

DECLARATION OF COVENANTS AND RESTRICTIONS

87010313

OF

DISCOVERY POINTE


THIS DECLARATION OF COVENANTS AND RESTRICTIONS OF DISCOVERY POINTE, is made this 31st day of December, 1986 by ZAHN ATLANTIC DEVELOPMENT CORPORATION, a Florida corporation ("DECLARANT").

- 1. DEFINITIONS. The terms used in this DECLARATION, and in the ARTICLES and the BYLAWS, shall have the following meanings, unless the context otherwise requires:
 - A. ARTICLES--the Articles of Incorporation of the ASSOCIATION, as same may be amended from time to time.
 - B. ASSESSMENT--the amount of money which may be assessed against any OWNER for the payment of the OWNER'S share of COMMON EXPENSES, and/or any other funds which an OWNER may be required to pay to the ASSOCIATION as provided by this DECLARATION, the ARTICLES or the BYLAWS.
 - C. ASSOCIATION--Discovery Pointe Homeowner's Association, Inc., a Florida corporation not-for-profit.
 - D. BOARD--the Board of Directors of the ASSOCIATION.
 - E. BUILDING--any building contained within the SUBJECT PROPERTY from time to time. A BUILDING may contain one or more UNITS which may be connected by party walls and, in that event, the BUILDING shall include the UNITS within the BUILDING.
 - F. BY-LAWS--the By-laws of the ASSOCIATION, as same may be amended from time to time.
 - G. COMMON AREAS--any property, whether improved or unimproved, which is owned by the ASSOCIATION or which is otherwise declared to be a COMMON AREA by this DECLARATION, and is to be used by all of the residents within the SUBJECT PROPERTY, and their guests and invitees. COMMON AREAS may include but are not limited to, parks, open areas, lakes, recreational facilities, roads, entrance ways, parking areas and other similar properties including those portions of any Lot less the Unit.
 - H. COMMON EXPENSES--all expenses properly incurred by the ASSOCIATION which include, but are not limited to, the following:
 - 1) Expenses incurred in connection with the administration and management of the ASSOCIATION.
 - 2) Expenses incurred in connection with the ownership, maintenance, repair, improvement or operation of the COMMON AREAS, or any portion of the LOTS, UNITS and BUILDINGS to be maintained by the ASSOCIATION as provided in this DECLARATION.
 - 3) Expenses of obtaining, repairing or replacing personal property in connection with the performance of the ASSOCIATION duties.
 - 4) Expenses declared to be COMMON EXPENSES by the provisions of this DECLARATION and/or by the ARTICLES or BY-LAWS.
 - 5) Any expenses or prosecuting or defending any action for or against the ASSOCIATION, including attorneys' fees.
 - I. COMMON SURPLUS--shall mean and refer to the excess of all receipts of the ASSOCIATION over the amount of the COMMON EXPENSES.

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REC 14068 PAGE 69

RECORD AND RETURN TO

PREPARED BY AND RETURN TO:
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 4900 West Atlantic Blvd., Suite 7
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177

- J. DECLARANT-shall mean and refer to the person or entity executing this DECLARATION, or any person or entity who may be assigned the rights of DECLARANT pursuant to a written assignment executed by the then present OWNER of the SUBJECT PROPERTY. In addition, in the event the holder of any mortgage executed by DECLARANT obtains title to all the SUBJECT PROPERTY then owned by DECLARANT, such mortgagee may elect to become the DECLARANT by a written election recorded in the Public Records of the County in which the SUBJECT PROPERTY is located, and regardless of the exercise of such election, the mortgagee may appoint as DECLARANT any third party who acquires title to all of the SUBJECT PROPERTY owned by the mortgagee by written appointment recorded in the Public Records recorded in the County in which the SUBJECT PROPERTY is located. In any event, such mortgagee or its assigns shall not be liable for any defaults or obligations incurred by any prior DECLARANTS, except as same may be expressly assumed by the mortgagee or his assigns. In any event, the term DECLARANT shall not include any person or entity acquiring title only to one or more LOTS which contain a UNIT, unless DECLARANT specifically assigns its rights as DECLARANT to such person or entity.
- K. DECLARATION-shall mean and refer to this Declaration of Covenants and Restrictions of Discovery Pointe, as it may be amended from time to time.
- L. INSTITUTIONAL LENDER-the holder of a first mortgage encumbering a LOT, which holder in the ordinary course of business makes, purchases, guarantees, or insures residential mortgage loans, whether construction or permanent, and which holder is not the OWNER of the LOT and is not owned or controlled by the OWNER. An INSTITUTIONAL LENDER may include, but is not limited to, a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension or profit sharing plan, mortgage company, an agency of the United States or any other governmental authority, or any other similar type of lender generally recognized as an institutional type lender. For definitional purposes only, an INSTITUTIONAL LENDER shall also mean the holder of any mortgage executed by or in favor of DECLARANT, whether or not such holder would otherwise be considered an INSTITUTIONAL LENDER.
- M. LOT-any parcel of land located within the SUBJECT PROPERTY, which has been or is intended to be conveyed by DECLARANT to an OWNER and which contains or is intended to contain a UNIT and shall include any UNIT constructed upon the LOT from time to time.
- N. OWNER-the record owner(s) of a LOT.
- O. SUBJECT PROPERTY-the property which is subject to this DECLARATION, which property is described in Exhibit "A" attached hereto, plus any additional property which may be made subject to this DECLARATION and less any property which may be withdrawn from this DECLARATION, pursuant to an amendment to this DECLARATION, and includes any UNITS or improvements constructed thereon.
- P. UNIT-shall mean and refer to the residential dwelling constructed upon a LOT, which may be connected to one or more UNITS by a common party wall.
2. ASSOCIATION. In order to provide for the administration of the SUBJECT PROPERTY and this DECLARATION, the ASSOCIATION has been organized under the Laws of the State of Florida.
- A. ARTICLES. A copy of the ARTICLES is attached hereto as Exhibit "B". No amendment to the ARTICLES shall be deemed an amendment to this DECLARATION, and this DECLARATION shall not prohibit or restrict amendments to the ARTICLES, except as specifically provided herein.

- B. BY-LAWS. A copy of the BY-LAWS IS ATTACHED AS Exhibit "C". No amendment to the BY-LAWS shall be deemed an amendment to this DECLARATION, and this DECLARATION shall not prohibit or restrict amendments to the BY-LAWS, except as specifically provided herein.
 - C. MEMBERSHIP. All OWNERS shall be members of the ASSOCIATION. Membership as to each LOT or UNIT shall be established, and transferred, as provided by the ARTICLES and BY-LAWS.
 - D. APPROVAL OR DISAPPROVAL OF MATTERS. Whenever the decision of the OWNERS is required upon any matter, whether or not the subject of an ASSOCIATION meeting, such decisions shall be expressed in accordance with the ARTICLES and the BY-LAWS.
 - E. ACTS OF THE ASSOCIATION. Unless the approval or action of the OWNERS and/or a certain specific percentage of the BOARD is specifically required by this DECLARATION, the ARTICLES, or BY-LAWS, or by applicable law, all approvals or actions required or permitted to be given or taken by the ASSOCIATION shall be given or taken by the BOARD, without the consent of owner members of the ASSOCIATION without a specific resolution. When an approval or action of the ASSOCIATION is permitted to be given or taken, such action or approval may be conditioned in any manner the ASSOCIATION deems appropriate, or the ASSOCIATION may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal, except as herein specifically provided to the contrary.
 - F. VOTING. On all matters as to which the OWNERS shall be entitled to vote, there shall be one vote for each LOT or UNIT, to be cast in the manner provided in the ARTICLES and BY-LAWS.
3. COMMON AREA.
- A. COMMON AREAS. All of the SUBJECT PROPERTY, except for the LOTS to be conveyed by DECLARANT, is hereby declared to be a COMMON AREA. DECLARANT shall have the right to convey title to such COMMON AREA or any portion thereof to the ASSOCIATION, and any such conveyance shall be effective upon the recording of the deed or instrument of conveyance in the Public Records of the county in which the SUBJECT PROPERTY is located, without written acceptance by the ASSOCIATION. In any event DECLARANT shall convey all COMMON AREAS to the ASSOCIATION no later than the closing of the last LOT by DECLARANT. The ASSOCIATION may also accept the conveyance of other property, or any interest therein, as a COMMON AREA, provided the ownership of such property or interest by the ASSOCIATION would be in the best interest of the OWNERS.
 - B. USE. All of the residents of the SUBJECT PROPERTY, and their guests and invitees, shall have and are hereby given the right to use all COMMON AREAS for the purposes for which same are intended, subject to the terms of this DECLARATION and reasonable nondiscriminatory rules and regulations which may be adopted by the BOARD from time to time.
 - C. IMPROVEMENT OF COMMON AREAS. It is acknowledged that the COMMON AREAS are to consist of, in part, of roads, parking areas, landscaped area around the BUILDINGS, and recreational areas and facilities. Prior to the conveyance of any UNIT by DECLARANT, DECLARANT shall complete the construction and improvement of the roads, parking areas, and landscaping serving the BUILDING in which the UNIT is located.
 - D. ADDITIONS, ALTERATIONS OR IMPROVEMENTS. The ASSOCIATION shall have the right to make additions, alterations or improvements to the COMMON AREAS, and to purchase any personal property, as it deems necessary or desirable from time to time, provided, however, that if the cost of any additions, alterations, improvements or personal property shall in any calendar year exceed in the aggregate the sum of Two Hundred (\$200.00)

Dollars (which sum shall be increased in direct proportion to any increase in the Consumer Price Index subsequent to the date of the recording of this DECLARATION as published by the Bureau of Labor Statistics of the U.S. Department of Labor , using the U.S. City Average, all items (1967=100), or any similar index if the foregoing Index is discontinued) multiplied by the number of UNIT within the SUBJECT PROPERTY as to the time such additions, alterations, or improvements are to be made, then such additions, alterations, or improvements shall not be made without the approval of a majority of the votes of the OWNERS.

E. ASSIGNMENT OF PARKING SPACES. The ASSOCIATION may assign one parking space for the exclusive use of each OWNER or any resident of a UNIT, and none of their guests and invitees. No OWNER or resident of any UNIT, and none of their guests and invitees, shall park in a parking space assigned to another UNIT. All unassigned parking spaces will be for the general use of the residents of the SUBJECT PROPERTY, and their guests and invitees. Any transfer of title of a LOT shall operate to transfer the exclusive use of the LOT's then assigned parking space. In addition, no OWNER shall sell, reassign or otherwise transfer his right to use his then assigned parking space without the express prior written consent of the BOARD.

4. EASEMENTS. Each of the following easements are hereby created, which shall run with the land and, notwithstanding any of the other provisions of this DECLARATION, may not be substantially amended or revoked in such a way as to unreasonably interfere with their proper and intended uses and purposes, and each shall survive the termination of this DECLARATION.

A. UTILITIES. Easements as may be required for the installation, maintenance, repair and providing of utility services, equipment and fixtures not limited to, electricity, telephones, sewer, water, lighting, irrigation, drainage, television antenna and cable television facilities, and electronic security. However, easements affecting any LOT which serve any other portion of the SUBJECT PROPERTY shall only be under the LOT, and shall only be for utility services actually constructed, or reconstructed, and for the maintenance thereof, unless otherwise approved in writing by the OWNER of the LOT. A OWNER shall do nothing on his LOT which interferes with or impairs the utility services using these easements. The BOARD or its designee shall have a right of access to each LOT and UNIT to inspect, maintain, repair or replace the utility service facilities contained under the LOT and to remove any improvements interfering with or impairing the utility services or easement herein reserved; provided such right of access shall not unreasonably interfere with the OWNER's permitted use of the LOT and, except in the event of an emergency, entry into any UNIT shall be made with reasonable notice to the OWNER.

B. SUPPORT. Every portion of a UNIT contributing to the support of a BUILDING or an adjacent UNIT shall be burdened with an easement of support for the benefit of all other UNITS in the BUILDING.

C. PERPETUAL NONEXCLUSIVE EASEMENT IN COMMON AREAS AND THOSE PORTIONS OF ANY LOT LESS THE UNIT. The area afore referenced shall be, and in the same are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all OWNERS and residents of the SUBJECT PROPERTY, and their guests and invitees, for all proper and normal purposes and for the furnishings of services and facilities for which the same are reasonably intended.

D. ENCROACHMENTS. If any of the COMMON AREAS encroaches upon any LOT; if any UNIT encroaches upon any LOT or upon any portion of the COMMON AREAS; or if any encroachment shall hereafter occur as a result of:

- (i) construction or reconstruction of any improvements;
 - (ii) settling or shifting of any improvements;
 - (iii) any addition, alteration or repair to the COMMON AREAS made by or with the consent of the ASSOCIATION;
 - (iv) any repair or restoration of any improvements (or any portion thereof) or any UNIT after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any UNIT or the COMMON AREAS; or
 - (v) any nonpurposeful or non-negligent act of an OWNER except as may be authorized by the BOARD, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the improvements shall stand.
- E. EASEMENTS FOR OVERHANGING. Troughs or gutters, downspouts and discharge therefrom of rainwater and the subsequent flow thereof over the LOTS and COMMON AREAS shall be permitted easements.
- F. SERVICE OF EASEMENT. Easements in favor of governmental and quasi-governmental authorities, utility companies, cable television companies, ambulance or emergency vehicle companies, and mail carrier companies, over and across all roads existing from time to time with the SUBJECT PROPERTY, and over, under, on and across the COMMON AREAS, as may be reasonably required to permit the foregoing, and their agents and employees, to provide their respective authorized services to and for the SUBJECT PROPERTY and the OWNERS.
- G. EASEMENTS FOR PEDESTRIAN AND VEHICULAR TRAFFIC.
- 1) Easements for pedestrian traffic over, through and across sidewalks, paths, lanes and walks, as the same may from time to time exist upon the COMMON AREAS and be intended for such purpose; and for pedestrian and vehicular traffic and parking over, through, across and upon such portion of the COMMON AREAS as may from time to time be paved and intended for such purposes, same being for the use and benefit of the OWNERS and the residents of the SUBJECT PROPERTY, and their guests and invitees.
 - 2) Easements in favor of all persons from time to time owning or holding a mortgage encumbering any portion of the property described on Exhibit "A", for their use and benefit and for the use and benefit of their tenants, guests and invitees, for ingress and egress over and across the real property shown on the attached Exhibit "A".
- H. ADDITIONAL EASEMENTS. DECLARANT (so long as it owns any LOTS) and the ASSOCIATION, on their behalf and on behalf of all OWNERS, each shall have the right to:
- (i) grant and declare additional easements over, upon, under and/or across the COMMON AREAS in favor of the OWNERS and residents of the SUBJECT PROPERTY and their guests and invitees, or in favor of any other person, entity, public or quasi-public authority or utility company, or
 - (ii) modify, relocate, abandon or terminate existing easements within or outside of the SUBJECT PROPERTY in favor of the ASSOCIATION and /or OWNERS and residents of the SUBJECT PROPERTY and their guests and invitees or in favor of any person, entity, public or quasi-public authority, or utility company, as the DECLARANT or the ASSOCIATION may deem desirable for the proper operation and maintenance of the SUBJECT PROPERTY, or any portion thereof, or for health, safety or welfare of the OWNERS, or for any other reason or purpose. So long as such additional easements, or the modification, relocation or abandonment of existing easements will not unreasonably

and adversely interfere with the use of LOTS for dwelling purposes, no joinder of any OWNER or any mortgagee of any LOT shall be required or, if same would unreasonably and adversely interfere with the use of any LOT for dwelling purposes, only the joinder of the OWNERS and INSTITUTIONAL LENDERS of LOTS so affected shall be required. To the extent required, all OWNERS hereby irrevocably appoint DECLARANT and/or the ASSOCIATION as their attorney-in-fact for the foregoing purposes.

I. EASEMENTS AND RESTRICTIONS OF RECORD. The SUBJECT PROPERTY is subject to restrictions, reservations and easements which have placed of record prior to the recording of this DECLARATION.

5. MAINTENANCE OF THE SUBJECT PROPERTY.

A. BY THE ASSOCIATION. The ASSOCIATION shall maintain in good condition at all times and shall repair and replace as reasonably necessary as a COMMON EXPENSE, the following portions of the SUBJECT PROPERTY:

- 1) COMMON AREAS. The ASSOCIATION shall maintain all COMMON AREAS or other areas for which the duty to maintain has been delegated to and accepted by the ASSOCIATION, and all paving, parking areas, landscaping and improvements contained thereon from time to time.
- 2) LANDSCAPING. The ASSOCIATION shall be responsible for the maintenance and care of all landscaping throughout the SUBJECT PROPERTY and in the unpaved portion of contiguous road right-of-ways, except for any landscaping contained within fenced-in areas within any LOTS. The ASSOCIATION shall plant, remove and/or replace sod, plants, flowers, shrubbery and trees when in the sole discretion of the BOARD same is appropriate and in the best interest of the SUBJECT PROPERTY. The ASSOCIATION'S responsibility shall include mowing, trimming, pruning, edging, fertilizing, and weed, insect and disease control.
- 3) SUBDIVISION WELLS AND WATER SPRINKLER SYSTEM. The ASSOCIATION shall maintain and repair wells (if any), pipes and water sprinkler systems throughout the SUBJECT PROPERTY, except for wells, pipes and sprinkler systems serving any UNIT for the fenced-in portions of any lot.
- 4) UTILITY SERVICES. The ASSOCIATION shall maintain all utility services not owned by any governmental authority or utility company, except for utility services located within any LOT, which serve only the LOT or the the UNIT on the LOT.
- 5) EXTERIOR ROOFS AND WALLS. The ASSOCIATION shall maintain the exterior walls and roofs of all BUILDINGS, and all fences upon any LOT, except where such maintenance is required by the negligence or willful acts of any OWNER, or any OWNER'S tenants, guests or invitees, in which event such OWNER shall be responsible for the cost of such maintenance.
- 6) OTHER PROPERTY. The ASSOCIATION shall have the right to maintain such other areas within the SUBJECT PROPERTY as the BOARD determines from time to time is in the best interest of the OWNERS, and the cost of any such maintenance shall be a COMMON EXPENSE.

B. BY THE OWNERS. Each OWNER shall maintain his UNIT and all improvements upon his LOT in first class condition, except those portions of his UNIT and LOT which are to be maintained by the ASSOCIATION as discussed above. Included within the responsibility of the OWNER, shall be windows, screens, sliding glass doors, and doors on the exterior of his UNIT, and framing for same, and all landscaping and improvements within the fenced-in areas within the OWNER'S lot, all of

which shall be maintained by the OWNER in good condition and repair and in a neat and attractive manner.

6. INSURANCE. The insurance other than title insurance which shall be carried upon the SUBJECT PROPERTY and UNITS shall be governed by the following provisions:

A. PURCHASE, CUSTODY, AND PAYMENT OF POLICIES.

- 1) PURCHASE. All insurance policies covering the SUBJECT PROPERTY shall be purchased by the ASSOCIATION and shall be issued by an insurance company authorized to do business in Florida which has an office or agent located in the vicinity of the SUBJECT PROPERTY.
- 2) APPROVAL BY INSTITUTIONAL LENDERS. Each INSTITUTIONAL LENDER will have the right upon reasonable notice to the ASSOCIATION to review and approve, which approval shall not be unreasonably withheld, the form, content, insurer, limits and coverage of all insurance purchased by the ASSOCIATION, and to require the ASSOCIATION to purchase insurance complying with the reasonable and customary requirements of the INSTITUTIONAL LENDER. In the event of a conflict between INSTITUTIONAL LENDERS the decision of the INSTITUTIONAL LENDER holding mortgages encumbering LOTS which secure the largest aggregate indebtedness shall control.
- 3) NAMED INSURED. The named insured on all policies purchased by the ASSOCIATION shall be the ASSOCIATION, individually and as agent for all OWNERS covered by the policy, without naming them, and as agent for their mortgagees, without naming them.
- 4) CUSTODY OF POLICIES AND PAYMENT OF PROCEEDS. All policies shall provide that payments for losses made by the insurer on account of casualty to any portion of the SUBJECT PROPERTY shall be paid to the Insurance Trustee, and all policies and endorsements for casualty losses shall be deposited with the Insurance Trustee.
- 5) COPIES TO OWNERS OR INSTITUTIONAL LENDERS. One (1) copy of each insurance policy or a certificate evidencing same, and all endorsements thereon, shall be furnished by the ASSOCIATION to each OWNER or INSTITUTIONAL LENDER who holds a mortgage upon a LOT covered by the policy, and in writing requests the ASSOCIATION to provide it with such policies.
- 6) PERSONAL PROPERTY AND LIABILITY. OWNERS may obtain insurance at their own expense and at their own discretion for their personal property, personal liability, living expenses, flood damage and for improvements made to their LOT or UNIT.

B. COVERAGE.

- 1) CASUALTY. All UNITS and all improvements upon the SUBJECT PROPERTY and all personal property of the ASSOCIATION are

to be insured in an amount equal to one hundred (100%) percent of the then current replacement cost, excluding foundation and excavating costs and other items normally excluded from coverage, as determined annually by the ASSOCIATION. Prior to obtaining any casualty insurance or renewal thereof, the ASSOCIATION shall obtain an appraisal from a fire insurance company or otherwise of the full replacement cost of the UNITS and improvements upon the SUBJECT PROPERTY and all personal property of the ASSOCIATION, without deduction for depreciation, for the purposes of determining the amount of casualty insurance to be obtained pursuant to this Paragraph. Such coverage shall afford protection against:

- (i) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement;
 - (ii) Such other risks as from time to time shall be customarily insured against with respect to buildings and improvements similar in construction, location and use, including but not limited to vandalism and malicious mischief, and all other risks normally covered by a standard "All Risk" endorsement, where available.
 - (iii) The hazard insurance policy shall cover, among other things, all of the UNITS including, but not limited to, walls, doors, stairways, kitchen cabinets and fixtures, built-in kitchen appliances, electrical fixtures, and bathroom cabinets and fixtures, all as originally supplied by DECLARANT or having a value not in excess of that originally supplied by DECLARANT. The hazard insurance policy shall not include any improvements made in any UNIT by an OWNER in addition to or having a value in excess of that originally supplied by DECLARANT, or any furniture, furnishing or other personal property installed or brought into a UNIT, from time to time, by the OWNER or residents of a UNIT, or their guests or invitees.
- 2) LIABILITY. Comprehensive general public liability insurance insuring the ASSOCIATION against loss or damage resulting from accidents or occurrences on or about or in connection with the SUBJECT PROPERTY or this DECLARATION and its exhibits, with such coverage as shall be required by the ASSOCIATION, but with a combined single liability of not less than One Million (\$1,000,000.00) Dollars for bodily injury, death or property damage, arising out of a single occurrence, and with cross liability endorsement to cover liabilities of the OWNERS as a group to an OWNER.
 - 3) WORKMEN'S COMPENSATION. Shall be required to meet the requirements of the law.
 - 4) FIDELITY BONDS. If required by an INSTITUTIONAL LENDER, the ASSOCIATION shall obtain blanket fidelity bonds for all officers, directors, trustees and employees of the ASSOCIATION and all other persons handling or responsible for funds of or administered by the ASSOCIATION. The total amount of fidelity bond coverage, if required, shall in no event be less than a sum equal to three (3) months aggregate ASSESSMENTS on all LOTS plus reserve funds held by the ASSOCIATION, if any.
 - 5) FLOOD INSURANCE AND SUCH OTHER INSURANCE. The ASSOCIATION shall maintain such insurance as the ASSOCIATION shall determine from time to time to be desirable or as may reasonably be required by an INSTITUTIONAL LENDER pursuant to Paragraph 6. A. 2), and as is customarily obtained with respect to UNITS and improvements similar in construction, location and use to those contained within the SUBJECT PROPERTY, such as, where applicable, contractual and all-written contract insurance, employer's liability insurance and comprehensive automobile liability

insurance.

When appropriate and obtainable, each of the foregoing policies shall waive the insurer's right to:

- (i) subrogation against the ASSOCIATION and against the OWNERS individually and as a group,
- (ii) any prorata clause that reserves to the insurer the right to pay only a fraction of any loss if other insurance carriers have issued coverage upon the same risk, and
- (iii) avoid liability for a loss that is caused by an act of one or more directors of the ASSOCIATION or by one or more OWNERS; and shall provide that such policies may not be cancelled or substantially modified (except for increases in coverage for limits of liability) without at least ten (10) days prior written notice to the ASSOCIATION and to the holder of a first mortgage encumbering any LOT which is listed as a scheduled holder of a first mortgage in the insurance policy.

C. PREMIUMS. Premiums for insurance policies purchased by the ASSOCIATION shall be paid by the ASSOCIATION as a COMMON EXPENSE, except that any increase in any insurance premium occasioned by misuse, occupancy or abandonment of a UNIT by a particular OWNER, or by a resident of any UNIT, or by a member of their families or their guests or invitees, shall be assessed against and paid by the OWNER.

D. INSURANCE TRUSTEE. All casualty insurance policies purchased by the ASSOCIATION shall provide that all proceeds covering casualty losses shall be paid to any national bank or trust company in the vicinity of the SUBJECT PROPERTY with trust powers as may be designated by the ASSOCIATION, as Trustee, which Trustee is herein referred to as the "Insurance Trustee". The Insurance Trustee shall not be liable for payment of premiums or for the renewal or sufficiency of the policies or for the failure to collect any such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein and for the benefit of the OWNERS and their respective mortgagees in the following shares, which shares need not be set forth in the records of the Insurance Trustee. Notwithstanding the foregoing, unless the BOARD so determines or unless and INSTITUTIONAL LENDER otherwise requires by written notice to the ASSOCIATION, no Insurance Trustee will be required, and all references in this DECLARATION to an Insurance Trustee shall refer to the ASSOCIATION where the context requires.

- 1) COMMON AREAS. Proceeds on account of damage to COMMON AREAS shall be held in as many undivided shares as there are LOTS, the share of each OWNER being equal.
- 2) UNITS. Proceeds on account of damage to UNITS shall be held in the following undivided shares:
 - (i) When the UNITS are to be repaired and restored, for the OWNERS of damaged UNITS in proportion to the cost of repairing the damage suffered by each OWNER.
 - (ii) When the UNITS are not to be repaired and restored as elsewhere provided, for the OWNERS of all damaged UNITS, each OWNER'S share being equal.
- 3) INSTITUTIONAL LENDER. In the event a mortgagee endorsement has been issued as to a UNIT, the share of the OWNER shall be held in trust for the INSTITUTIONAL LENDER and the OWNER as their interests may appear. However, no INSTITUTIONAL LENDER shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and

no INSTITUTIONAL LENDER shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions thereof made to the OWNER and INSTITUTIONAL LENDER pursuant to the provisions of this DECLARATION.

- E. DISTRIBUTION OF PROCEEDS. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to, or for the benefit of, the beneficial owners in the following manner:
- 1) EXPENSE OF THE TRUST. All expenses of the Insurance Trustee shall be first paid or provisions made therefor.
 - 2) RECONSTRUCTION OR REPAIR. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such cost shall be distributed to the beneficial owners, remittances to OWNERS and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a LOT and may be enforced by such mortgagee.
 - 3) FAILURE TO RECONSTRUCT OR REPAIR. If it is determined in the manner elsewhere provided that the damaged UNITS for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the OWNERS of the damaged UNITS, remittances to OWNERS and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a LOT and may be enforced by such mortgagee.
 - 4) CERTIFICATE. In making distribution to OWNERS and their mortgagees, the Insurance Trustee may rely upon a certificate of the ASSOCIATION executed by the President and Secretary as to the names of the OWNERS and mortgagees together with their respective shares of the distribution.
 - 5) LIMITATION ON USE OF PROCEEDS. In no event may any hazard insurance proceeds for losses to any portion of the SUBJECT PROPERTY be used for other than expenses of the Insurance Trustee or for repair, replacement or reconstruction of any damage, without the approval of at least eighty (80%) percent of the votes of the OWNERS.
- F. ASSOCIATION AS AGENT. The ASSOCIATION is hereby irrevocably appointed agent for each OWNER and for the holder of a mortgage or other lien upon a LOT and for each owner of any other interest in the SUBJECT PROPERTY to adjust all claims arising under insurance policies purchased by the ASSOCIATION and to execute and deliver releases upon the payment of claims.
- G. NOTICE OF POSSIBLE INADEQUATE INSURANCE COVERAGE. In any legal action in which the ASSOCIATION may be exposed to liability in excess of insurance coverage protecting it and the OWNERS, the ASSOCIATION shall give notice of any excess exposure within a reasonable time to all OWNERS who may be exposed to the liability and they shall have the right to intervene and defend.
- H. INSPECTION OF INSURANCE POLICIES. A copy of each insurance policy purchased by the ASSOCIATION shall be make available for inspection by any OWNER or INSTITUTIONAL LENDER at reasonable times.
7. RECONSTRUCTION OR REPAIR AFTER CASUALTY.
- A. DETERMINATION TO RECONSTRUCT OR REPAIR. If any part of the SUBJECT PROPERTY is damaged or destroyed by casualty, whether or not the damage will be repaired shall be determined in the following manner:

OFF 14068 PAGE 78

- 1) COMMON AREAS. If the damaged improvement is contained within a COMMON AREA, the damaged property shall be reconstructed or repaired, unless a majority of the OWNERS vote to the contrary.

- 2) UNITS. In the event of damage to or destruction of any UNITS as a result of fire or other casualty, except as hereinafter provided, the ASSOCIATION shall arrange for the prompt repair and restoration of the UNIT(S) (including any damaged bathroom and kitchen fixtures equivalent in value to that initially installed by the DECLARANT, but not including improvements having a value in excess of that originally installed by DECLARANT, or furniture, furnishings or other personal property supplied by any OWNER or tenant of an OWNER) and the Insurance Trustee shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Notwithstanding the foregoing, if all of the UNITS within any BUILDING are very substantially damaged or destroyed, then within sixty (60) days after such damage or destruction, a special meeting of the OWNERS shall be called to determine whether the damage or destruction will be repaired and restored. The damage or destruction shall be repaired and restored unless a majority of the OWNERS, including all of the OWNERS of the damaged or destroyed UNITS, vote to the contrary. In the event the damaged UNITS are not to be repaired or restored, the fee title to each LOT containing a damaged UNIT which is not to be repaired or restored shall be vested in the ASSOCIATION. By accepting a deed conveying a LOT, each OWNER covenants for himself, his heirs, personal representatives, successors and assigns to execute any and all instruments which may be reasonably required by the ASSOCIATION to carry out the terms of this Paragraph, including, without limitation, a deed conveying all of the OWNER'S rights, title and interest in and to his LOT to the ASSOCIATION. In such event, the ASSOCIATION shall diligently pursue selling all of the LOTS which contain UNITS which are not to be repaired or restored, and the net proceeds from such sale, together with the net proceeds of insurance resulting from damage or destruction shall be divided among all the OWNERS of such damaged UNITS, each OWNER to receive an equal amount of such net proceeds, provided, however, that no payment shall be made to an OWNER until there has first been paid off out of his share of such funds all liens on his LOT in the order of priority of such liens. The Insurance Trustee may rely upon a certificate of the ASSOCIATION made by its President and Secretary to determine whether or not any damaged UNITS are to be reconstructed or repaired.

- B. PLANS AND SPECIFICATIONS. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original improvements, or if not, then according to plans and specifications approved by a majority of the OWNERS, and if the damaged property is one or more UNITS by the OWNERS of all such UNITS (and their respective INSTITUTIONAL LENDERS), the plans for which are to be altered, which approval shall not be unreasonably withheld.

- C. RESPONSIBILITY. If the damage is only to those parts of a UNIT for which the responsibility of maintenance and repair is that of the OWNER, the OWNER shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the ASSOCIATION.

- D. ESTIMATES OF COST. Immediately after a determination is made to rebuild or repair damage to property for which the ASSOCIATION has the responsibility of reconstruction and repair, the ASSOCIATION shall obtain reliable and detailed estimates of the cost to rebuild or repair from one or more

reliable licensed contractors, and shall submit copies of all acceptable estimates to the Insurance Trustee.

- E. ASSESSMENTS. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair by the ASSOCIATION, or if at any time during or after the reconstruction and repair the funds for the payment of the cost thereof are insufficient, ASSESSMENTS shall be made against the OWNERS, in sufficient amounts to provide funds to pay such costs. Such ASSESSMENTS for damage to UNITS shall only be made against the OWNERS of the damaged UNITS, in proportion to the cost of reconstruction and repair of each OWNER'S respective unit.
- F. DEDUCTIBLE PROVISION. The funds necessary to cover any deductible amount under an insurance policy against which a claim is made shall be a COMMON EXPENSE.
- G. CONSTRUCTION FUNDS. The funds for payment for costs of reconstruction and repair after casualty which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the ASSOCIATION from ASSESSMENTS against OWNERS shall be disbursed in payment of such costs in the following manner:
- 1) ASSOCIATION. If the total ASSESSMENTS made by the ASSOCIATION in order to provide funds for payment of costs of reconstruction and repair which is the responsibility of the ASSOCIATION is more than Twenty-Five Thousand (\$25,000.00) Dollars, then the sums paid upon such ASSESSMENT shall be deposited by the ASSOCIATION with the Insurance Trustee. In all other cases, the ASSOCIATION shall hold the sums paid upon such ASSESSMENTS and disburse the same in payment of the costs of reconstruction and repair.
 - 2) INSURANCE TRUSTEE. The proceeds of insurance collected on account of a casualty and the sums deposited with the Insurance Trustee by the ASSOCIATION from collections of ASSESSMENTS against OWNERS on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:
 - (i) ASSOCIATION - LESSER DAMAGE. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the ASSOCIATION is less than Twenty-five Thousand (\$25,000.00) Dollars, then the construction fund are to be upon the order of the ASSOCIATION; provided, however, that upon request to the Insurance Trustee by an INSTITUTIONAL LENDER which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.
 - (ii) ASSOCIATION-MAJOR DAMAGE. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the ASSOCIATION is more than Twenty-Five Thousand (\$25,000.00) Dollars, then the construction funds shall be disbursed in payment of such costs in the manner required by the ASSOCIATION and upon approval of an architect qualified to practice in the State of Florida and employed by the ASSOCIATION to supervise the work.
 - (iii) OWNER. If there is a balance of insurance proceeds after payment of costs of reconstruction and repair that is the responsibility of the ASSOCIATION, such balance shall next be distributed to OWNERS of damaged UNITS. The distribution shall be in the shares that estimated costs of reconstruction and repair in each damaged UNIT bears to the total of

these costs in all damaged UNITS; provide, however, that no OWNER shall be paid an amount in excess of the estimated costs of reconstruction and repair for his UNIT. If there is a mortgage upon a LOT, the distribution shall be paid to the OWNER and the mortgagee jointly and they may use the proceeds as they may determine.

- (iv) SURPLUS. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated; except, however, that the part of a distribution to a beneficial owner which is not in excess of ASSESSMENTS paid by such owner into the construction fund shall not be made payable to any mortgagee.
- (v) CERTIFICATE. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by OWNERS upon ASSESSMENTS shall be deposited by the ASSOCIATION with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the ASSOCIATION or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine the payee nor the amount to be paid, nor to determine whether surplus funds to be distributed are less than the ASSESSMENTS paid by OWNERS. Instead, the Insurance Trustee may rely upon a certificate of the ASSOCIATION executed by its President and Secretary as to any or all of such matters and stating that the sums to be paid are due and properly payable, and stating the name of the payee and the amount to be paid; provided, however, that when a mortgagee is herein required to be named as payee, the Insurance Trustee shall also name the mortgagee as payee of any distribution of insurance proceeds to an OWNER and further provided that when the ASSOCIATION or a mortgagee which is the beneficiary of any insurance policy, the proceeds of which are included in the construction fund, so requires, the approval of an architect named by the ASSOCIATION shall first be obtained by the ASSOCIATION for disbursements in payment of costs of reconstruction and repair.

8. ASSESSMENT FOR COMMON EXPENSES.

- A. Each OWNER, except as provided in paragraph 8. D. below, regardless of how title is acquired, including without limitation a purchaser at a judicial sale, shall be liable for all ASSESSMENTS coming due while he is the OWNER, and except as provided in Paragraph 11. A. 6), shall be liable for all unpaid ASSESSMENTS owed by the prior OWNER of the OWNER'S LOT, without prejudice to any right the OWNER may have to recover from the prior OWNER any ASSESSMENTS paid by the OWNER. However, no OWNER shall be liable for any ASSESSMENTS owed by DECLARANT.
- B. Prior to the beginning of each calendar year, the BOARD shall adopt, a budget for such calendar year which shall estimate all of the COMMON EXPENSES to be incurred by the ASSOCIATION during the calendar year. The BOARD shall then establish the ASSESSMENT during the calendar year. The BOARD shall then establish the ASSESSMENT for COMMON EXPENSES for each LOT, and shall notify each OWNER in writing of the amount, frequency and due dates of the ASSESSMENT for COMMON EXPENSES. From time to time during the calendar year, the BOARD may modify the budget for the calendar year, and pursuant to the revised

budget or otherwise, the BOARD may, upon written notice to the OWNERS, change the amount, frequency and/or due dates of the ASSESSMENTS for COMMON EXPENSES. If the expenditure of funds for COMMON EXPENSES is required in addition to funds produced by ASSESSMENTS for COMMON EXPENSES, the BOARD may make special ASSESSMENTS for COMMON EXPENSES, which shall be levied in the same manner as hereinbefore provided for regular ASSESSMENTS, and shall be payable in the manner determined by the BOARD, as stated in the notice of any special ASSESSMENTS for COMMON EXPENSES. 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 (10) days from the date of the notification of such ASSESSMENTS.
- C. In addition to ASSESSMENTS for COMMON EXPENSES, the first OWNER acquiring title from DECLARANT to a LOT containing a new UNIT shall pay to the ASSOCIATION a contribution to a working capital fund of the ASSOCIATION in amount equal to two (2) months' ASSESSMENTS for COMMON EXPENSES, which shall be in addition to the OWNER'S responsibility for ASSESSMENTS for COMMON EXPENSES. The working capital fund shall be used by the ASSOCIATION for start-up expenses or otherwise as the ASSOCIATION shall determine from time to time and need not be restricted or accumulated.
- D. Until such time as DECLARANT no longer owns any LOT, or until DECLARANT notifies the ASSOCIATION in writing that DECLARANT elects to pay ASSESSMENTS for COMMON EXPENSES as in the case of any other OWNER, DECLARANT shall not be liable for ASSESSMENTS for COMMON EXPENSES for any LOTS owned by DECLARANT, but in lieu thereof, DECLARANT shall be responsible for all COMMON EXPENSES in excess of the ASSESSMENTS for COMMON EXPENSES receivable from the other OWNERS, including amounts payable to the working capital fund. During such period when DECLARANT is not liable for ASSESSMENTS for COMMON EXPENSES for LOTS owned by DECLARANT, the budget of the ASSOCIATION shall be prepared based upon DECLARANT'S good faith estimate of what the expenses of the ASSOCIATION would be if all UNITS and IMPROVEMENTS contemplated within the SUBJECT PROPERTY were completed, so that ASSESSMENTS for COMMON EXPENSES during such period will be approximately equal to what said ASSESSMENTS would be if the development of the SUBJECT PROPERTY was complete. Such obligation of DECLARANT shall be deemed an ASSESSMENT, and if DECLARANT fails to pay same the ASSOCIATION shall have a lien for sale, and may record a claim of lien against all of the SUBJECT PROPERTY owned by DECLARANT, and may foreclose same, all as provided in Paragraph 11 of this DECLARATION.

9. USE RESTRICTIONS.

- A. NO TRADE OR BUSINESS. No trade, business, profession, or commercial activity, or any other non-residential, use, shall be conducted upon any portion of the SUBJECT PROPERTY or with any LOT or UNIT.
- B. LEASING. All leases of a UNIT must be in writing and specifically be subject to this DECLARATION, the ARTICLES and the BY-LAWS, and copies delivered to the ASSOCIATION prior to occupancy by the tenant(s). Any person (s) occupying a UNIT in the absence of the OWNER shall be deemed occupying the UNIT pursuant to a lease, regardless of the presence or absence of

consideration with respect to the occupancy. Notwithstanding the foregoing, a OWNER may permit members of his immediate family to occupy his UNIT as a guest in his absence for periods of less than six (6) months, provided the BOARD is given prior written notice of such occupancy.

- C. ALTERATIONS, ADDITIONS OR IMPROVEMENTS. No OWNER shall make install, place or remove any alterations, additions, improvements or changes of any kind or nature whatsoever to, in or upon any portion of the COMMON AREAS, the OWNER'S LOT, including the fenced -in area, or the exterior of the OWNER'S UNIT, unless the OWNER first obtains the written consent of the ASSOCIATION to such addition, alteration, improvement or change. Any request by an OWNER for consent by the ASSOCIATION to any addition, alteration, improvement or change shall be in writing and shall be accompanied by plans and specifications or other details as the ASSOCIATION May deem reasonably necessary in connection with its determination as to whether or not it will approve any such addition, alteration, improvement or change. The ASSOCIATION'S approval as to same shall not be unreasonable withheld, but may be withheld based upon aesthetic considerations. All additions, alterations, improvements or changes made by an OWNER shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction, and with any conditions imposed by the ASSOCIATION with respect to design, structural integrity, aesthetic appeal, construction details or otherwise. An OWNER making or causing to be made any additions, alterations, improvements or changes, agrees, and shall be deemed to have agreed, for such OWNER, and the OWNER'S heirs, personal representative, successors and assigns, as appropriate, to hold the ASSOCIATION and all other OWNERS harmless from any liability or damage to the SUBJECT PROPERTY and expenses arising therefrom. Each OWNER shall be solely responsible for and shall maintain all exterior additions, alterations, improvements or changes made by the OWNER or his predecessor in a first class condition and in good working order as originally approved by the ASSOCIATION. The foregoing shall not be deemed to prohibit repairs or replacements required to be made by the OWNER, provided such repairs or replacements are in substantial conformity, including materials and colors, with that originally installed by the DEVELOPER or last approved by the ASSOCIATION.
- D. OUTSIDE STORAGE OF PERSONAL PROPERTY. The personal property of the OWNER shall be stored inside the OWNER'S UNIT and shall not be left outside overnight, with the exception of the OWNER'S permitted motor vehicles.
- E. NO TEMPORARY BUILDINGS. No out-buildings, portable buildings, temporary or accessory buildings or structures, storage buildings, or tents, shall be erected, constructed or located upon any LOT for storage or otherwise, without the prior written consent of the ASSOCIATION.
- F. GARBAGE AND TRASH. Each OWNER shall regularly pick up all garbage, trash, refuse or rubbish on the OWNER'S LOT. Garbage, trash, refuse or rubbish that is required to be placed at the front of the LOT in order to be collected may be placed and kept at the front of the LOT for periods not exceeding twelve (12) hours, and except for garden trash and rubbish to be collected, same shall be placed in appropriate trash facilities or bags. All containers are to be kept in the fenced-in area and screened from view and kept in a clean and sanitary condition. No obnoxious or offensive odors shall be permitted. Each individuals garbage will be picked up by the City of Deerfield, payment for which shall be Common Expense.
- G. AUTOMOBILE AND VEHICLES. Only automobiles, small trucks not exceeding 2,000 pounds, vans and other vehicles commonly

used as private passenger vehicles may be parked within the SUBJECT PROPERTY overnight. Other types of vehicles, recreational vehicles, campers, boats and trailers, may not be parked or stored overnight, or for more than four (4) hours in any day. No vehicle shall be parked overnight if commercial equipment or commercial lettering is exposed in or upon the vehicle. The foregoing restriction shall not be deemed to prohibit the temporary parking of commercial vehicles making delivery to or from, or used in connection with providing services to, any UNIT. No motor vehicle shall be stored within the SUBJECT PROPERTY which is not in operating condition, and no major repairs of motor vehicles are permitted within the SUBJECT PROPERTY. Motorcycles are not permitted, except with the prior written consent of the ASSOCIATION which may be withdrawn at anytime, and any permitted motorcycles must be equipped with appropriate noise muffling equipment so the the operation of same does not create an unreasonable annoyance to the residents of the SUBJECT PROPERTY. All allowed motorcycles must be garaged.

- H. ANIMALS AND PETS. No animals, livestock or poultry of any kind shall be permitted on any LOT or in any UNIT except for common household pets. Any household pets must not be kept or maintained for commercial purposes and must not be an unreasonable nuisance or annoyance to other residents of the SUBJECT PROPERTY. All household pets must be carried or kept on a leash when outside of a UNIT or in a fenced-in area. Any OWNER will be required to immediately pick up any animal waste deposited by his pet on any portion of the SUBJECT PROPERTY. No unit owner may maintain in his Unit more than one animal, such as dogs and cats, and no allowed animal may weigh more than 40 pounds.
- I. AIR CONDITIONING UNITS. Only central air conditioning units are permitted, and no window, wall, or portable air conditioning units are permitted, except with written consent of the Association.
- J. CLOTHELINES AND OUTSIDE CLOTHES DRYING. No clothesline or clothes pole shall be erected, and no clothes-drying is permitted which is visible from the exterior of the LOT.
- K. NUISANCES AND ANNOYANCES. No nuisances shall be permitted within the SUBJECT PROPERTY, and no use or practice which is an unreasonable source of annoyance to the residents within the SUBJECT PROPERTY or which shall interfere with the peaceful possession and proper use of the SUBJECT PROPERTY by its residents shall be permitted. No offensive or unlawful action shall be permitted, and all laws, zoning ordinances and regulations of all controlling governmental authorities shall be complied with at all times by the OWNERS.
- L. OUTSIDE ANTENNAS. No outside antennas are permitted.
- M. SIGNS. No signs are permitted which are visible from the exterior of any LOT without the written consent of the Association.
- N. WINDOW TREATMENTS. Window treatments consisting of draperies, blinds, decorative panels, or other tasteful window covering treatments are permitted, except for periods not exceeding one (1) week after an OWNER or tenant first moves into a UNIT or when permanent window treatments are being cleaned or repaired.
- O. SURFACE WATER MANAGEMENT. The surface water management system for the SUBJECT PROPERTY shall be installed, operated and maintained in accordance with all permits and approvals issued by any controlling governmental authority. Furthermore, the surface water management system shall not be adversely interfered with, changed or altered, except pursuant to

permits or approvals issued by the controlling governmental authority.

P. MAINTENANCE. Except for portions of the SUBJECT PROPERTY to be maintained by the ASSOCIATION as elsewhere provided, each OWNER shall maintain, in a first class condition, his LOT and his UNIT and all other improvements existing upon his LOT from time to time.

Q. WAIVER. The ASSOCIATION shall have the right to waive the application of one or more of these restriction, or to permit a deviation from these restrictions, as to any LOT where, in the discretion of the BOARD, circumstances exist which justify such waiver or deviation. In the event of any such waiver or permitted deviation, or in the event any party fails to enforce any violation of these restrictions, such actions or inactions shall not be deemed a waiver of any of the restrictions contained herein as same may be applied in the future.

R. GARAGES. Garages shall be used as parking spaces only. There shall be no modification of existing garage space which shall interfere with that use. Garage Doors shall be kept closed when not in use.

S. EXCEPTIONS. The foregoing use and maintenance restrictions shall not apply with respect to the customary and usual activities in connection with the development of the SUBJECT PROPERTY, the construction of BUILDINGS, UNITS and other improvements within the SUBJECT PROPERTY, nor to the sale of UNITS within any portion of the SUBJECT PROPERTY. Specifically, and without limitation, DECLARANT and any other person or entity developing or initially constructing UNITS within any portion of the SUBJECT PROPERTY shall have the right to:

- (i) construct any BUILDINGS, UNITS or improvements within the SUBJECT PROPERTY, and make any additions, alterations, improvements or changes thereto;
- (ii) maintain customary and usual sales, general office and construction operations within the SUBJECT PROPERTY;
- (iii) place, erect or construct portable temporary or accessory buildings or structures within the SUBJECT PROPERTY for sales construction, storage or another purposes;
- (iv) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction of any portion of the SUBJECT PROPERTY;
- (v) post, display, inscribe or affix to the exterior of a UNIT or upon any portion of the SUBJECT PROPERTY "For Sale" or other reasonable signs used in the development or construction of any portion of the SUBJECT PROPERTY and for promotional purposes; and
- (vi) excavate fill from any lakes within the SUBJECT PROPERTY, store fill on the SUBJECT PROPERTY, and sell excess fill from the SUBJECT PROPERTY.

10. PARTY WALLS.

A. PARTY WALLS. Each common wall shared by two (2) UNITS which divides the two (2) UNITS shall be a party wall for the perpetual benefit of and use by the OWNERS of the two (2) UNITS, including their respective heirs, assigns, successors and grantees.

B. EASEMENT FOR ENCROACHMENT. Each OWNER hereby grants to the OWNER of the adjacent UNIT(S) an easement for the continuance of any encroachment of the party wall on the adjoining UNIT

existing as a result of the the construction of the party wall, or which may come into existence thereafter as a result of settling or shifting of the party wall, or as a result of repair or reconstruction of the party wall.

- C. REPAIR AND MAINTENANCE. Except as otherwise provided herein, each OWNER shall bear the responsibility to repair and maintain the unfinished surface of the exterior portion of the party wall which is located within his UNIT. As to the structural and interior portions of the party wall, each OWNER shall share equally in the cost of the repair, maintenance and reconstruction of same. However, if any OWNER'S negligence or willful misconduct causes damage to or destruction of a party wall, such negligent or willfully mischievous OWNER shall bear the entire cost of repairing or reconstructing the party wall. If an OWNER executes a mortgage encumbering his UNIT, then the holder of the mortgage shall have the full right, at its option, to exercise the rights of its mortgagor as an OWNER hereunder and, in addition, the right to add to the outstanding balance of such mortgage any amounts paid by the mortgagee for repairs of reconstruction and not reimbursed to the mortgagee by the OWNER.
- D. EASEMENT FOR REPAIRS. Each OWNER shall have the right to enter into an adjacent UNIT where necessary in connection with the repair, maintenance or reconstruction of a party wall, at reasonable times and upon reasonable notice. The foregoing right shall constitute an easement and a covenant running with the land.
- E. MATERIALS, LOCATION AND SIZE. Whenever a party wall is to be repaired, maintained or reconstructed, same shall be performed with the same or similar materials and quality as the original party wall. Whenever a party wall or any part thereof shall be reconstructed, it shall be reconstructed such that it shall be of the same size and shall be at the same location as initially constructed, and shall be of the same or similar materials and quality as used to initially construct the party wall.
- F. USE. Each OWNER shall have the right to the full use of the party wall for whatever purposes he chooses, subject to the limitation that such use shall not infringe upon the rights of the owner of the adjoining UNIT, or his enjoyment of the party wall, or in any manner impair the structure of the party wall. The term "use" shall and does include normal interior usage such as paneling, plastering, painting, decorating and erection of tangent walls and shelving, but prohibits any form of alteration (other than a minor alteration) which would cause an aperture, hole, break or other displacement of the original structure forming the party wall. Additionally, each OWNER shall not cut windows or other openings in the party wall, nor make any hereinabove prohibited alterations, additions or structural changes to the party wall unless agreed upon by both OWNERS sharing the party wall and the ASSOCIATION.

11. DEFAULT.

A. MONETARY DEFAULTS AND COLLECTION OF ASSESSMENTS.

- 1) INTEREST. ASSESSMENTS and installments on ASSESSMENTS not paid within ten (10) days after the date when they are due shall bear interest at the then highest rate of interest allowable by law, but not greater than fifteen (15%) percent per year, from the due date until paid. If there is no due date applicable to any particular ASSESSMENT, then the ASSESSMENT shall be due ten (10) days after written demand by the ASSOCIATION.
- 2) ACCELERATION OF ASSESSMENTS. If any OWNER is in default in the payment of any ASSESSMENT owed to the ASSOCIATION for more than thirty (30) days after written demand by the ASSOCIATION, the ASSOCIATION upon written notice to the defaulting OWNER shall have the right to accelerate and

require such defaulting OWNER to pay to the ASSOCIATION ASSESSMENTS for COMMON EXPENSES for the next twelve (12) month period, based upon the then existing amount and frequency of ASSESSMENTS for COMMON EXPENSES. In the event of such acceleration the defaulting OWNER shall continue to be liable for any increases in the regular ASSESSMENTS for COMMON EXPENSES, for all special ASSESSMENTS for COMMON EXPENSES, and/or for all other ASSESSMENTS payable to the ASSOCIATION.

- 3) LIEN FOR ASSESSMENTS. The ASSOCIATION has a lien on each LOT for unpaid ASSESSMENTS owed to the ASSOCIATION by the OWNER of such LOT, and for interest, and for reasonable attorneys' fees incurred by the ASSOCIATION incident to the collection of the ASSESSMENT or enforcement of the lien, and all sums advanced and paid by the ASSOCIATION for taxes and payment of account of superior mortgages, liens or encumbrances in order to preserve and protect the ASSOCIATION'S lien. The lien is effective from and after recording a claim of lien in the public records in the county in which the LOT is located, stating the description of the LOT, the name of the record OWNER, and the amount due as of the recording of the claim of lien. A recorded claim of lien shall secure all sums set forth in the claim of lien, together with all ASSESSMENTS or other monies owed to the ASSOCIATION by the OWNER until the lien is satisfied. The lien is in effect until all sums secured by it have been fully paid or until the lien is barred by Law. The Claim of Lien must be signed and acknowledged by an officer or agent of the ASSOCIATION. Upon payment in full of all sums secured by the lien, the person making the payment is entitled to a satisfaction of the lien.
- 4) COLLECTION AND FORECLOSURE. The ASSOCIATION may bring an action in its name to foreclose a lien for ASSESSMENTS in the manner a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid ASSESSMENTS without waiving any claim of lien, and the applicable OWNER shall be liable to the ASSOCIATION for all costs and expenses incurred by the ASSOCIATION in connection with the collection of any unpaid ASSESSMENTS, and the filing, enforcement, and/or foreclosure of the ASSOCIATION'S lien, including reasonable attorneys' fees, and all sums paid by the ASSOCIATION for taxes and on account of any other mortgage, lien or encumbrance in order to preserve and protect the ASSOCIATION'S lien. The BOARD is authorized to settle and compromise the ASSOCIATION'S lien if the BOARD deems a settlement or compromise to be in the best interest of the ASSOCIATION.
- 5) RENTAL AND RECEIVER. If a OWNER remains in possession of his UNIT and the claim of lien of the ASSOCIATION against his UNIT is foreclosed, the court, in its discretion, may require the OWNER to pay a reasonable rental for the UNIT, and the ASSOCIATION is entitled to the appointment of a receiver to collect the rent.
- 6) SUBORDINATION OF LIEN. Where any person obtains title to a LOT pursuant to the foreclosure of a first mortgage of record of an INSTITUTIONAL LENDER, or where an INSTITUTIONAL LENDER accepts a deed to a LOT in lieu of foreclosure of the first mortgage of record of such lender, such acquirer of title, its successors and assigns, shall not be liable for any ASSESSMENTS or for other monies owed to the ASSOCIATION which are chargeable to the former OWNER of the LOT and which became due prior to acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the payment of such funds is secured by a claim of lien recorded prior to the recording of the the foreclosed or underlying mortgage. The unpaid ASSESSMENTS or other monies are COMMON EXPENSES collectable from all of the OWNERS, including such

acquirer and his successors and assigns. The new OWNER, from and after the time of acquiring such title, shall be liable for payment of all future ASSESSMENTS for COMMON EXPENSES and such other expenses as may be assessed to the OWNER'S LOT. Any person who acquires a LOT, except through the foreclosure of a first mortgage of record of an INSTITUTIONAL LENDER, or deed in lieu thereof, including, without limitation, persons acquiring title by sale, gift, devise, operation of law or by purchase at a judicial or tax sale, shall be liable for all unpaid ASSESSMENTS and other monies due and owing by the former OWNER to the ASSOCIATION, and shall not be entitled to occupancy of the UNIT or enjoyment of the COMMON AREAS, or of the recreational facilities as same may exist from time to time, until such time as all unpaid ASSESSMENTS and other monies have been paid in full.

- 7) ASSIGNMENT OF CLAIM AND LIEN RIGHTS. The ASSOCIATION, acting through its BOARD, shall have the right to assign its claim and lien rights for the recovery of any unpaid assessments and any other monies owed to the ASSOCIATION, to any third party.
 - 8) UNPAID ASSESSMENTS-CERTIFICATE. Any OWNER shall have the right to require from the ASSOCIATION a certificate showing the amount of unpaid ASSESSMENTS against him with respect to his LOT. The holder of a mortgage or other lien of record shall have the same right as to any LOT upon which he has a lien. Any person other than the OWNER who relies upon such certificate shall be protected thereby.
 - 9) APPLICATION OF PAYMENTS. Any payments made to the ASSOCIATION by any OWNER shall first be applied towards any sums advanced and paid by the ASSOCIATION for taxes and payment of account of superior mortgages, liens or encumbrances which may have been advanced by the ASSOCIATION in order to preserve and protect its lien; next toward reasonable attorneys' fees incurred by the ASSOCIATION incidental to the collection of assessments and other monies owed to the ASSOCIATION incidental to the collection of assessments and other monies owed to the ASSOCIATION by the OWNER and/or for the enforcement of its lien; next towards interest on any ASSESSMENTS or other monies due to the ASSOCIATION, as provided herein; and next towards any unpaid ASSESSMENTS owed to the ASSOCIATION, in the inverse order that such ASSESSMENTS were due.
- B. NON-MONETARY DEFAULTS. In the event of a substantive violation by any OWNER (other than the non-payment of any ASSESSMENT or other monies) of any of the provisions of this DECLARATION, or of the ARTICLES or BY-LAWS, the ASSOCIATION shall notify the OWNER of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after such written notice, or if the violation is not capable of being cured within such seven (7) day period, if the OWNER fails to commence and diligently proceed to completely cure such violation as soon as practicable within seven (7) days after written notice by the ASSOCIATION, the ASSOCIATION may, at its option:
- 1) Commence an action to enforce the performance on the part of the OWNER, or for such equitable relief as may be necessary under the circumstances, including injunctive relief; and/or
 - 2) Commence an action to recover damages; and/or
 - 3) Take any and all actions reasonably necessary to correct such failure, which action may include, where applicable, but is not limited to, removing any addition, alteration,

improvement or change which has not been approved by the ASSOCIATION, or performing any maintenance required to be performed by this DECLARATION.

All expenses incurred by the ASSOCIATION in connection with the correction of any failure, plus a service charge of ten (10%) percent of such expense, and all expenses incurred by the ASSOCIATION in connection with any legal proceedings commenced against any OWNER, including reasonable attorneys' fees, shall be assessed against the applicable OWNER, and shall be due upon written demand by the ASSOCIATION. The ASSOCIATION shall have a lien for any such ASSESSMENT and any interest, costs or expenses associated therewith, including attorneys' fees incurred in connection with such ASSESSMENT, and may take such action to collect such ASSESSMENT or foreclose said lien as in the case and in the manner of any other ASSESSMENT as provided above. Any such lien shall only be effective from and after the recording of a claim of lien in the public records of the County in which the SUBJECT PROPERTY is located.

- C. NEGLIGENCE. An OWNER shall be liable and may be assessed by the ASSOCIATION for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, but only to the extent that such expense is not met by the proceeds of insurance carried by the ASSOCIATION. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a LOT or UNIT, or the COMMON AREAS.
- D. RESPONSIBILITY OF AN OWNER FOR OCCUPANTS, TENANTS, GUESTS, AND INVITEES. Each OWNER shall be responsible for the acts and omissions, whether negligent or willful, of any person residing in his UNIT, and for all guests and invitees of the OWNER or any such resident, and in the event the acts or omissions of any of the foregoing shall result in any damage to the COMMON AREAS, or any liability to the ASSOCIATION, the OWNER shall be assessed for same as in the case of any other ASSESSMENT, limited where applicable to the extent that the expense or liability is not met by the proceeds of insurance carried by the ASSOCIATION. Furthermore, any violation of any of the provisions of this DECLARATION, of the ARTICLES, or the BY-LAWS, by any resident of any UNIT, or any guest or invitee of an OWNER or any resident of a UNIT, shall also be deemed a violation by the OWNER, and shall subject the OWNER to the same liability as if such violation was that of the OWNER.
- E. RIGHT OF ASSOCIATION TO EVICT, TENANTS, OCCUPANTS, GUESTS AND INVITEES. With respect to any person present in any UNIT or any portion of the SUBJECT PROPERTY, other than an OWNER and the members of his immediate family permanently residing with him in the UNIT, if such person shall materially violate any provision of this DECLARATION, the ARTICLES, or the BY-LAWS, or shall create a nuisance or an unreasonable and continuous source of annoyance to the residents of the SUBJECT PROPERTY, or shall willfully damage or destroy any COMMON AREAS or personal property of the ASSOCIATION, then upon written notice by the ASSOCIATION such person shall be required to immediately leave the SUBJECT PROPERTY and if such person does not do so, the ASSOCIATION is authorized to commence an action to compel the person to leave the SUBJECT PROPERTY and, where necessary, to enjoin such person from returning. The expense of any such action, including attorneys' fees, may be assessed against the applicable OWNER who such person was visiting or with whose permission such person was present on the SUBJECT PROPERTY, and the ASSOCIATION may collect such ASSESSMENT and have a lien for same as elsewhere provided. The foregoing shall not be deemed to limit, modify, or affect any other rights or remedies the ASSOCIATION may have the respect to similar actions by an OWNER or a member of his immediate family residing with him in the UNIT.
- F. NO WAIVER. The failure of the ASSOCIATION to enforce any

right, provision, covenant or condition which may be granted by this DECLARATION, the ARTICLES, or the BY-LAWS, shall not constitute a waiver of the right of the ASSOCIATION to enforce such right, provision, covenant or condition in the future.

G. RIGHTS CUMULATIVE. All rights, remedies and privileges granted to the ASSOCIATION pursuant to any terms, provisions, covenants or conditions of this DECLARATION, the ARTICLES or the BY-LAWS, shall be deemed to be cumulative; and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude the ASSOCIATION thus exercising the same from executing such additional remedies, rights or privileges as may be granted or as it might have by law.

H. ENFORCEMENT BY OR AGAINST OTHER PERSONS. In addition to the foregoing, this DECLARATION may be enforced by DECLARANT, or the ASSOCIATION, by any procedure at law or in equity against any person violating or attempting to violate any provision herein, to restrain such violation, to require compliance with the provisions contained herein, or recover damages, or to enforce any lien created herein. The expense of any litigation to enforce this DECLARATION shall be borne by the person against whom enforcement is sought, provided such proceeding results in a finding that such person was in violation of this DECLARATION. In addition to the foregoing, any OWNER shall have the right to bring an action to enforce this DECLARATION against any person violating or attempting to violate any provision herein, to restrain such violation or to require compliance with the provisions contained herein, but no OWNER shall be entitled to recover damages or to enforce any lien created herein as a result of a violation or failure to comply with the provisions contained herein by any person, and the prevailing party in any such action shall be entitled to recover its reasonable attorneys' fees.

12. TERM OF DECLARATION. All of the foregoing covenants, conditions, reservations and restrictions shall run with the land and continue and remain in full force and effect at all times as against all OWNERS, their successors heirs or assigns, regardless of how the OWNERS acquire title, for a period of fifty (50) years from the date of this DECLARATION, unless within such time, one hundred (100%) percent of the OWNERS execute a written instrument declaring a termination of this DECLARATION (as it may have been amended from time to time). After such fifty (50) year period, unless sooner terminated as provided above, these covenants, conditions, reservations and restrictions shall be automatically extended for successive periods of ten (10) years each, until a majority of the votes of the entire membership of the ASSOCIATION execute a written instrument declaring a termination of this DECLARATION (as it may have been amended from time to time). Any termination of this Declaration shall be effective on the date the instrument of termination is recorded in the public records of the county in which the SUBJECT PROPERTY is located, provided, however, that any such instrument, in order to be effective, must be approved in writing and signed by the DECLARANT so long as DECLARANT owns any LOT, or holds any mortgage encumbering any LOT.

13. AMENDMENT.

A. This DECLARATION may be amended by the DECLARANT and without the consent of any OWNER, so long as the DECLARANT owns any LOT. Any amendment made by DECLARANT must be approved by the INSTITUTIONAL LENDER holding the greatest number of first mortgages encumbering LOTS, and also must be approved by the Federal Housing Administration or by the Veteran's Administration if any mortgage encumbering a LOT is guaranteed or insured by either such agency, if such amendment materially adversely affects the OWNERS or materially and adversely affects the general scheme of development created by this DECLARATION. Such approval shall specifically not be required where the amendment is made to correct errors or omissions or is required to comply with the requirement of any INSTITUTIONAL LENDER so that such lender will make insure or

guarantee mortgage loans for the LOTS or is required by any governmental authority.

- B. This DECLARATION may also be amended with the approval of not less than sixty-seven (67%) percent of the votes of the entire membership of the ASSOCIATION, unless otherwise provided
- C. Any amendment to this DECLARATION must be recorded in the public records of the county in which the SUBJECT PROPERTY is located, and except for amendments made by DECLARANT, the amendment shall contain a certification by the President and Secretary of the ASSOCIATION that the amendment was duly adopted.
- D. No amendment shall discriminate against any OWNER, or class or group of OWNERS, unless the OWNERS so affected join in the execution of the amendment. No amendment shall change the number of votes of any OWNER or increase any OWNER'S proportionate share of the COMMON EXPENSES, unless the OWNERS affected by such amendment join in the execution of the amendment. No amendment may be made which adds or amends any material provision of this DECLARATION, the ARTICLES, or the BY-LAWS, which establish, provide for, govern or regulate voting, ASSESSMENTS, ASSESSMENTS Liens or subordination of such liens, or any provisions which are for the express benefit of INSTITUTIONAL LENDERS except for amendments granting or expanding the rights or protections of the foregoing, without the approval of INSTITUTIONAL LENDERS holding first mortgages encumbering at least fifty-one (51%) percent of the LOTS. So long as DECLARANT owns any LOT, no amendments may make any changes to any right, privilege, power or option, unless DECLARANT joins in the amendment.

14. SURFACE WATER MANAGEMENT. The ASSOCIATION shall specifically operate and maintain the surface water management system as permitted by the Broward County Water Management Division including all lakes, retention areas, culverts, and related appurtenances. Additionally, the ASSOCIATION shall make and enforce any and all rules governing any activities on, about, or under the surface water management system. If the ASSOCIATION is dissolved, the property consisting of the surface water management system shall be conveyed to an appropriate agency of local government. If the conveyance is not accepted, then the surface water management system must then be dedicated to a similar non profit corporation.

- A. It is the responsibility of the ASSOCIATION to operate and maintain the surface water management system.
- B. The surface water management system shall be owned by the ASSOCIATION.
- C. The cost of operation and maintenance of the surface water management system shall be collected and assessed as common expense to the ASSOCIATION.
- D. Any amendment which would affect the surface water management system, including the water management portions of the COMMON AREAS, must have the prior approval of the Broward County Water Management Division.
- E. That this paragraph 14 of this DECLARATION shall be in effect for fifty (50) years and shall be renewed or terminated as provided elsewhere.

15. CANAL MAINTENANCE EASEMENT. There exists a 20 foot canal maintenance easement located as the northern 20 feet of the Plat of Coral Point North according to the plat thereof recorded in Plat Book 126 at Page 32 of the Public Records of Broward County. The Broward County Water Management Division has authorized placement of a patio with an aluminum or canvas collapsible type roof over a removable screen enclosure in the southern 7 feet of the 20 foot canal maintenance easement aforescribed. In connection with said authorized encroachment, the following restrictions are hereby made applicable to the SUBJECT PROPERTY, the ASSOCIATION, and all OWNERS.

- A. No other structure other than a patio with an aluminum or canvas collapsible type roof over a removable screen enclosure will be allowed within the 7 foot encroachment.
 - B. Only landscaping of small varieties such as areca palms, oleanders and smaller varieties shall be allowed within said encroachment.
 - C. Upon demand of the Broward County Water Management Division, or its successors, the OWNER of a LOT shall collapse the aluminum or canvas type roof and remove the screen enclosure so as to allow full and complete use of the 20 foot canal maintenance easement by the Broward County Water Management Division.
 - D. The OWNER of a UNIT shall be fully and completely responsible for any and all cost or expense occasioned by said roof and screen removal. The Broward County Water Management Division, its agents and or employees shall not be held liable for any cost or damage resulting from its full and complete use of the 20 foot canal maintenance easement for proper purposes.
 - E. If any UNIT OWNER refuses or fails to collapse the patio roof and remove the screen enclosure or hinders or in any manner or form prohibits the Broward County Water Management Divisions's full use of its 20 foot canal maintenance easement, the offending UNIT OWNER shall be fully and completely liable for any and all costs, expenses, damages, and attorney's fees occasioned, caused or incurred by the ASSOCIATION or the Broward County Water Management Division or both by said failure, refusal, prohibition or hinderence.
 - F. All Owners hereby authorize the ASSOCIATION and or the Broward County Water Management Division to collapse the roof and remove the screen enclosure and, to the extent necessary to effectuate this purpose, authorize and permit entry to the patio area.
16. BILL OF RIGHTS. The ASSOCIATION has, by this document, been granted an extensive variety of powers to be exercised by the ASSOCIATION, its BOARD, and/or its CORPORATE OFFICERS. The use, misuse, and/or improper, unwise, unjust, or discriminatory use of such powers have choked the courts with unnecessary and needless litigation, caused ASSOCIATION members unnecessary and needless expense, and have contributed to the decline in property values of housing units governed by Homeowner's Associations. Accordingly, anything to the contrary notwithstanding, no act, rule, expense, or activity may be undertaken by the ASSOCIATION in any manner or form concerning or pertaining to the following without first obtaining the written consent of eighty (80%) percent of all members of the ASSOCIATION. This paragraph may not be amended without approval of at least eighty (80%) percent of the BOARD and at least eighty (80%) of all members of the ASSOCIATION:
- A. Every member has the right to sell, lease, mortgage or convey any interest in his unit, for any period of time, to any individual or entity of his choosing. The ASSOCIATION shall have no right to first refusal, no right of approval or disapproval, no right to require any application, no right to require any application fee, and no right to in any manner or form to hinder, delay or interfere with any OWNER'S right to freely alienate his UNIT by sale, lease, or mortgage.
 - B. Other than in pursuance of maintenance or special assessment collection, the ASSOCIATION shall have no right to levy any fine or penalty, against any member.
 - C. The ASSOCIATION may make no rule interfering, amending or altering the rule concerning pets described in paragraph 9. H., of this DECLARATION.
 - D. The ASSOCIATION may make no rule or regulation the result of which would be discriminatory because of age. All human beings, regardless of age shall have the right to occupy

units. The intent of this paragraph is not to unreasonably interfere with reasonable health and safety rules such as prohibitions of use of the swimming pool by children without adult supervision.

- E. The ASSOCIATION may undertake no litigation, the cost and expense of which may reasonably be expected to exceed \$1,000.00, whether to be reimbursed or not except to collect unpaid assessments.

17. SPECIAL PROVISIONS REGARDING INSTITUTIONAL LENDERS.

- A. NOTICE OF ACTION. Upon written request to the ASSOCIATION by an INSTITUTIONAL LENDER holding, insuring or guaranteeing a first mortgage encumbering any UNIT identifying the name and address of the holder, insurer, or guarantor and the UNIT number or address, any such holder, insurer or guarantor will be entitled to timely written notice of:
 - 1) Any condemnation loss or any casualty loss which affects a material portion of the SUBJECT PROPERTY or any LOT on which there is a first mortgage held, insured or guaranteed by such holder, insurer or guarantor, as applicable;
 - 2) Any delinquency in the payment of ASSESSMENTS or other monies owed by a OWNER, or any other default in the performance by the OWNER of any obligation under this DECLARATION, the ARTICLES, or the BY-LAWS, which OWNER'S UNIT is subject to a first mortgage held, insured or guaranteed by such holder, insurer or guarantor, which remains uncured for a period of sixty (60) days;
 - 3) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the ASSOCIATION;
 - 4) Any proposed action which would require the consent of a specified percentage of INSTITUTIONAL LENDERS.
- B. CONSENT OF INSTITUTIONAL LENDERS. Whenever the consent or approval of any, all or a specified percentage or portion of the holder(s) of any mortgage(s) encumbering any LOTS is required by this DECLARATION, the ARTICLES, the BY-LAWS, or to any action of the ASSOCIATION, or to any other matter relating to the SUBJECT PROPERTY, the ASSOCIATION, or to any other matter relating to the SUBJECT PROPERTY, the ASSOCIATION may request such consent or approval of such holder(s) by written request sent certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by such holders). Any holder receiving such request shall be required to consent to or disapprove the matter for which the consent or approval is requested, in writing, by certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by the ASSOCIATION), which response must be received by the ASSOCIATION within thirty (30) days after the holder receives such request, and if such response is not timely received by the ASSOCIATION, the holder shall be deemed to have consented to and approved the matter for which such approval or consent was requested. Such consent or approval given or deemed to have been given, where required, may be evidenced by an affidavit signed by all of the directors of the ASSOCIATION, which affidavit, where necessary, may be recorded in the public records of the county where the SUBJECT PROPERTY is located, and which affidavit shall be conclusive evidence that the applicable consent or approval was given as to the matters therein contained. The foregoing shall not apply where an INSTITUTIONAL LENDER is otherwise required to specifically join in an amendment to this DECLARATION.

REC 14068 PAGE 93

18. MISCELLANEOUS PROVISIONS.

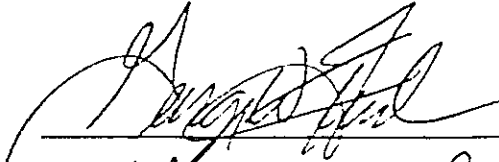
- A. CONFLICT WITH ARTICLES OR BY-LAWS. In the event of any

conflict between the ARTICLES and the BY-LAWS and this DECLARATION, this DECLARATION, the ARTICLES, and the BY-LAWS, in that order, shall control.

- B. AUTHORITY OF ASSOCIATION AND DELEGATION. Nothing contained in this DECLARATION shall be deemed to prohibit the BOARD from delegating to any one of its members, or to any officer, or to any committee or any other person, any power or right granted to the BOARD by this DECLARATION including, but not limited to, the right to exercise architectural control and to approve any deviation from any use restriction, and the BOARD is expressly authorized to so delegate any power or right granted by this DECLARATION.
- C. RIGHTS OF SUCCESSORS IN INTEREST AND ASSIGNEES OF DECLARANT. Any right, power or authority granted to or reserved by the DECLARANT pursuant to this DECLARATION, the ARTICLES or the BY-LAWS, either express or implied, may be exercised or enforced by any successor in interest or assignee of the DECLARANT for purposes of this Paragraph, unless the DECLARANT specifically assigns its rights hereunder to such purchaser by written document recorded in the public records of the county in which the SUBJECT PROPERTY is located.
- D. PARTIAL INVALIDITY. The invalidation in whole or in part of any of these covenants, conditions, reservations and restrictions or any section, subsection, sentence, clause, phrase, word or other provision of this DECLARATION shall not affect the validity of the remaining portions which shall remain in full force and effect.
- F. GENDER. Unless otherwise so required, the use of the singular shall include the plural and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.
- H. REAL 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 BY-LAWS. Both the burdens imposed and the benefits derived from this DECLARATION shall run with each LOT, as herein defined.

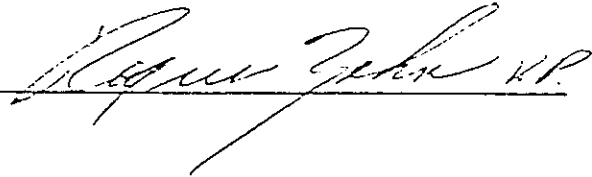
IN WITNESS WHEREOF, DECLARANT has executed this DECLARATION this 31 day of Dec., 1986.

WITNESS:



 Elizabeth C. Ryan

ZAHN ATLANTIC DEVELOPMENT CORPORATION,
a Florida corporation

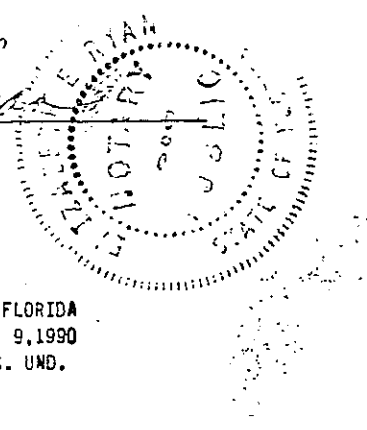
BY: 

STATE OF FLORIDA)
)
) ss:
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this 31st day of November, 1986, by ROGER C. ZAHN of ZAHN ATLANTIC DEVELOPMENT CORPORATION, a Florida corporation, on behalf of the corporation.

Elizabeth E. Pappas
NOTARY PUBLIC

My Commission Expires:



NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. MAR. 9, 1990
BONDED THRU GENERAL INS. UND.

EXHIBIT "A"

All of PARCEL "A" of CORAL POINT NORTH,
according to the plat thereof, recorded
in Plat Book 126, Page 32 of the Public
Records of Broward County, Florida.