewer line, utility line, sprinkler system or other structure originally constructed. The foregoing shall also apply to any replacements of any such roadway, walkway, parking area, Unit, foundation, footing, drainage system, roof, trellis, water lines, sewer lines, utility lines, sprinkler system or any other structure, if same are constructed in substantial conformance to the original. The foregoing provisions shall be perpetual in duration and shall not be subject to amendment.

Section 2. Easements of Support. Whenever any structure included in the Common Properties adjoins any structure included in any other portion of the Property, each such structure shall have and be subject to an easement of support and necessity in favor of the other structure.

ARTICLE XIV ENCROACHMENTS; EASEMENTS

(continued)

Section 4. Maintenance Easement. In the event any portion of a Unit as originally constructed, is located on or near the Lot boundary line separating the Lot upon which the Unit is constructed (the "Unit Lot") from the adjoining Lot (the "Adjoining Lot") then the owner of the Unit Lot shall enjoy, and the Adjoining Lot shall be subject to, a perpetual non-exclusive easement over, under, across and through a six (6) foot wide strip of the Adjoining Lot which abuts and runs parallel to their common Lot boundary line. The purpose of this easement shall be to allow the Owner of the Unit Lot to maintain and repair portions of his Unit which are easily accessible only from the Adjoining Lot. The Owner of the Unit Lot shall have the right at all reasonable times, after prior notice to the Owner of the Adjoining Lot, to use and enjoy the easement herein provided in order to perform work relating to the maintenance and repair of his Unit. This easement shall also apply for the maintenance of shrubbery located upon the Owner's Lot.

Section 5. Pipes, Wires, Ducts, Vents, Cables, Conduits, Public Utility Lines, Etc. The Association have an easement to use, maintain, repair, alter and replace all pipes, wires, ducts, vents, cables, conduits, public utility lines, and similar or related facilities located in the Property and serving the Common Properties. Each part of the Property shall be subject to an easement in favor of the Association to use, maintain, repair, alter and replace the pipes, wires, ducts, vents, cables, conduits, public utility lines and other similar or related facilities located in such part of the Property and also serving other parts thereof.

ARTICLE XV ENTRY FEATURE AND ROADWAYS

A portion of the Common Properties shall contain an entry feature (which will consist of a wall which will be landscaped and will contain a sign), gated entry system, guard house and roadways containing street lights, all of which shall be maintained by the Association, the expense of which is to be a Common Expense.

ARTICLE XVI GENERAL PROVISIONS

Section 1. Enforcement. This Declaration, including the Articles, Bylaws and Rules, may be enforced against any and all Owners (other than Delray Islands) and by the Association. Enforcement by the Association shall include and be governed by the following:

- (a) Breach of any of the covenants contained in the Declaration or the By-Laws or Rules and the continuation of any such breach may be enjoined, abated or remedied by appropriate legal proceedings by the Association. Any judgment rendered in any action or proceeding in favor of the Association pursuant hereto shall include attorneys' fees (at all trial and appellate levels) in such amount as the court may deem reasonable, as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs.
- (b) The result of every act or omission whereby any of the covenants contained in this Declaration or the By-Laws or the Rules are violated in whole or in part is hereby declared to be and shall constitute a nuisance, and every remedy allowed hereunder and by-law or equity with respect to nuisances, whether public or private, shall be applicable and may be exercised by the Association or their successors-in-interest.
- (c) Violation or noncompliance of any term, condition, or covenant of this Declaration, the By-Laws or the Rules may result in a fine or penalty being imposed as provided herein, in the Articles or in the By-Laws.
- (d) The remedies herein provided for breach of the covenants contained in this Declaration or in the By-Laws shall be deemed cumulative, and none of such remedies shall be deemed exclusive.
- (e) The failure of the Association to enforce any of the covenants contained in this Declaration or in the By-Laws shall not constitute a waiver of the right to enforce the same thereafter.
- (f) A breach of the covenants, conditions or restrictions contained in this Declaration or in the By-Laws or the rules and regulations of the Board shall not affect or impair the lien or charge of any mortgage given in good faith and for value on any Lot; provided, however, that any subsequent-Owner of such Lot shall be bound by said covenants, whether such Owner's title was acquired by foreclosure sale or otherwise.

Section 2. Severability. In the event any provision, covenant, clause, paragraph, phrase, word or any portion of this Declaration, the By-Laws or Rules, or application thereof to any person or circumstance shall be determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Declaration, the By-Laws or Rules or the application of such provision to such person or circumstance, other than those to which it is so determined invalid or unenforceable, shall not be affected thereby and each remaining provision, covenant, clause, paragraph, phrase, word or portion thereof shall be valid and enforceable to the fullest extent permitted by law.

Section 3. Term. Subject to the amendment provisions of Section 5 hereof, the covenants and restrictions of this Declaration shall run with and bind the Property covered hereby, and shall inure the benefit of and be enforceable by the Association, the City of Delray Beach, and their respective successors and assigns, for a term of forty (40) years from the date this Declaration is recorded, after which time said covenants, conditions, easements, reservations of easement, equitable servitudes and restrictions shall be automatically extended for successive periods of ten (10) years, unless and instrument, approved by the then Owners of eighty percent (80%) of the Lots and their mortgagees and the City of Delray Beach has been recorded revoking said covenants.

Section 4. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a community and for the maintenance of recreational facilities and Common Properties. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in

ARTICLE XVI
GENERAL PROVISIONS

(continued)

resolving questions of interpretation or construction. Unless the context requires a contrary construction, the singular shall include the plural and the singular, and the masculine, feminine and neuter genders shall each include the other. The Board of Directors shall have the authority to interpret the provisions of this Declaration and those of the Articles of Incorporation, Bylaws and Rules. An opinion of counsel to the Association, or the counsel having drafted said documents, rendered in good faith and stating that any such interpretation is not unreasonable shall make such interpretation binding and conclusive for all purposes.

Section 5. Amendments - FHA/VA And Other Approval. This Declaration may only be amended by:

(1) by the affirmative vote (at any annual or special meeting of Members) or written approval of Members holding not less than fifty-five (55%) percent of the votes of the Membership or

(i) is necessary to correct errors or omissions;

(ii) is requested or required by FHA, VA or any governmental, quasi-governmental or government chartered entity, including one which owns or expects to own one or more institutional Mortgages on Lots within the Property or to insure the payment of one or more such Institutional Mortgages; or

(iv) is requested or required by an Institutional Mortgagee.

However, no amendment shall be permitted which has a material and adverse affect upon rights of Declarant or an Institutional Mortgagee without the prior written consent of Declarant or such Institutional Mortgagee, as appropriate. Nothing contained herein shall affect the right of Declarant to make such amendments or Supplemental Declarations without the consent or approval of any Owner, Member, or Institutional Mortgagee, which said Declarant may amend or supplement this Declaration, in its sole discretion, without the approval, joinder or consent of the Association, its Members or the Owners of Units/Lots. In the event any amendment is sought other than by Declarant, notice shall be given to all Owners and Institutional Mortgagees who have requested notice at least forty-five (45) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved by the Members as set forth above, an authorized officer of the Association shall execute an amendment to this Declaration which shall set forth the terms of the amendment, which shall be effective upon its recording. Such amendments shall be recorded in the Official Records of Palm Beach County. annexation of additional properties, mergers and consolidations, mortgaging of Common Properties, dedication of Common Properties, dissolution and amendments of this Declaration (other than as provided in Section 2 such approval shall specifically not be required from the FHA " and/or the VA, respectively, to the extent that the FHA and/or VA, as the case may be, do not hold, insure or guarantee any mortgages encumbering any Lots (s) at the time of such amendments or actions, or where the amendment is made to correct errors or omissions or is required by any Institutional Mortgagee so that such Institutional Mortgagee will make, insure or guarantee mortgage loans for the Lots (s), or is required by any governmental, quasi-governmental or government charged entity. A written statement by the Association within any such amendment that the FHA or VA approval is not required as stated in the preceding sentence, shall be deemed conclusive evidence of same. The approval of the FHA and/or the VA shall be deemed given if either of the foregoing agencies fail to deliver written notice of its disapproval of any amendment to the Association within 20 days after a request for such approval is delivered to said agency (ies) by certified mail, return receipt requested, or equivalent delivery, and such approval shall be conclusively evidenced by a certificate of the Association that the approval was given or deemed given. An amendment to this Declaration or the Articles of Incorporation or By-Laws which affect the surface water management/drainage system shall be subject to the approval of the South Florida Water Management District.

Section 6. No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Common Properties to the public, or for any public use.

Section 7. Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title estate or interest in or to any Lot or other portion of the Property shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference hereto is contained in the instrument by which such person acquired an interest in such Lot or other property.

Section 8. Notice. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States Mail, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the Lot of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association.

Section 9. Voidability of Contracts. The Association shall have the right to cancel any contract, lease, or management agreement entered into by the Association prior to Builder turning over control of the Association to Owners

Section 10. Priority of Documents. This Declaration shall be paramount in those instances of irreconcilable conflict among or between it and the Articles, Bylaws, or Rules, in the absence of any express language indicating when document control the particular subject matter; the Articles are next paramount, the Bylaws next paramount, and the Rules most subordinate.

Section 11. Real Property Covenants. All of the restrictions, reservations, covenants, conditions and easements contained herein constitute covenants running with the land and shall rule perpetually unless terminated or amended as provided herein, and shall be binding upon all Owners as herein defined, and in consideration of receiving and by acceptance of any deed, grant, devise or mortgage, all grantees, devisees or mortgagees, their heirs, personal representatives, successors and assigns, and all parties claiming by, through or under such persons, agree to be bound by the provisions of this Declaration and the Articles and Bylaws. Both the burdens imposed and the benefits derived from this Declaration shall run with each Lot, as herein defined.

Section 12. Disclaimer. NEITHER THE ASSOCIATION OR DELRAY ISLANDS SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS, TENANTS, GUESTS, AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND DELRAY ISLANDS AND ANY COMMITTEES ESTABLISHED BY ANY OF THE FOREGOING ENTITIES, ARE NOT INSURERS AGAINST LOSS AND THAT EACH OWNER, TENANTS, GUEST AND INVITEE ASSUMES ALL RISK OF LOSS OR DAMAGE TO PERSONS, TO LOTS, AND TO THE CONTENTS OF LOTS, AND FURTHER THAT THEY ACKNOWLEDGE THAT NEITHER THE ASSOCIATION OR DELRAY ISLANDS HAS MADE ANY REPRESENTATIONS OR WARRANTIES TO ANY OWNER, TENANT, GUEST,

ARTICLE XVI
GENERAL PROVISIONS
(continued)

OR INVITEE, NOR HAS ANY OF SUCH PARTIES RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SECURITY MEASURES RECOMMENDED OR UNDERTAKEN, AS OFFERED OR AGREED TO BY THE ASSOCIATION OR DELRAY ISLANDS.

Section 13. No Partition. Except as is permitted in the Declaration or amendments thereto, there shall be no physical partition of the Common Properties or any part thereof, nor shall any person acquiring any interest in the Common Properties or any part thereof seek any judicial partition unless the Common Properties have been removed from the provisions of this Declaration. This Section 16 shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Section 14. Notices and Disclaimers as to Water Bodies. NEITHER DELRAY ISLANDS, THE ASSOCIATION NOR ANY OF THEIR OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVE THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND OR OTHER WATER BODY WITHIN THE PROPERTY. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID WATER BODIES SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FOR ANY OR ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES. ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY HABITUATE OR ENTER INTO WATER BODIES WITHIN THE PROPERTY AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

ARTICLE XVII
FINES

Section 1. Compliance. Every Lot Owner and his tenants, guests, invitees and agents shall comply with the provisions of this Declaration, By-Laws and all Rules as same exist and may be adopted from time to time by the Board.

Section 2. Enforcement. In addition to all other remedies available (and not in lieu thereof), failure to comply with the terms and provisions of this Declaration, By-Laws, and Rules shall be grounds for immediate action which may include, without limitation, an action to recover sums for damages, injunctive relief or any combination thereof. The Board shall have the right to suspend the right to the use of the Recreational Facilities in addition thereto.

Section 3. Fines. In addition to all other remedies, a fine or fines may be imposed upon a Lot Owner for failure of a Lot Owner, his tenants, Family, guests, invitees or employees to comply herewith or with any rule or regulation provided the following procedures are followed:

- (a) Notice. The Board shall notify the Lot Owner of the infraction or infractions. Included in the Notice shall be the date and time of a special meeting of the Board, at which time the not Owner shall present reasons why penalties should not be imposed. At least fourteen (14) days' written notice of such meeting shall be given.
- (b) Hearing. The facts of non-compliance or violation shall be presented to a committee appointed by the Board meeting the requirements, of statute after which the Committee shall hear reasons why penalties should not be imposed. A written decision of the Committee shall be submitted to the Lot Owner not later than ten (10) days after the hearing.
- (c) Penalties. The Committee may impose a Fine against the Lot and the Owner as follows:
 - (1) First non-compliance or violation - a fine not in excess of Twenty-Five and no/100 Dollars (\$25.00) per day;
 - (2) Second and subsequent non-compliance or violation - a fine not in excess of Fifty and no/100 Dollars (\$50.00) per day;
- (d) Payment of Fines. Fines shall be paid no later than five (5) days after notice of the imposition of same.
- (e) Collection of Fines. Fines shall be treated as a Debt to the Association and collected as provided in chapter 720 of the Florida Statutes.
- (f) Non-Exclusive Remedy. The fines provided for herein shall not be construed to be an exclusive remedy of the Association, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; however, any penalty paid by the offending Lot Owner shall be deducted from or offset against any damage which the Association may otherwise be entitled to recover by law.

ARTICLE XIX
LEASES

In order to maintain a community of congenial residents who are financially responsible to protect the value of the Lots and/or Units, the transfer of Lots and/or Units by any Owner, shall be subject to the following provisions, which provisions each Owner covenants and agrees to observe:

Section 1. General. No Owner may dispose of a Lot or any interest in a Lot by lease without written approval of the

ARTICLE XIX
LEASES
(continued)

Association. Additionally, and specifically, it shall be agreed and understood that no Unit shall be offered for lease on any short term (less than six (6) months) vacation, seasonal, interim, or transient basis. Any violation of this provision shall result in an immediate eviction of the unauthorized tenant, and the Owner shall be responsible for any and all costs incurred in effecting such eviction, which costs shall include reasonable attorney's fees and court costs.

Section 2. Approval By Association.

(a) Notice. An Owner intending to make a bona fide lease of his Lot/Unit or any interest therein, shall give to the Association written notice of such intention, together with the name and address of the proposed lessee, as well as any other information concerning the intended lessee as the Association may reasonably require.

(b) Failure to Give Notice. If the above required notice to the Association is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of a Lot, the Association, at its election and without notice, may approve or disapprove the transaction or subsequent ownership and/or possession. If the Association disapproves the transaction, the Association shall proceed as if it had received the required notice on the date of such disapproval.

(c) Application Form. The Association is vested with the authority to prescribe an application form which may require specific personal, financial, social and other data relating to the intended purchaser/lessee in order to enable the Association to responsibly investigate the intended purchaser/lessee within the time limits extended to the Association for that purpose. The application shall be completed and submitted as an integral part of the notice required herein. In as much as Lots/Units may be used only for residential purposes and a corporation may not occupy a Lot for such use; if an Owner, purchaser, or lessee of a Lot is a corporation, the approval of ownership or possession may be conditioned by requiring that all persons occupying the Lot be approved individually by the Association.

A reasonable fee set by the Board of Directors in the current amount of Fifty and no/100 Dollars (\$50.00) for leasing and One Hundred and no/100 Dollars (\$100.00) for sale, and as changed by the Board in its discretion from time to time, may be charged to the Owner for the purpose of defraying the cost of investigation and the costs associated with granting approval, changing books and records and other matters associated with the transfer. The time limits for approval and/or disapproval by the Association shall not commence until any such fee is paid in full.

(d) Certificate of Approval. Such approval or disapproval shall be in writing, and transmitted to the Owner within the aforementioned time period, and any failure to do so shall constitute an approval of the sale/lease. If approved, the approval shall be stated in a certificate executed by the President or Vice President of the Association, which shall be attached to the lease.

Section 3. Exceptions. The foregoing provisions of this Article shall not apply to a lease by an Institutional Mortgagee that acquires its title as the result of owning a mortgage upon the Lot concerned, and this shall be so, whether the title is acquired by deed from the mortgagor, his successors or assigns, or through foreclosure; nor shall such provisions apply to lease by an Institutional Mortgagee that so acquires its title.

Section 4. Lease or Sale Void. Any lease or Sale of a Lot not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association.

ARTICLE XX
ACKNOWLEDGMENT

The Owner of each Lot, his successors and assigns, acknowledge and agree to the following:

Section 1. Noninterference with Maintenance. That neither Owner nor his contractors, subcontractors, or his or their employees or agents, shall restrict, interrupt, harass or in any manner interfere with the maintenance and operation of the property.

Section 2. Fill and Grade. That no fill shall be removed from any Lot nor shall the Owner of any Lot do anything to change or interfere with the drainage of stormwater; no change shall be made with respect to the original grade and contour of swales unless first approved in writing by the Association.

Section 3. Unauthorized Sales Practices. That no auctions or similar sales practices shall be conducted with respect to any Lot.

ARTICLE XXI
DOCKS AND MOORINGS

Section 1. Applications by Waterfront Lot Owners to the Association. Any Owner of a Lot contiguous to a canal bordering the Property (but specifically excluding all other Owners of Lots within the Property, including Owners of Lots on the inner lake on the Property) that desires to construct and install a dock or other mooring in or on any portion of the waterways or inlets/canals bordering the Property, immediately adjacent to such Owner's Lot shall prior to commencement of construction submit a written application therefor to the Association, together with complete construction plans for such dock or mooring and such other information relating to such proposal as the Association shall request.

Section 2. Approval of Applications by Owners of Canal Lots. The Association shall permit any Owner of a canal Lot to construct a single dock or other mooring in the canals immediately adjacent to such Owner's Lot, provided that:

(a) The construction of such dock or mooring, and such dock or mooring when constructed, complies with -all applicable federal, state and local legal requirements;

ARTICLE XXI
DOCKS AND MOORINGS
(continued)

(b) The Lot Owner agrees in a written instrument reasonably satisfactory to the Association, which instrument shall be in recordable form so as to run with and bind the Lot and all future Owners thereof:

- (i) to indemnify, defend and hold harmless the Association from and against all claims and liability relating to such dock or mooring, and to continuously maintain liability insurance with respect thereto in an amount reasonably satisfactory to the Association which shall name the Association as an additional insured;
 - (ii) to pay or reimburse the Association for all real estate taxes, if any, assessed with respect to such dock or mooring;
 - (iii) to continuously maintain said dock or mooring in accordance with all applicable legal requirements and strictly in accordance with the plans therefor approved by the Association and other rules promulgated by the Association; and
 - (iv) to operate said dock or mooring only as a private dock or mooring and not for the generation of income, and to allow no boats or vessels to be docked or moored at such dock or mooring other than one owned by the owner of the Lot to which such dock or mooring is appurtenant.
- (c) The location, design, plans, specification and materials with which such dock or mooring is constructed are approved by and satisfactory to the Committee.
- (d) Prior to commencement of construction, the Owner shall submit to the Architectural Committee a complete set of construction plans, specifications, elevations and signs for such dock or mooring and such other information relating to such dock or mooring as the Architectural Committee shall request.
- (e) Shoreline contours above or below water may not be changed without the written approval of the Architectural Committee as well as all federal and state agencies having jurisdiction over the same. No pesticides, insecticides, fungicides, herbicides, other deleterious substances or fertilizers shall be applied to the area below the top of the nearshore berm. All areas with natural or replanted vegetation designated for preservation by any permit issued by any federal or state agency in connection with the development. No Lot shall be increased in size by filling in the waters on which it abuts. Mangrove trimming shall only be allowed subject to any necessary approval of the Architectural Committee and appropriate governmental agencies.
- (f) No boathouse shall be constructed on or adjacent to any of the Lots nor shall any boat canal or boat slip be dug or excavated in any of the Lots without prior approval of the Architectural Committee and applicable governmental authorities.
- (g) The submerged land under the dock shall not be deemed owned by the Lot Owner, but rather, the Lot Owner shall be granted only an easement over such submerged lands for the purpose of constructing and maintaining such dock. No Lot Owner shall damage, remove or alter any bulkhead located within the Property, including the bulkhead located adjacent to said Owner's Lot. Appropriate plans and drawings of all proposed docks must be submitted to the Architectural Committee and all docks must be approved by the Architectural Committee as aforesaid and by all or any governmental agencies having jurisdiction over the same, prior to their construction.

Section 4. Requirements Respecting Docking of Boats at Docks Adjacent to Waterfront Lots. The following requirements shall apply to the docking of boats at docks adjacent to water Lots:

- (a) Vessels and boats may be moored offshore of a waterfront Lot only at a dock, and only at a dock owned by the owner of said vessel. Owners of docks adjacent to Lots shall not have the right to rent, lease or allow usage of said owner's dock for economic benefit, except where the Lot and Unit are also rented to the boat owner. Only private pleasure craft may be moored at a dock adjacent to a Lot, and no commercial vessel or vessel used in a commercial enterprise shall be moored at a dock adjacent to a Lot. No person shall be permitted to live or reside on a vessel moored at a dock adjacent to a Lot or to perform hull maintenance or repair work on any vessel moored at a dock adjacent to a Lot.
- (b) No vessel moored at a dock adjacent to a Lot (i) shall be longer than a length which is fifty percent (50%) of the width of the Lot as measured at the shoreline of the adjacent waterway unless a greater length is approved by the Committee, in its sole discretion, pursuant to a written request of the Owner of the Lot which complies with the requirements of this Declaration.
- (c) The Lot Owners constructing and installing a dock adjacent to the Lots shall comply with any and all other rules and regulations promulgated by the Board pertaining to an in connection with said docks and the mooring of vessels and boats thereto.

Section 5. DISCLAIMER. NOTWITHSTANDING THE FOREGOING, ALL PERSONS/OWNERS ARE HEREBY ADVISED THAT ALTHOUGH THE ASSOCIATION MAY APPROVE A PROPOSED DOCK OR OTHER MOORING, THERE IS NO GUARANTEE OR ASSURANCE THAT THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT, LAKE WORTH DRAINAGE DISTRICT OR ANY OTHER APPLICABLE GOVERNMENTAL AGENCY WILL APPROVE OR GRANT A PERMIT FOR THE CONSTRUCTION OF A DOCK OR MOORING ON ANY CANAL BORDERING THE PROPERTY, PARTICULARLY ON THE LWDD E-4 CANAL. ASSOCIATION HEREBY EXPRESSLY DISCLAIMS ANY REPRESENTATION OR CONTRACTUAL OBLIGATION TO THE CONTRARY THAT DOCK PERMITS AND/OR APPROVALS ARE OR WILL BE AVAILABLE TO PERSONS/LOT OWNERS.

ARTICLE XXII
TERMINATION OF PRIOR DECLARATION

The Prior Declaration is hereby terminated in its entirety.

Declarant has caused this Declaration to be executed on the day and year first above written.

EXHIBITS

EXHIBIT "A" LEGAL DESCRIPTION

All of the Plat of Delray Lakes, according to the Plat thereof on file in the Office of the Clerk of the Circuit Court in and for Palm Beach County, Florida; as recorded in Plat Book 78, Pages 184 through 188, Public Records of Palm Beach County, Florida,

TOGETHER WITH:

Lots 14, 15, 16, 17, 18, 20, 21, 22 and 23 of Amended Plat of Isles of Delray Section 2, according to the Plat thereof as recorded in Plat Book 71 Pages 58 through 62 of the Public Records of Palm Beach County, Florida

EXHIBIT "A-1" LEGAL DESCRIPTION

LOTS 19, 24, 25, 26 AND 27, AMENDED PLAT OF ISLES OF DELRAY SECTION 2, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 71 PAGES 58 THROUGH 62 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA

EXHIBIT "A-2" LEGAL DESCRIPTION

All lots contained in the Plat of Isles of Delray Section 2 according to the Plat thereof on file in the Office of the Clerk of the Circuit Court in and for Palm Beach County, Florida in Plat Book 40, Page 132.

EXHIBIT "A-3" LEGAL DESCRIPTION

All of the Plat of Delray Lakes, according to the Plat thereof on file in the Office of the Clerk of the Circuit Court in and for Palm Beach County, Florida, as recorded in Plat Book 78, Pages 184 through 188, Public Records of Palm Beach County, Florida,

TOGETHER WITH:

Lots 14, 15, 16, 17, 18, 20, 21, 22 and 23, of the Amended Plat of Isles of Delray Section 2, according to the Plat thereof as recorded in Plat Book 71 Pages 58 through 62 of the Public Records of Palm Beach County, Florida.

ALSO TOGETHER WITH:

That portion of Tract F of the Amended Plat of Isles of Delray Section 2, according to the Plat thereof as recorded in Plat Book 71, Pages 58 through 62 of the Public Records of Palm Beach County, Florida, which is not included within the Plat of Delray Lakes recorded in Plat Book 78, Pages 184 through 188 of the Public Records of Palm Beach County, Florida.

LESS:

Tracts "C", "D", and "H" as shown on said Plat of Delray Lakes.

EXHIBIT "B"
ARTICLES OF INCORPORATION
OF
DELRAY LAKES HOMEOWNERS ASSOCIATION, INC.
AMENDED DECEMBER 31, 2007

ARTICLE I
NAME AND PRINCIPAL OFFICE

The name of this corporation shall be Delray Lakes Homeowners Association, Inc., (hereinafter referred to as the "Association"). The principal office of the Association shall, initially, be at C/O Customer Property Management, Inc., 2328 South Congress Avenue, Suite 2A, West Palm Beach, Florida 33406

ARTICLE II
DEFINITIONS

Each term used herein which is defined in the Declaration of Covenants, Restrictions and Easements for Delray Lakes, recorded or to be recorded among the Public Records of Palm Beach County, Florida (the "Declarations") shall have the same meaning or definition when used herein as the meaning or definition ascribed thereto in the Declaration.

ARTICLE III
PURPOSES

The purposes of the Association are to operate, maintain, manage and preserve the Common Properties (as such term is defined in the Declaration) within the residential development located in Delray Beach, Florida, known as Delray Lakes, and to carry out the functions and duties of the Association as set forth in the Declaration. The Association is also formed to maintain those parts of Delray Lakes which are not maintained by the Lot Owners. The Association is not organized for profit and no part of the net earnings, if any, shall inure to the benefit of any member or individual person, firm or corporation.

ARTICLE IV
POWERS

The Association shall have all of the powers given to corporations not for profit by the Florida Statutes and all of the powers expressly conferred upon it by the Declaration, together with all other powers necessary to fulfill both such stated powers and the duties expressly given to it by such Declaration. These powers include, but are not limited to, the power to:

Maintain, repair, replace, improve and insure the landscaping, private roadways, parking spaces, Common Properties, Recreational Facilities, exterior street lighting and other common areas which the Association owns or which it has assumed the obligation to maintain, including but not limited to, the surface water management/drainage system, including all lakes, retention areas, culverts and related appurtenances;

- A. Make and collect assessments from its Members;
- B. Pay all Association expenses;
- C. Acquire title to, convey and exercise all rights of ownership in and to any real or personal property;
- D. Own and Operate the Common Properties, including the surface water management/drainage system;
- E. Make, amend, and enforce reasonable rules and regulations for the use of the property it owns or maintains;
- F. Enforce, administer and perform the terms of the terms of the Declaration, these Articles, and the By-Laws of the Association.
- G. Bring and defend legal and administrative actions.
- H. Contract for services.

ARTICLE V
MEMBERS

A. Every record Owner (as defined in Article I, Section 20 of the Declaration) of a fee interest in any residential Lot shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as a security for the performance of an obligation. Membership shall be appurtenant to, and may not be separated from, ownership of a Lot.

B. Change of membership in the Association shall be established by the recording in the Public Records of Palm Beach County, Florida, of a deed or other instrument establishing a record title to a Lot, and shall be evidenced by delivery to the Association of a copy of such instrument. The membership of the prior Owner shall be terminated as of the date of delivery of such deed or other instrument.

C. The shares of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except upon transfer of his residential Lot.

D. Membership or stock certificates are not required and need not be issued.

E. Members shall be all Lot Owners other than Delray Islands under the Declaration. Each Lot whose owner shall be entitled to one vote at members' meetings.

ARTICLE VI **BOARD OF DIRECTORS**

A. The affairs of the Association shall be managed by a Board of five (5) Directors

B. New Directors shall be appointed or elected and the number of Directors shall be increased or decreased in accordance with the By-Laws of the Association.

ARTICLE VII **AMENDMENT OF ARTICLES**

Any amendment to these Articles of Incorporation shall require the affirmative vote of a majority of the Board of Directors and the affirmative vote of the Members of the Association who have the right to vote fifty two percent (52%) of all the votes of the entire Membership; provided, however, that (a) no amendment shall make any change in the qualifications for membership nor the voting rights of the Members without the written approval or affirmative vote of all Members of the Association, and (b) that these Articles shall not be amended in any manner which conflicts with the terms, covenants and provisions contained in the Declaration.

ARTICLE VIII **TRANSACTIONS IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED**

No contract or transaction between the Association and one or more of its Directors or Officers, or between the Association and any other corporation, partnership, association, or other organization in which one or more of its Directors or Officers are Directors or Officers, or have a financial interest, shall be invalid, void or voidable solely for such reason, or solely because the Director or Officer is present at or participates in the meeting of the Board or committee thereof which authorized the contract or transaction, or solely because his or their votes are counted for such purpose. No Director or Officer of the Association shall incur liability by reason of the fact that he is or may be interested in any such contract or transaction.

Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

ARTICLE IX **EXISTENCE**

The Association shall have perpetual existence; provided, however, that if the Association is dissolved, the property constituting the surface water management system shall be conveyed to an appropriate agency of local government or, if not accepted thereby, to a not-for-profit corporation similar to the Association.

ARTICLE X **INDEMNIFICATION**

Every Director and every Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees (at trial and all appellate levels) reasonably incurred by or imposed upon him in connection with any proceedings to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of the Association of any settlement thereof, whether or not he is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty or willful misfeasance or malfeasance in the performance of his duties; provided, that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE XI **OFFICERS**

The Officers of the Association shall be a President, Vice-President, Secretary and Treasurer, and such additional Officers as the By-Laws permit. The Officers shall be elected by the Directors at its first meeting following the annual meeting of the Members of the Association or at any special meeting called for that purpose.

ARTICLE XII
BY-LAWS

The By-Laws of the Association shall be adopted by the Board of Directors and shall be amended, altered or rescinded in the manner set forth in the By-Laws.

ARTICLE XIII
RESIDENT AGENT AND INITIAL REGISTERED OFFICE

The initial resident agent of the Association, for purposes of accepting service of process shall be Charles Hernicz, PA, whose address within the State of Florida is 15854 Bent Creek Road, Wellington, FL 33414, and the initial registered office of the Association shall be C/O Customer Property Management, Inc., 2328 South Congress Avenue, Suite 2A, West Palm Beach, Florida 33406

IN WITNESS WHEREOF, I the undersigned incorporator, have executed these Articles of Incorporation, for the purpose of forming the Association this 3rd day of September, 1996. Which are amended this 31st day of December 2007.

EXHIBIT "C"
BY-LAWS OF DELRAY LAKES HOMEOWNERS ASSOCIATION, INC.
AMENDED DECEMBER 31, 2007

ARTICLE I
DEFINITIONS

- 1.1 "Association" shall mean DELRAY LAKES HOMEOWNERS ASSOCIATION, INC.
- 1.2 "Declaration" shall mean the Declaration of Covenants, Restrictions and Easements for DELRAY LAKES, to be recorded among the Public Records of Palm Beach County, Florida.
- 1.3 "Articles" shall mean the Articles of Incorporation for the Association.
- 1.4 All definitions contained in the Declaration are incorporated herein by reference.

ARTICLE II
OFFICE

The principal office of the Association shall be C/O Customer Property Management, Inc., 2328 South Congress Avenue, Suite 2A, West Palm Beach, Florida 33406, or such other place in Palm Beach County, Florida, as the Board of Directors may, from time to time, determine.

ARTICLE III
MEMBERS AND MEMBERSHIP MEETINGS

3.1 Membership. Every Owner (as defined in Article I, Section 20 of the Declaration) and Delray Islands shall be a Member of the Association, and no Owner shall have more than one membership in the Association. Memberships in the Association shall not be assignable, except to the successor-in-interest of the Owner, and every membership of an Owner in the Association shall be appurtenant to and may not be separated from the fee ownership of his Lot. Ownership of such Lot shall be the sole qualification for membership of an Owner in the Association.

3.2 Classes of Voting Membership. The Association shall have classes of voting Members specified in the Declaration.

3.3 Vote Distribution. Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person ("Co-Owner") holds an interest or interests in any Lot, only one such Co-Owner shall be entitled to exercise the vote to which the Lot may be entitled. Such Co-Owners may, from time to time, all designate in writing one of their number to vote, fractional votes shall not be allowed, and the vote for each Lot shall be exercised, if at all, as a whole. Where no voting Co-Owner is designated, or if such designation has been revoked, the vote for such Lot shall be exercised as the majority of the Co-Owners mutually agree. Unless the Board receives a written objection from a Co-Owner, it shall be presumed that the appropriate voting Co-Owner is acting with the consent of his or her other Co-Owner(s). No vote shall be cast for any Lot where the majority of the Co-Owners cannot agree upon said vote or other action. All Co-Owners (including, without limitation, any non-voting Co-Owner or Co-Owners) shall be jointly and severally responsible for all of the obligations imposed upon the jointly owned Lot and/or the Co-Owners and shall be entitled to all other benefits of ownership, except as expressly otherwise provided herein. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in these By-Laws shall be binding on all Co-Owners, their successors and assigns. Said voting rights shall be subject to the restrictions and limitations provided in the Declaration, any Supplemental Declaration, the Articles and these By-Laws. If a Lot is owned by a corporation or other business entity, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by an appropriate officer of the corporation and filed with the Secretary of the Association.

3.4 Annual Meeting. The annual Members' meeting shall be held in the month of December each year. At annual meetings, Officers shall give reports, elections of Directors shall take place, a budget shall be reviewed and ratified, the assessments for the next year shall be reviewed, and any other Members' business properly presented to the meeting shall be transacted.

3.5 Special Meetings. Special Meetings of the Members may be called by any Officer, a majority of the Board of Directors, or by fifty-two percent of the Voting Members.

3.6 Notice and Place of Meetings. Notice of all Members' meetings shall be given by the Secretary and shall state the time, place and purpose of the meeting. Unless notice is waived in writing, notice shall be sent to each Member at his address as it appears on the books of the Association. Notice of a special meeting shall include a description of the purpose or purposes for which the meeting is called. Notice shall be sent by regular mail or shall be delivered by hand at least fourteen (14) days prior to the date that the meeting is to be held. Proof of such mailing or delivery shall be by affidavit of the person who mailed or delivered the notices. Notice of the meeting may be waived before, during or after meetings by the signing of a waiver by the proper parties.

3.7 Quorum. A quorum at a Members' meeting shall be the Members entitled to cast thirty percent (30%) of the total votes of the Membership, whether present in person or by proxy, unless otherwise provided in the Declaration.

3.8 Action. Unless otherwise stated in these By-Laws, the Declaration or the Articles, and unless otherwise required by Statute, the act of a majority of the voting Members present at a meeting in which a quorum was present shall constitute the act of the entire membership. Any action which could, under Florida law, be taken at a meeting of Members, may be taken without a meeting if authorized in writing by Members entitled to cast thirty percent of all the votes of the entire membership, and if thereafter filed with the Secretary of the Association.

ARTICLE III
MEMBERS AND MEMBERSHIP MEETINGS

(continued)

3.9 Proxies. Votes may be cast in person or by proxy. Proxies must be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease after completion of the meeting for which the proxy was filed, and upon conveyance by the Member of his Lot. To be valid, a proxy must be dated, signed by the authorized Member and state the date, time and place of the meeting for which it is given. A proxy is valid only for the meeting for which it is given and any lawful adjournments thereof and shall automatically expire ninety (90) days after the date of such meeting.

ARTICLE IV
DIRECTORS

4.1 Number. The Board of Directors shall consist of five persons. The number of Directors may be increased or decreased from time to time by an amendment to these By-Laws, but in no event shall there be less than three Directors.

4.2 Members. All Directors elected by the Members must be Members of the Association.

4.3 Election. Election of the Board of Directors shall be as follows:

(a) Election of Directors shall be by a plurality of the votes cast at the Members' meeting.

(b) Vacancies caused by death, resignation, incapacity or removal of a Director shall be filled by the remaining Directors who shall appoint a substitute to serve until the election and qualification of successors at the next annual Members' meeting.

4.4 Term. Each Director shall serve for a period of one (1) year and until his and her successor is duly elected and qualified, until they resign or until they are removed.

4.5 Removal of Directors. A Director may be removed from office at a Members' meeting upon the affirmative vote of Members casting a majority of the votes of the membership for any reasons deemed by the voting Members to be in the best interests of the Association; provided, however, before any Director is removed from office, he shall be notified in writing that a motion to remove him will be made, and if such Director is present, he or she shall be given an opportunity to be heard at such meeting prior to the vote on his or her removal.

4.6 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, and the meetings shall be open to all Members of the Association.

4.7 Special Meetings. Special meetings of the Directors may be called by the President or Vice-President, and must be called by the Secretary at the written request of one-third (1/3) of the members of the Board of Directors; not less than three (3) days' notice of the meeting shall be given.

4.8 Quorum. A majority of the Directors shall constitute a quorum at the Directors meeting. The acts of the Board approved by a majority of the Board present at a meeting at which a quorum is present shall constitute an act of the Board of Directors.

4.9 Waiver of Notice. Any Director may waive notice of the meeting before or after the meeting, and such waiver shall be deemed equivalent to his having received notice.

4.10 Presiding Officer. The presiding officer at a Board of Directors meeting shall be the President. In the President's absence, the Directors present shall designate any one of their number to preside.

4.11 Notice to Members. Notices of meetings of the Board of Directors shall be posted in a conspicuous place within the Property at least forty-eight (48) hours in advance of the meeting, except in an emergency. In the alternative, if the notice is not so posted, notice of each Board meeting must be mailed or delivered to each member at least seven (7) days before the meeting, except in an emergency. Notwithstanding this, however, the foregoing notices shall not be required if the Board publishes a regular schedule of board meetings. Additionally, an assessment may not be levied by the Board at a meeting unless the notice of a meeting specifically includes a statement that assessments will be considered in the nature of the assessments.

4.12 Open Meetings. Except in the case where attorney/client privilege applies, meetings of the Board of Directors shall be open to all members, who may audio tape or video tape such meetings in accordance with reasonable rules for same adopted by the Board of Directors.

ARTICLE V
OFFICERS

5.1 Officers. The executive officers of the Association shall be a President who shall be a member of the Board of Directors, a Vice-President, a Treasurer and a Secretary. The officers shall be elected annually by the Board of Directors, and they each may pre-emptorily be removed by majority vote of the Directors at any meeting. The Board of Directors from time to time shall elect such other officers and assistant officers and shall designate such powers and duties as the Board of Directors shall determine are required to manage the affairs of the Association. The Board of Directors from time to time may eliminate certain of the offices enumerated hereunder and/or assign their functions to an agent. Any two or more offices may be held by the same person.

5.2 President. The President shall be the Chief Executive Officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the Members and to assist in the conduct of the affairs of the Association. He shall preside at all meetings of the Board of Directors and of the Members.

5.3 Vice President. The Vice President, in the absence or disability of the President, shall exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as

ARTICLE V

OFFICERS

(continued)

shall be prescribed by the Directors. In the event that there shall be more than one Vice President elected by the Board, then they shall be designated "First" and "Second", etc., and shall exercise the powers and perform the duties of the President in such order.

5.4 Secretary. The Secretary shall send notices of meetings and keep the minutes of all proceedings of the Directors and the members. The Secretary shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed; keep the records of the Association, except those of Treasurer; and shall perform all of the duties incident to the office of the Secretary of an association as may be required by the Directors or the President. The Assistant Secretary, if any, shall assist the Secretary and shall perform the duties of the Secretary when the Secretary is absent.

5.5 Treasurer. The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all of the duties incident to the office of Treasurer. The Assistant Treasurer, if any, shall assist the Treasurer.

5.6 Vacancies. A vacancy in any office shall be filled in the manner provided for the election of officers.

ARTICLE VI

DUTIES OF DIRECTORS

The Association shall act through its Board of Directors which shall perform all of the obligations of the Association except where expressly otherwise provided. These obligations include, but are not limited to, maintaining, repairing, and replacing any property it owns or has assumed the obligation to maintain; procuring insurance on such property; servicing or hiring employees to service the property; collecting and enforcing the collection of assessments needed to provide funds for the Association; keeping records of all Association affairs and presenting a statement thereof to the Members at their annual meeting; managing the Association's funds; borrowing money and incurring indebtedness for Association purposes and executing all required documents in connection therewith; enforcing these By-Laws, the Articles of Incorporation and the Declaration; and adopting and enforcing such Rules and Regulations as it deems necessary. No lawsuit can be filed by the Board of Directors involving money or property in excess of \$10,000.00 unless the lawsuit is approved by a majority vote of the Members of the Association.

ARTICLE VII

FISCAL MANAGEMENT

7.1 General. The following shall govern the fiscal management of the Association:

- (a) The fiscal year shall be the calendar year.
- (b) The cash basis method of accounting shall be used.
- (c) All Association income (including assessments) shall be used to pay expenses; and for such other purposes as permitted by the Declaration, any excess shall be held in reserve for future expenses or allocated, treated and disbursed as may be appropriate and customary for similar associations.

7.2 Accounts. Association funds shall be held in such Federally insured bank and savings accounts as the Board of Directors shall determine from time to time. Withdrawals from such accounts shall be made by checks or with withdrawal requests signed by at least two of the officers of the Association.

7.3 Audit. An uncertified audit of the Association's accounts shall be prepared annually by an accountant, an auditor or a certified public accountant and upon request, a summary of such results shall be furnished to each Member no later than April 1, following the year to which it applies.

ARTICLE VIII

ASSESSMENTS

8.1 Fixing Assessments. Except as otherwise provided in the Declaration, the Owners of each Lot shall be obligated to pay their proportionate part of any annual Common Assessment determined by the Board of Directors in accordance with the following:

- (a) The Directors shall prepare and adopt a proposed budget which shall include all anticipated Association expenses for the following year, including, but not limited to the costs of:
 - (1) Maintaining, repairing, replacing (if needed), insuring, and servicing the property it owns or has agreed to maintain.
 - (2) Paying all taxes on the property it owns or on which it is obligated to pay taxes.
 - (3) Paying all utility charges for service rendered to the property it owns or has agreed to maintain.
 - (4) Hiring employees as needed.
 - (5) Establishing a contingency reserve for maintenance, repairs and replacement, if so desired by the Board of Directors.

ARTICLE VII
ASSESSMENTS
(continued)

(b) The budget shall be allocated to each Lot in accordance with the Declaration. Such sum shall be the annual Common Assessment.

(c) The budget shall set forth the due date or dates for the assessments and the date when such assessments will be considered past due.

(d) A copy of the budget shall be furnished to each Member at least thirty (30) days before the year to which it applies, however, the failure to furnish same within such time shall not affect the validity of the budget.

ARTICLE IX
INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify every Director and every Officer of the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon them in connection with any proceeding in which they become involved by reason of being or of having been a Director or Officer of the Association, whether or not they are a Director or Officer at the time such expenses are incurred. However, if the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties, the aforementioned indemnity shall not apply. The indemnification shall apply to any settlement which the Board approves as being the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all rights of indemnification to which such Director or Officer may be entitled by statute or common law.

ARTICLE X
TRANSACTIONS IN WHICH DIRECTORS
OR OFFICERS ARE INTERESTED

No contract or transaction between the Association and one or more of its Directors or Officers, or between the Association and any other corporation, partnership, association, or other organization in which one or more of its Directors or Officers are Directors or Officers, or have a financial interest, shall be invalid, void or voidable solely for this reason or solely because the Director or Officer is present at or participates in the meeting of the Board or committee thereof which authorized the contract or transaction, or solely because his or their votes are counted for such purpose. No Director or Officer of the Association shall incur liability by reason of the fact that he is, or may be interested in any such contract or transaction.

ARTICLE XI
PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of meetings of this Association when not in conflict with the Articles of Incorporation or these By-Laws.

ARTICLE XII
AMENDMENTS AND CONFLICTS

13.1

(a) these By-Laws may be amended at any regular or special meeting of the Members, by the affirmative vote of fifty-two percent of the Members present in person or by proxy. The notice of such meeting shall expressly state that such amendment will be considered at the meeting.

(b) No amendment to these by-Laws shall be made which conflicts with the Declaration or the Articles of Incorporation of the Association.

13.2 A copy of each amendment of these By-Laws shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and By-Laws, which certificate shall be executed by the President or Vice-President and attested by the Secretary or assistant Secretary of the Association with the formalities of a deed. The amendment shall be effective when the certificate together with a copy of the amendment is recorded in the Public Records of the Palm Beach County.

13.3 Proviso. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to Mortgagees of record without the consent of said Mortgagees of record in each instance. No amendment to this Section shall be valid.

13.4 In case of any conflict between the Articles of Incorporation of the Association and these By-Laws, the Articles of Incorporation shall govern and control. In case of any conflict between the Declaration and these By-Laws, the Declaration shall govern and control.

ARTICLE XIII
COMPLIANCE WITH STATUTE

The Association shall, at all times, proceed and conduct its affairs in accordance with Florida Statute 617.301, et. seq. including, without limitation, as to financial reports, accessibility of records and rights of Owners. This provision shall not, however, be deemed to make the Association subject to future amendments to such statutes which are substantive in nature and which, by operation of law or express terms, would not otherwise apply to the Association by virtue of its existence as of the date of adoption of the amendment.