

**DECLARATION OF COVENANTS, RESTRICTIONS
AND EASEMENTS FOR
OAK RUN**

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DECLARATION OF COVENANTS , RESTRICTIONS AND EASEMENTS

FOR

OAK RUN

THIS DECLARATION is made this _____ day of _____, 1999 by Strata Development Corporation, a Florida corporation, hereinafter referred to as "Declarant."

WHEREAS

A. Declarant owns certain property located in Palm Beach County, Florida, which is more particularly described on Exhibit "A" attached hereto (the "Project").

B. In order to provide for the orderly development and efficient operation of the Project and to maintain the values therefor , the Declarant intends to develop the Project pursuant to a general plan, subject to certain protective covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges, all running with the Project as hereinafter set forth.

C. At or about the time of recording of this Instrument in the Public Records of Palm Beach County, Florida, Declarant has caused to be incorporated under the laws of the State of Florida, Oak Run of Boynton Homeowners' Association, Inc., a corporation not for profit (the "Association") to provide an entity for owning and maintaining those portions of the Project designated as "Common Properties" and administering and enforcing the provisions of this Declaration.

NOW, THEREFORE, Declarant hereby declares that the Project and all portion thereof shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied, and improved subject to the easements, restrictions, covenants , conditions , equitable servitudes, reservations, assessments, charges, liens and other provisions set forth in this Declaration of Covenants, Restrictions and Easements for Oak Run. Such provisions set forth herein (i) shall run with the title to the Project and all portions thereof and shall be binding upon all persons having any right, title or interest therein, or any part thereof, their heirs, personal representatives, successors and assigns; (ii) shall inure to the benefit of and be binding upon Declarant and its expressly designated successors-in-interest, and each Owner, and such Owner's respective tenants, invitees, licensees and guests; and (iii) may be enforced by any Owner, by the Association, and, so long as it owns any portion of the Project, by the Declarant.

ARTICLE I

DEFINITIONS

Unless otherwise expressly provided herein, the following words and phrases shall have the following meanings :

Section 1. "Architectural Review Board" shall mean the board created pursuant to Article VII hereof.

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

Section 3. "Assessment(s)" shall mean and refer to common Assessments, Individual Assessments, and Special Assessments collectively, as the context may require.

Section 4. "Association" shall mean OAK RUN OF BOYNTON HOMEOWNERS' ASSOCIATION, INC., a not-for-profit Florida corporation, its successors and assigns.

Section 5. "Board" shall mean the Board of Directors of the Association.

Section 6. "By-Laws" shall mean the By-Laws of the Association, which have been adopted by the Board, a copy of which is attached hereto as Exhibit "C", as such By-Laws may be amended from time to time.

Section 7. "Common Assessments" shall mean the charge against Owners and their Lots, representing their proportionate share of the routine Common Expenses of the Association.

Section 8. "Common Expenses" shall mean the actual and estimated costs and expenses of the service which the Association is required and authorized to provide hereunder. Common Expenses shall include, but not be limited to, the premium and deductible for any insurance policy carried by the Association, utilities, cable television, taxes, assessments, operation, maintenance, repairs, improvements and alterations.

Section 9. "Common Properties" shall mean any property, whether improved or unimproved, or any easement or interest which are declared as being Common Properties in this Declaration or in any Supplemental Declaration hereafter made by Declarant or in any deed from the Declarant to the Association designating the property conveyed to the Association as "Common Properties", including, but not limited to, open areas, roads, entrance ways, parking, and other similar properties, provided that the foregoing shall not be deemed a representation or warranty that any of the foregoing Common Areas will be provided. Common Properties are for the common use and enjoyment of the Owners, subject to the rights hereunder of the Declarant and others. Declarant hereby declares all portions of the Property not platted as lots to be the initial Common Properties.

Section 10. "Community Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing in the Project. Such standard may be more specifically determined by the Board of Directors of the Association or committees thereof.

Section 11. "Declarant" or "Developer" shall mean and refer to Strata Development Corporation, a Florida corporation, as well as its successors and assigns if such successors and assigns should acquire any portion of the Project from Declarant for the purpose of development and resale so long as Declarant assigns such rights of Declarant hereunder to any such person or entity by an express written assignment recorded in Palm Beach County, Florida. Upon execution and recording of such assignment, the assignees shall be deemed the Declarant hereunder for all purposes.

"Developer" shall include any "Lender" which has loaned money to Developer to acquire or construct improvements upon the Subject Property or its successors and assigns if such Lender, its successors or assigns, acquires title to any portion of the Subject Property as a result of the foreclosure of any mortgage encumbering any portion of the Subject Property securing any such loan to Developer or acquires title thereto by deed in lieu of foreclosure.

Section 12. "Declaration" shall mean this instrument, and all exhibits hereto, as it may be amended from time to time.

Section 13. "Family" shall mean (i) a group of natural persons related to each other by blood or legally related to each other by marriage or adoption, or (ii) a group of not more than four (4) persons not so related who maintain a common household on a Lot.

Section 14. "Improvement" shall mean any structure or artificially created condition and appurtenances thereto of type and kind located in the Project, including, but not limited to, buildings, outbuildings, walkways, sprinkler pipes, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs and exterior air-conditioning and water-softener fixtures or equipment, if any.

Section 15. "Individual Assessment" shall mean a charge against one or more Owners and their Lots, directly attributable to such Owner(s)' failure to duly perform their obligations hereunder, and the Association's enforcement of this Declaration against such Owner(s).

Section 16. "Institutional Mortgagee" means any lending institution holding a mortgage covering a Lot or any portion of the property encumbered by this Declaration, including any of the following institutions:

(i) Any federal or state savings and loan or a building and loan association, or commercial bank or bank or real estate investment trust, or mortgage banking company or any subsidiary therefor; or

(ii) Any "secondary mortgage market institution," including the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation and such secondary mortgage market institution as the Board shall hereafter approve in writing; or

(iii) Any pension or profit-sharing funds qualified under the Internal Revenue Code; or

(iv) Any and all investing or lending institutions, or the successors and assigns of such lenders("Lenders"), which have loaned money to Developer and which hold a mortgage upon any portion of the Subject Property securing such loans; or

(v) Such other institutional lenders as the Board shall hereafter approve in writing as an Institutional Mortgagee which have acquired a mortgage upon any portion of the Subject Property; or

(vi) Developer, if Developer holds a mortgage on any portion of the Subject Property and the transferee of any mortgage encumbering the Subject Property which was originally held by Developer; or

(vii) Any life insurance company; or

(viii) The Veterans Administration or the Federal Housing Administration or the Department of Housing and Urban Development.

Section 17. "Limited Common Property" shall mean any portion of the Common Properties which, in the opinion of the Association, is within sufficiently close proximity to a Lot so that the appearance of such portion of the Common Properties primarily affects such Lot. In the event of any disagreement among any Owners and the Association as to the exact location of a Limited Common Property and identification of the Lot to which it is appurtenant, the decision of the Association shall be absolute, controlling and binding on the Owners. It is specifically intended that "Limited Common Property" shall include the planter areas and/or any mailbox and portion of a sidewalk located therein. Notwithstanding the foregoing or anything to the contrary in this Declaration (i) "Limited Common Property" shall neither include any roads nor any improvements located in the Limited Common Property which the Association elects to maintain and (ii) the Association shall be entitled to restrict access over various portions of the Limited Common Property to such Owners as the Association deems appropriate.

Section 18. "Lot" shall mean and refer to any plot of land shown as a lot on the subdivision plat of the property recorded or to be recorded in the Public Records of Palm Beach County, Florida, located in the Project and intended for residential use, and any Lot shown on any resubdivision of said plat, together with any Improvements which may be constructed thereon.

Section 19. "Management Company" shall mean the person, firm or corporation employed by the Association hereunder as its agent to assist in fulfilling or carrying out

certain duties, powers or functions of the Association.

Section 20. "Member" shall mean any person or entity holding a membership in the Association as provided in Article II hereof.

Section 21. "Mortgage" shall mean any bona fide first mortgage encumbering a Lot which was made in favor of the Declarant, a bank, life insurance company, federal or state savings and loan association, credit union or union pension fund authorized to do business in the United States, real estate or mortgage investment trust or other lender who makes residential mortgage loans in the ordinary course of its business and is generally recognized in the community as an institutional lender. It shall also include those mortgage made in favor or held by an agency of the United States government, Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), or Government National Mortgage Association ("GNMA"). The term "Mortgagee" shall mean the holder of such Mortgage. The term "Mortgage" shall also be used interchangeably with "Institutional Mortgagee" as defined in Section 17.

Section 22. "Notice and Hearing" shall mean written notice and a public hearing, before a tribunal appointed by the Board, at which the Owners concerned shall have an opportunity to be heard in person or by counsel at such Owner's expense as otherwise provided in the By-Laws.

Section 23. "Owner" shall mean and refer to the person or persons or legal entity or entities, including Declarant, holding a fee simple interest of record to any Lot, including sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation. For purposes of Article XI only, unless the context otherwise requires, the term Owner shall also include the family, invitees, licensees, lessees, and sublessees of any Owner, and any other permitted occupant, of a Lot.

Section 24. "Special Assessments" shall mean a charge against all Owners and their Lots, representing their proportionate share of the cost incurred by the Association for (i) reconstruction of any portion or portions of improvements located on the Common Properties pursuant to the provisions of this Declaration, or (ii) for installation or construction of any capital Improvements on any portion of the Common Properties which the Association may from time to time authorize, or (iii) any other extraordinary expense of the Association, including, but not limited to, amounts necessary to pay Common Expenses which have not been collected by Common Assessments.

Section 25. "Supplemental Declaration" shall mean any declaration of covenants, restrictions and easements which may be recorded by Declarant for the purpose of supplementing or amending this Declaration or for the purpose of declaring certain portions of the Project as Common Properties or as Lots.

The foregoing definitions shall be applicable to this Declaration and also to any Supplemental Declaration, unless otherwise expressly provided herein or therein.

ARTICLE II

OAK RUN OF BOYNTON HOMEOWNERS' ASSOCIATION, INC.Section 1. Formation.

At or about the time of the recording of this Declaration, Declarant has caused the Association to be formed, by the filing of the Articles of Incorporation therefor in the Office of the Secretary of State of Florida. The purpose and powers of the Association shall be all of the purposes and powers set forth in this Declaration and in its Articles of Incorporation and By-Laws. The Association shall be responsible for the execution, performance, administration and enforcement of all the terms and conditions of this Declaration.

Section 2. Membership.

Every Owner of a Lot and the Declarant shall automatically be a Member of the Association. Membership in the Association, except for membership of the Declarant, shall be appurtenant to and may not be separate from a Lot. Except as to the Declarant, ownership of a Lot shall be the sole qualification for membership in the Association.

Section 3. Voting/Co-Ownership of Lot.

As to all matters on which the membership shall be entitled to vote, there shall be one (1) vote for each lot subject to this Declaration. When more than one person owns an interest in any Lot (a "Co-Owner"), all such Co-owners shall be Members, but only one such Co-Owner shall be entitled to exercise the vote to which the Lot is entitled. All Co-Owners of each Lot shall designate in writing to the secretary of the Association one of their members to so vote the interests of their Lot. Fractional votes shall not be allowed. The vote for each Lot shall be exercised as a single vote or not at all. Where no voting Co-Owner is designated, the Lot shall not be entitled to vote until one individual is designated by all Co-Owners to vote the interests of the Lot. The nonvoting Co-Owner(s) shall be jointly and severally responsible for all of the obligations imposed upon the Lot and shall be entitled to all other benefits of ownerships. All agreements and determinations lawfully made by the Association in accordance with the voting procedures established herein, or in the By-Laws, shall be binding on all Co-Owners, their successors and assigns. Said voting rights shall be subject to the restrictions and limitations provided in any Supplemental Declaration, and in the Articles and By-Laws, to the extent applicable. If a Lot is owned by a corporation or other entity, the person entitled to vote for the Lot shall be designated by a certificate signed by an appropriate officer or agent of the entity and filed with the Secretary of the Association.

Section 4. Change in Membership.

Change of membership in the Association shall be established by recording in the Public Records of Palm Beach County, Florida, a deed or other instrument conveying record fee simple title to any Lot. The Owner designated by such instrument shall, by his

acceptance of such instrument, become a member of the Association, and the membership of the prior Owner shall be terminated. The interest, if any, of a Member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to his Lot. Membership in the Association by each Owner shall be compulsory and shall continue until such time as that Owner transfers or conveys of record his interest in the Lot upon which his membership is based or until said interest is transferred or conveyed by operation of law, at which time the membership shall automatically be conferred upon the transferee.

Section 5. Declarant Control of Association.

Notwithstanding anything herein to the contrary, until such time as the Declarant relinquishes control of the Association, or an earlier date as the Declarant may decide, the Declarant shall have a total number of votes equal to not less than the number of votes cumulatively held by all other Members, plus one (1), providing Declarant with a majority of the votes of the membership. Upon expiration of the stated period (when Declarant ceases to control the Association), the Declarant shall continue to possess voting rights incident to ownership as described herein. The Declarant shall turn over control of the Association no later than three (3) months after ninety percent (90%) of the Lots have been conveyed to members. It is the intent of this section that the Declarant have exclusive and total control of the Association during the stated period. During the stated period, any action which requires the affirmative vote of the Owners may be taken upon a majority vote of the membership, regardless of contrary provisions of this Declaration which require a greater affirmative vote of the membership such as two-thirds (2/3) or otherwise. Declarant shall have the right to appoint all of the Board of Directors until three (3) months after Declarant has conveyed ninety percent (90%) of the lots in Oak Run to members. Thereafter the Members are entitled to elect a majority of the Board of Directors. As long as Declarant holds for sale in the ordinary course of business at least five percent (5%) of the Lots in the community, Declarant shall have the right to appoint not less than one (1) of the Directors of the Board. Further, Declarant shall have the right to disapprove the actions of the Board of Directors and any committee as provided in the By-Laws.

ARTICLE III

FUNCTIONS OF THE ASSOCIATION

Section 1. Through Board Action.

The affairs and decisions of the Association shall be conducted and made by the Board; the Members shall only have such power or rights of approval or consent as is expressly specified in this Declaration, or in the Articles or By-Laws. In the absence of a specific requirement of approval by Members, the Board may act on its own through its proper officers.

Section 2. Required Services.

For purposes of this Article III, the term "Common Properties" shall include the same

both prior to and after their conveyance to the Association. In addition to those other responsibilities specified in the Articles or By-Laws, the Association shall be required to provide or to contract with others for the following services as and when deemed necessary and appropriate by the Board:

- (a) All maintenance of the Common Properties, and all Improvements thereon, as and when deemed necessary by the Board, including but not limited to:
 - (i) landscape maintenance;
 - (ii) road maintenance;
 - (iii) entrance-way maintenance, which includes landscape buffer and sidewalk maintenance;
 - (iv) maintenance of all Drainage Areas, being those areas as may be designated as Drainage Areas, Drainage Easements or Swales on the Plat, or approved plans, in this Declaration, any Supplemental Declaration or otherwise designated by Developer, which shall be kept and maintained for irrigation, drainage or beautification purposes and for the installation, maintenance, construction and repair of utility facilities in a manner consistent with the original design thereof by the Developer and in accordance with the requirements of applicable governmental authorities;
 - (v) maintenance of any Lake(s), being those areas designated as Lakes, Water Management Tracts and Littoral Zones, and the maintenance areas surrounding and access to same ("Lakes Maintenance Easement") on the Plat, in this Declaration, any Supplemental Declaration or otherwise designated by Developer, the boundaries of which shall be subject to accretion, reliction, or other natural changes. The Lake(s) shall be kept and maintained as bodies of water, together with any adjacent shoreline, in an ecologically sound condition for water retention, irrigation, drainage, and water management purposes in compliance with all applicable governmental and South Florida Water Management District requirements. Unless approved in writing by the Association, no Owner of a Lot shall be permitted to use the Lake(s), or any portion thereof, for irrigation purposes. Such consent and approval may be withheld by the Association for any reason. No boats of any kind shall be permitted on the Lake(s). Neither Developer nor the Association shall be obligated to provide supervisory personnel for the Lake(s), including, but not limited to, lifeguards. THERE SHALL BE NO SWIMMING IN THE LAKE(S). ANY INDIVIDUAL USING THE LAKE(S) SHALL DO SO AT THE INDIVIDUAL'S OWN RISK AND SHALL INDEMNIFY AND HOLD HARMLESS DEVELOPER AND THE ASSOCIATION FROM ANY CLAIM OR LOSS ARISING FROM SUCH USE.
- (b) Payment of property taxes with respect to the Common Properties both prior to and after conveyance of the same by the Declarant to the Association.

- (c) Operation of the Project in accordance with the rules, regulations and Community Wide Standards adopted by the Board from time to time both prior to and after conveyance of the same by the Declarant to the Association. A copy of all Rules and Regulations established hereunder, and any amendments thereto, shall be made available to all members of the Association. Such Rules and Regulations may be enforced by legal and equitable actions.
- (d) Taking any and all actions necessary to enforce all covenants, conditions and restrictions affecting the Project and to perform any of the functions or services delegated to the Association in any covenants, conditions or restrictions applicable to the Project or in the Articles or By-Laws.
- (e) Conducting business of the Association, including but not limited to administrative services such as legal, accounting and financial, and communication services informing Owners of Association activities, notice of meetings, and other important events.
- (f) Purchasing such hazard and liability insurance covering the Common Properties and other insurance as the Board may reasonably deem necessary or desirable. The Institutional Mortgagee holding the highest dollar indebtedness encumbering any portion of the Subject Property ("Lead Mortgagee") shall have the right, for so long as it holds such dollar indebtedness, to approve the form of such insurance policies, the amounts thereof, the company or companies which shall be the insurers under such policies, and the insurance agent or agents.

All insurance policies purchased by the Association shall provide that may not be canceled (including for nonpayment of premiums) or substantially modified without at least ten (10) days prior written notice to the Association and to each first mortgage holder named in the mortgage clause.

Evidence of insurance shall be issued to the Institutional Mortgagee upon written request to the Association.

- (g) Acceptance of any instrument of conveyance with respect to any Common Properties delivered to the Association by the Declarant.
- (h) Maintenance of surface and subsurface drainage system and facilities on the Common Properties and Lots.
- (i) Maintenance required by government entities having jurisdiction over the Project.
- (j) Making and amending use restrictions, rules and regulations and Community Wide Standards.

Section 3. Authorized Services.

The Association shall be authorized, but not required, to provide or to contract with others for the following services:

- (a) Lighting of roads, sidewalks and paths throughout the Project.
- (b) Fire protection and prevention.
- (c) Garbage and trash collection and disposal.
- (d) Conducting recreation, sport, craft and cultural programs of interest to Owners, their families, tenants and guests.
- (e) Limitation of access, including, but not limited to, the employment of personnel who will limit access to the public within the Project.
- (f) Maintenance of electronic and other security devices.
- (g) Installation, operation and maintenance of cable television facilities.
- (h) Such other services as are authorized in the Articles or By-Laws.
- (i) Cleanup, landscaping, maintenance, dredging, water treatment or other care of any property near or adjacent to the extent such care would, in the reasonable determination of the Board, be beneficial to the Project and to the extent that the Association has been granted the right to so care for the affected property by the owner thereof or the person authorized to grant such right.
- (j) Emergency repairs and other work on Lots reasonably necessary for the proper maintenance and operation of the Project.

Section 4. Judicial Proceedings.

No judicial proceeding or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five percent (75%) of the Members of the Association. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided in Article V hereof, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association and proceedings instituted against it. This Section shall not be amended without the prior written approval of the Declarant.

ARTICLE IV

OWNER'S PROPERTY RIGHTS; EASEMENTSSection 1. Owner's Easements of Enjoyment.

Everyone Owner shall have a non-exclusive, common right and easement of ingress and egress and of enjoyment in, to and over, and use of, the Common Properties which shall be appurtenant to and shall pass with title to every Lot, subject to the following conditions:

- (a) The right of the Association to reasonably limit the number of guests or invitees of Owners using the Common Properties.
- (b) The right of the Association to establish uniform rules and regulations pertaining to the use of the Project.
- (c) The right of the Association to enter into any Lot (but not the right to enter into any residence located thereon) for emergency, security, safety, and for other purposes reasonably necessary for the proper maintenance and operation of the Project which right may be exercised by the Association's board of directors, officers, agents, employees, managers and all policemen, firemen, ambulance personnel and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner or occupant. This right of entry shall include the right of the Association to enter a Lot to cure any condition which may increase the possibility of fire or other hazard in the event an Owner fails or refuses to cure the condition upon the request of the Board.
- (d) The right of the Association based upon the vote or written consent of two-thirds (2/3) of the votes of the Members in the Association, to borrow money for the purpose of improving the Common Properties, and in aid thereof, to mortgage, convey, pledge or hypothecate any money borrowed or debts incurred, provided that the rights of such mortgagee shall be subordinate to the use rights of the Owners.
- (e) The right of the Association to impose fines and suspend the right to use the Common Properties (except means of ingress and egress, including parking) for (i) any period during which any Assessment against his Lot remains unpaid and delinquent; and (ii) for a reasonable period of time for any other single infraction of this Declaration or the rules and regulations of the Association, provided that any fines and/or suspension of such rights to use the Common Properties based upon infractions other than non-payment of Assessments shall be made only by a committee appointed by the Board for such purpose, after Notice and Hearing as provided in Article IV, Section 2 of this Declaration.

- (f) The right of the Association to dedicate, grant, release, convey, alienate or transfer all or any part of the Common Properties to any public agency, authority, utility or private party or entity. No such dedication, grant, release, conveyance, alienation, or transfer shall be effective unless approved by vote or written consent of two-thirds (2/3) of the votes of the Members in the Association; except the granting of the non-exclusive easements for utilities including cable television, or for private purposes which do not materially and adversely affect the rights of Owners to enjoy the Common Properties (as determined in the reasonable discretion of the Board), may be made by the Board without approval of the Members.
- (g) The right of the Declarant (and its sales agents, customers and representatives) to the non-exclusive use of the Common Properties and the facilities thereof, without charge, for sales, marketing, advertising, display, access, construction, ingress, egress, exhibit and any other promotional activities or purposes deemed necessary or appropriate by the Declarant.
- (h) The right of the Declarant or the Association to grant such other easements over the Common Properties as Declarant deems appropriate (which easements shall be deemed granted by Association).
- (i) The right of the Association (as well as the Declarant so long as Declarant owns any Lot) to allow persons other than the Owners, their Families, tenants and invitees, to use the Common Properties. Such use shall be upon terms and conditions as shall be determined by the Association (or the Declarant, as the case may be).
- (j) An easement for ingress and egress in favor of Institutional Mortgagee and their agents over and across the Association Property, any private roadways and other common areas.
- (k) The Owners' easements of enjoyment shall be subject to easements hereby reserved over, through and underneath the Common Property and the Lots, for present and future utility services to Oak Run, including, but not limited to easements for water pipes, sanitary sewer pipes, emergency sewer lines, storm drainage pipes, sprinkler pipes, electrical wires, TV wires, telephone cables, security wires and street lights. Easements for such utility services are reserved by Declarant for all buildings and improvements which have been or may be constructed in Oak Run, and Declarant may grant the utility easements to utility companies and others as reasonable necessary.

Anything to the contrary herein notwithstanding, no action authorized in any of the above paragraphs with the exception of Paragraph (j) shall be taken without the prior written consent of the Declarant if the Declarant owns any Lots.

Section 2. Delegation of Use.

Any Owner may delegate his right of enjoyment to the Common Properties and facilities to the members of his Family, or his tenants who may reside on his Lot, but any such delegation shall be subject to and limited by the terms and conditions of the Existing Declaration, this Declaration, the Articles, and By-Laws of the Association and the rules and regulations of the Association.

Section 3. Waiver of Use.

No Owner may exempt himself from personal liability for Assessments duly levied by the Association, or release the Lot owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Properties or by abandonment of his Lot.

Section 4. Title to the Common Properties.

After all Improvements anticipated to be constructed in the Project have been constructed and conveyed to purchasers, or sooner at the option of the Declarant, the Declarant shall convey to the Association the fee simple title to the Common Properties and the Association shall accept said conveyance. Declarant may mortgage the Common Properties to finance the original development and construction thereof, provided that the Common Properties shall be free of mortgages at the time of conveyance to the Association, and the Association shall not be personally liable for payment of the debt secured by such mortgage(s).

Section 5. Access.

Declarant reserves unto itself and all Owners and their lessees, and invitees perpetual non-exclusive easements of ingress and egress over and across any private streets and access ways constructed from time to time in the Project. If ingress or egress to any residence is through the Common Properties, any conveyance or encumbrance of such area is subject to the lot owner's easement.

Section 6. Utilities.

The Project shall be subject to such easements as may, from time to time, be determined in the sole discretion of Declarant including, but not limited to, easements for water, sewer, maintenance, electric, drainage, and cable television as may be reasonably required to properly and adequately serve the Project as it exists from time to time. Each of said easements, whether heretofore or hereafter created, shall constitute covenants running with the Project and, notwithstanding any other provisions of the Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with the proper and intended use thereof. Such easements shall survive any termination of this Declaration.

Section 7. Declarant.

Declarant hereby reserves such easements as are necessary (in Declarant's reasonable discretion) in order to exercise its rights hereunder. The Project shall be subject to any and all such easements deemed necessary or appropriate by the Declarant.

Section 8. Service.

Declarant hereby grants to delivery, pick-up, and fire protection services, police and other authorities of the law, United States mail carries, representatives of electrical, telephone, cable television and other utilities authorized by the Declarant to service the Project, and to such other persons as the Declarant from time to time may designate, the non-exclusive, perpetual right of ingress and egress over and across the Common Properties for the purpose of performing their authorized services and investigation; provided, however, such easements shall be subject to reasonable regulation by the Association.

Section 9. Easements for Pedestrian and Vehicular Traffic.

The Common Properties are hereby declared to include 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 Properties and be intended for such purpose; and for pedestrian and vehicular traffic and parking over, through, across and upon such portion of the Common Property 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, the holders of any mortgage encumbering any Lot, and their guests and invitees.

Section 10. Association.

Easements are hereby granted in favor of the Association throughout the Project as may reasonably be necessary for the Association to perform its services required and authorized hereunder.

Section 11. Execution.

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

ARTICLE V

COVENANT FOR ASSESSMENTS

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

Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, to pay to the Association (1) annual Common Assessments for Common Expenses, (2) Individual Assessments, and (3) Special Assessments; all such Assessments to be imposed and collected as hereinafter provided.

All Assessments, together with interest, costs, late charges and reasonable attorney's fees for the collection thereof, shall be a charge on the Lot and shall be a continuing lien thereon as more particularly described in Article VI hereof. Each such Assessment, together with interest, costs, late charges and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the Assessment fell due, but shall not be a personal obligation of successors in title unless expressly assumed by them. However, the lien shall continue to be enforceable against the Lot upon which it is charged regardless whether the Owner of such Lot is personally obligated to pay the Assessment served by such lien.

Section 2. Common Assessments.

The Common Assessment levied by the Association shall be used exclusively to pay Common Expenses. Disbursement shall be made by the Board of Directors for such purposes as are deemed necessary for the discharge of its responsibilities herein for the common benefit of the Owners and to reimburse the Declarant for start-up expenses advanced by Declarant.

Section 3. Amount of Common Assessments; When Payable.

At least ten (10) days prior to the beginning of each fiscal year (or within 120 days following recording of this Declaration for the balance of the year in which the Declaration is recorded), the Board of Directors shall prepare, adopt, and distribute to the Members of the Association a written, itemized, estimated budget of the Common Expenses to be incurred by the Association, which may (but shall not be required to) include reasonable provision for contingencies and reserves for the periodic maintenance, repair and replacement of the Common Properties. Subject to the right of the Association to accelerate Assessments for delinquencies as provided herein, annual Common Assessments shall be payable in quarterly installments unless determined by the Board, from time to time, to be payable more frequently. The budget and Assessment procedure shall be further subject to the provisions of the By-Laws. The assessment for Common Expenses as to each Lot upon which units are constructed shall commence on the first day of the full calendar month after a certificate of occupancy for the unit is issued, or upon conveyance of the unit, whichever occurs first.

Section 4. Individual Assessments.

Any maintenance, repair or replacement within the Project arising out of or caused by the willful or negligent act of an Owner, his family, tenants, guests or invitees, shall be effected at said Owners expense and an Individual Assessment therefor shall be made against such Owner's Lot, to the extent proceeds of insurance are not imposed by the Board in accordance with the By-Laws. Other expenses of the Association incurred as a result of any Owner's failure to comply with the provision of this Declaration, the Articles or By-Laws, shall be charged to such Owner and his Lot as an Individual Assessment.

Section 5. Special Assessments.

In addition to the Common and Individual Assessments authorized above, the Board may levy, in any fiscal year, in accordance with the By-Laws, a Special Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement, upon the Common Properties including fixtures and personal property related thereto, or for defraying any other extraordinary Common Expenses of the Association, including shortfalls in Common Assessments; provided that any such Special Assessment in excess of One Thousand Dollars (\$1,000.00) per Lot in any 12 month period shall require the consent of a majority of the votes of Members present and entitled to vote, in person or by proxy, at a duly called special or annual meeting of Members, unless such Special Assessment is reasonably deemed necessary by the Board for emergency purposes in which event no approval of the Members shall be required. No action authorized in this Section shall be taken without the prior written consent of the Declarant as long as the Declarant owns any Lot.

Section 6. Proportionate Share of Assessments.

Each Owner shall pay Common Assessments and Special Assessments based upon its proportionate share of the expenses which are funded by such Assessments. The proportionate share of each Owner shall be a fraction, the numerator of which shall be the number of the Lots owned by said Owner, and the denominator of which shall be total number of Lots in the Project. Notwithstanding anything else contained herein, until such time as Declarant no longer is in control of the Association, 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, whichever occurs first, 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 working capital contributions), and other income received by the Association. During such period when Declarant is not liable for the Assessments for common expenses for Lots owned by Declarant, the Assessments for common expenses shall be established by the Board of Directors based upon their estimate of what the expenses of the Association would be if all Lots and improvements contemplated within the subject property were completed so that Assessments for common expenses during such period will be approximately what said Assessments would be if the subject property as contemplated by Declarant was

complete. Declarant shall not be required to fund reserves allocated to any unbuilt Lots or any units owned by Declarant. Notwithstanding anything herein to the contrary, Declarant shall have no obligation to pay any Assessments or said deficit when it no longer owns any Lots. **As used in this section, "actual day-to-day operating expenses of the Association" does not include contributions to reserve accounts. Accordingly, because there is no requirement that budgets must include contributions for future major repairs and replacement of the Limited Common Property, and because the Declarant is not obligated to fund any deficit in the reserve accounts which will not be adequate to meet all future needs for major repairs and replacements, if additional funds are needed, the Association shall be entitled to increase regular assessments, adopt special assessments, or delay major repairs and replacements until funds are available.**

Section 7. Developer's Guaranteed Assessment Not the Obligation of Institutional Mortgagees.

Notwithstanding anything to the contrary herein contained, it is specifically understood and declared and each Owner by the acceptance of a deed or other instrument of conveyance of Subject Property or property within the Subject Property shall deemed to have acknowledged and agreed that no Institutional Mortgagee (other than Developer) or any successors or assigns of such Institutional Mortgagee, or any person acquiring title to any part of the Subject Property by reason of the foreclosure by an Institutional Mortgagee or deed taken in lieu of such foreclosure shall be deemed to have made, assumed or otherwise undertaken any covenants or obligation of Developer: (i) to guarantee the level and/or duration of any Assessments; or (ii) to pay the difference between the actual operating expenses and the Assessments, if any, assessed against the Subject Property and the Owners thereof as may be provided for herein, provided, however, that an Institutional Mortgagee may, at its option, determine to continue the obligation of Developer to guarantee the amount of the Assessments as herein provided.

Section 8. Financial Reports.

Within sixty (60) days following the end of each fiscal year, the Board of Directors shall cause to be prepared an annual balance sheet and operating statement reflecting income and expenditures of the Association for the preceding fiscal year.

The Association shall use the accrual basis method of accounting and shall maintain accounting records in accordance with generally accepted accounting principles. The financial reporting procedure shall be further subject to the provisions provided in the By-Laws.

Section 9. Rights of Mortgagees to Financial Reports.

The Association shall make available to Institutional Mortgagees or their respective authorized representatives, for inspection upon written request, during normal business hours or under reasonable circumstances, the books, records, and financial statements of the Association for the prior fiscal year free of charge and the same shall be furnished

within a reasonable time following such request.

Section 10. Assessment Roster and Notice.

The Association shall maintain a roster of the amount of all Assessments against each Lot (determined as set forth above) which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of such Assessments and the due date(s) thereof shall be sent to every Owner subject to such Assessments. The Association shall, upon reasonable request of any Owner, furnish to such Owner or any prospective purchaser from such Owner or mortgagee an Estoppel Certificate in writing signed by an officer of the Association setting forth the amount of current Assessments, whether any delinquencies exist and whether or not there are any violations of this Declaration or the Rules and Regulations with respect to the Lot as of the date of preparation of the Estoppel Certificate. The Association may charge an administrative fee in the amount of FIFTY DOLLARS (\$50.00) with respect to giving the certificate, which amount may be adjusted no more than twice yearly by the Board of Directors. Such certificate may be relied upon by any prospective purchaser or mortgagee named in the certificate and, as to such purchaser or mortgagee, shall be conclusive as to the information set forth therein.

Section 11. Assessments Payable.

Any Individual Assessment or Special Assessment shall be payable within thirty (30) days after the Owner shall have been notified thereof, unless any such Assessment is deemed by the Association to be of an emergency nature, in which case such Assessments shall be payable within fifteen (15) days after notice thereof.

Section 12. Working Capital Contribution.

A working capital contribution in the amount of TWO HUNDRED FIFTY DOLLARS (\$250.00) for common expenses may be collected by the Declarant in addition to the owner's responsibility for assessments for common expenses at the time of transfer of title of any Lot from the purchaser thereof; provided, however that the Declarant shall not be obligated to collect such capital contributions, and any decision regarding same shall be subject to the sole and absolute discretion of the Declarant as it deems appropriate. The contribution may be used by the Board for any purpose it deems necessary or appropriate including the funding of day-to-day operational expenses of the Association or the acquisition of additional equipment and/or services. Amounts paid into this fund are not Assessments and shall not be considered as an advanced payment of Assessments.

ARTICLE VI

EFFECT OF NON-PAYMENT OF ASSESSMENTS:

Section 1. Remedies of the Association.

Except as otherwise provided herein, if any assessment is not paid on the date

when due, the Assessment shall become delinquent, and together with interest thereon, all costs of collection, including reasonable attorneys' fees at all tribunal levels, shall become a continuing lien on the Lot against which the Assessment is made and shall also be the continuing obligation of the Owner of such Lot at the time of Assessment. Any installment of a Common Assessment, Individual Assessment, or Special Assessment not paid within ten (10) days after the due date shall bear interest from the due date of such installment at the maximum rate permitted by law. If any installment of an Assessment is not paid within thirty (30) days after it is due, the Owner responsible therefor may be required further by the Board to pay a late charge equal to an amount not greater than the amount of the unpaid installment. The Association may bring an action at law against the Owner(s) personally obligation to pay the same, or foreclose its lien against the Lot of such Owner(s) or both. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Properties or abandonment of his Lot. If any installment of a Common Assessment is not paid within thirty (30) days after its due date, the Board may mail an acceleration notice to the Owner and to each Mortgagee which has requested in writing a copy of the notice. The notice shall specify (1) the fact that installment is delinquent, (2) the action required to cure the default, (3) a date, not less than thirty (30) days from the date the notice is mailed to the Owner, by which such a default must be cured, and (4) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the installments of the Common Assessments for the then current fiscal year; however, the failure of such notice to contain any of the foregoing information shall not affect validity of the lien for unpaid Assessments. If the delinquent installment(s) of Common Assessments and any charges thereon are not paid in full on or before the date specified in the notice, the Board at its option may declare all of the unpaid balance of the annual Common Assessment to be immediately due and payable without further demand and may enforce the collection thereof and all charges thereon in the manner authorized by law and this Declaration. Notwithstanding the foregoing, failure to pay Assessments does not constitute a default under a mortgage insured by FHA or VA.

Section 2. Notice of Lien.

No action shall be brought to foreclose the lien for Assessments herein created unless at least thirty (30) days has expired following the date a Notice of Lien is deposited in the United States mail, certified or registered, postage prepaid, addressed to the Owner of the Lot, and a copy thereof has been recorded by the Association in the Public Records of Palm Beach County, Florida. The notice of Lien must recite a good and sufficient legal description of any such Lot, the record Owner thereof, and the amount claimed which may at the Association's option include interest on the unpaid Assessment at the highest lawful rate, plus reasonable attorneys' fees and expenses of collection in connection with the debt secured by said lien and late charges. Such Notice of Lien shall be signed and acknowledged by an officer or designated agent of the Association. Filing of the Notice of Lien shall not be a prerequisite to creating the Lien (which is created by this Declaration). The lien shall continue until fully paid or otherwise satisfied.

In the event that a check given to the Association for payment of an Assessment shall be dishonored for any reason, the Association shall have the right to charge an

administrative fee in the amount of TWENTY-FIVE DOLLARS (\$25.00), or such other reasonable amount as may be determined by the Board of Directors. This fee shall be deemed to be part of the Assessment, shall be secured by the Assessment lien against the affected Lot, and may be enforced in the same manner as any other Assessment, as provided herein above.

Section 3. Subordination of the Lien to Mortgages.

Anything herein to the contrary notwithstanding, the lien securing Assessments provided for in this Declaration shall be subordinate to the lien of any Mortgage (including all extensions, modifications and renewals of same) made in good faith to an unrelated party and for value and recorded prior to the date on which a Notice of Lien is recorded. The sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of such Mortgage or deed in lieu thereof (if such Mortgage was recorded prior to the recording of notice of Lien) shall extinguish the lien of such Assessments as to installments and other sums which become due prior to such sale or transfer. However, no sale or transfer shall relieve such Lot from liability for any installments of Assessments thereafter becoming due or from the lien thereof. Notwithstanding the foregoing, mortgagees are not required to collect Assessments.

Section 4. Foreclosure Sale.

The Assessment lien set forth herein may be foreclosed in the same manner as mortgages are foreclosed under Florida law. The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same .

Section 5. Curing of Default.

Upon the timely curing of any default for which a notice of Lien was filed by the Association (including payment of all delinquent principal, interest, late charges, and costs of collection), an officer or agent of the Association shall record an appropriate Release of Lien upon payment by the defaulting Owner of a fee, to be determined by the Association, but not to exceed Fifty Dollars (\$50.00), to cover the cost of preparing and recording such release.

Section 6. Cumulative Remedies.

The Assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies hereunder and under law, including a suit to recover a money judgement for unpaid Assessments, as above provided.

ARTICLE VII

ARCHITECTURAL CONTROL

It is the intent of the Declarant to create a general plan and uniform scheme of development of the Project that avoids harsh contrasts within the Project and that promotes a residential community of high quality and harmonious improvements. Declarant hereby establishes an Architectural Review Board ("A.R.B.") whose procedures and powers shall be as set forth below.

Section 1. Members of the A.R.B.

The A.R.B. shall initially consist of three (3) people who shall be designated by Declarant. The A.R.B. members appointed by the Declarant shall hold office at the option of Declarant. Thereafter, the A.R.B. maybe increased up to five (5) members who shall be appointed by the Board and shall hold office until such time as they shall resign or be removed by the Board. The members of the A.R.B. appointed by Declarant may be removed and replaced by the Declarant at any time without cause.

Section 2. Review of proposed Construction.

No improvement shall be constructed, installed, painted, erected, removed, planted or maintained in or on any Lot if the same shall be visible outside of that Lot, nor shall any addition to or any change, replacement or alteration of any improvement be made until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, exterior wall texture, color scheme and location of the same including a surface water drainage plan shall have been submitted to, and approved in writing by the A.R.B.. The A.R.B. has the right to refuse to approve the plans or specifications of all proposed improvements which are not suitable or desirable, in its sole discretion, for aesthetic or any other reasons. The A.R.B. shall approve proposals or plans and specification submitted for its approval only after making a determination that the materials to be used are suitable and that the construction, alterations or additions contemplated thereby, in the locations indicated, will not be detrimental to the appearance of the surrounding area of the Project and that the appearance of any structure affected thereby will be in harmony with surrounding structures and is otherwise desirable. The A.R.B. may condition its approval of proposals and plans and specifications as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The A.R.B. may also issue rules or guidelines for approval. The A.R.B. shall have thirty (30) days after delivery of all required materials to approve or reject any such plans, and if not rejected within such 30-day period, said plans shall be deemed approved.

All charges and alterations shall be subject independently to all applicable governmental laws, status, ordinances, rules, regulations, orders and decrees, and the Existing Declaration.

Section 3. Meetings of the A.R.B.: Certificates.

The A.R.B. shall meet from time to time as necessary to perform its duties hereunder. The A.R.B. may from time to time, by resolution unanimously adopted in writing, designate an A.R.B. representative (who may, but need not, be one of its members) to take any action or perform any duties of the A.R.B. on its behalf except the granting of variances pursuant to Section 7 hereof. In the absence of such designation, the vote of a majority of the members of the A.R.B. shall constitute an act of the A.R.B.. Upon review and approval by the A.R.B. of any plans and specifications, the A.R.B. shall provide the applicant with a written approval which shall set forth the qualifications or conditions of approval, if any. In the event the A.R.B. disapproves any plans and specifications submitted to it, the A.R.B. shall likewise notify the applicant in writing and state the grounds upon which said disapproval is based.

Section 4. No waiver of Future Approvals.

The approval of the A.R.B. of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the A.R.B., shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters whatever subsequently or additionally submitted for approval or consent.

Section 5. Changes in Plans.

Any and all alterations, deletions, additions and changes of any type or nature whatsoever in the plans and/or specifications as approved by the A.R.B. shall be subject to the approval of the A.R.B. in the same manner as is required for approval of original plans and/or specifications.

Section 6. Completion of Construction/Certificate of Occupancy

The improvement shall not be used or, in the instance where a Certificate of Occupancy is applicable, it shall not be occupied until such time as the A.R.B. has inspected the premises and approved same for compliance with plans and specifications as previously approved by the A.R.B. In event the A.R.B. fails to respond within forty-eight (48) hours (excluding Saturdays, Sundays and Legal Holidays) after the receipt of the notice, the work shall be deemed approved and this requirement shall be deemed waived by the A.R.B.

Section 7. Disapproval.

In the event of disapproval of plans and/or specifications as submitted, no work or construction shall be commenced in furtherance of the proposed improvement. The applicant, in such event, may request a formal meeting with the A.R.B. to review plans and specifications as submitted. The meeting shall take place no later than thirty (30) days after written request for the meeting is received by the A.R.B. (unless applicant waives this

requirement in writing). The A.R.B. shall make a final written decision no later than thirty (30) days after the meeting; and, in the event the A.R.B. fails to provide a written decision, the plans and specifications shall be deemed disapproved. Upon continued disapproval, the applicant may request a formal meeting before the Board of Directors of the Association, which shall take place no later than thirty (30) days subsequent to the receipt of the request by the Board (unless applicant waives this time requirement in writing). If the Board of Directors fails to grant a meeting within thirty (30) days after receipt of request of such meeting, then the plans and specifications shall be deemed disapproved. The Board of Directors shall make a final decision no later than thirty (30) days after such meeting; and, in the event the Board of Directors fails to provide such written decision, such plans and specifications shall be deemed disapproved. The decision of the Board of Directors shall be final and binding upon the applicant, his heirs, successors and assigns.

Section 8. Certificate of Approval Upon Request.

Upon completion of the improvement (s) and final approval by the A.R.B., the Board of Directors shall, upon request by an applicant, direct the appropriate officers of the Association to provide the applicant a Certificate, executed with the formalities of a deed, certifying the approval of the A.R.B. and the Association of the improvements made upon the premises for which application was made.

Section 9. Notification to Board of Directors.

The A.R.B. shall promptly notify the Board of Directors of any application made to it pursuant to this Section and, in addition, shall notify the Board of Directors of the disposition of such application. Copies of all written correspondences and decisions affecting any application shall be provided to the Board of Directors.

Section 10. Compensation of Members.

The members of the A.R.B. may receive compensation for services rendered, and reimbursement for expenses incurred by them in the performance of their duties hereunder if authorized by the Board.

Section 11. Liability of A.R.B..

Approval by the A.R.B. shall not constitute approval of safety or structural soundness of the proposed construction of the Improvement or that same complies with applicable building codes and/or other government regulations. Neither the Declarant, the directors or officers of the Association, the members of the A.R.B. nor any person acting on behalf of any of them, shall be liable for any costs or damages incurred by any Owner within the Project or any other party whatsoever, due to any mistake in judgement, failure to point out deficiencies in plans, negligence or any other act or omission of the A.R.B. in connection with approval or disapproval of plans and specifications.

Section 12. Variance.

The A.R.B. may in its sole discretion authorize variances from compliance with any of the architectural provisions of this Declaration or any Supplemental Declaration or as elsewhere promulgated by the A.R.B. on a case by case basis; provided, however, that the variance sought is reasonable and does not impose an undue hardship upon other owners and further provided that this paragraph shall not be applicable during any period the Declarant owns any portion of the Project.

Section 13. A.R.B. Review Standards and Application Procedures.

The A.R.B. is empowered to publish or modify, from time to time, design and development standards for the Project, including but not limited to the following:

- (a) Fences, walls and similar structures.
- (b) Exterior building and colors.
- (c) Exterior landscaping.
- (d) Signs and graphics, mailboxes, address numbers and exterior lighting.

The A.R.B. shall promulgate such rules and regulations as it deems necessary and proper, setting forth guidelines and procedures to be followed by any applicant seeking its approval which shall not be in conflict with this Declaration and which shall afford to each applicant a reasonable and adequate opportunity to present their proposal. The rules and regulations shall include, but not necessarily be limited to, an adequate application form together with such reasonable fees for processing applications as the A.R.B. may deem necessary. Rules and regulations, as promulgated, shall be subject to the approval of the Board of Directors of the Association; and, upon such approval, a copy thereof shall be made available to all members in the Office of the Association. Any revisions, additions, deletions and/or amendments to the rules and regulations shall, likewise, have the approval of the Board of Directors of the Association and copies shall be made available in the Office of the Association.

Section 14. Declarant's Exemption.

Notwithstanding anything contained in this Declaration to the contrary, Declarant shall be exempt from the provisions of this Article. The Declarant shall not be obligated to obtain A.R.B. approval for any construction or changes in construction which the Declarant may elect to make to any property owned by the Declarant within the Project including improvements made or to be made to the Common Properties.

Section 15. Plans and Specifications.

Any material or substantive change in new plans and specifications approved by the Board from the plans and specifications of previously constructed property shall require the

written approval of Institutional Mortgagees holding mortgages encumbering at least two-thirds (2/3) of the Subject Properties so encumbered.

ARTICLE VIII

MAINTENANCE AND REPAIR OBLIGATIONS.

Each owner shall maintain his Lot in a good, safe, clean, neat and attractive condition in accordance with this Declaration and the Community Wide Standard established pursuant thereto. In particular, the exterior of each residence building including, but not limited to, roof, walls, windows, patio areas, pools, screening, awnings, outdoor lighting, walks, driveways, irrigation system, landscaping and mailboxes shall be maintained in good and functional condition and repair in a neat and attractive manner, in accordance with the rules or specification promulgated from time to time by the Association and/or the Architectural Review Board. All painted areas on the exterior of a residence shall be painted as reasonably necessary with colors which are harmonious with other residences in the Project, and no excessive rust or other mineral deposits on the exterior of any residence from the Lot's irrigation system, peeling of paint or discoloration of same shall be permitted. Each Owner shall also keep and maintain his Lot and residence owned by him and Limited Common Property appurtenant thereto, including all landscaping located thereon (lots contiguous to planter areas, lots backing up to water and/or having front and/or side yards to curb), in good condition and repair, including, but not limited to:

- (a) repairing and painting (or other appropriate external care) of all structures;
- (b) seeding, watering and mowing of all lawns; and
- (c) pruning and trimming of all trees, hedges and shrubbery so that the same do not pose a hazard to motorists or pedestrians

In the event that any Owner fails to maintain his Lot, or the Limited Common Property appurtenant to his Lot, or restore any Improvements on his Lot within ninety (90) days of any casualty which damages or destroys such Improvements, the Association shall have the right, but not the duty, upon fifteen (15) days prior written notice, to correct such condition and to enter upon such Lot and /or the Limited Common Property to make such repairs or to perform such maintenance or restoration. The cost thereof shall be charged to the appropriate Lot and shall be an Individual Assessment thereupon. The Owner of such Lot shall pay promptly all amounts due for such work, and the costs of collection may be added, at the option of the Board, to the Individual Assessment.

ARTICLE IX

USE RESTRICTIONS

The project shall be held, used and enjoyed subject to the following limitations and restrictions; provided, however, no such restrictions shall apply to the Declarant:

Section 1. General.

Lots shall be used for dwelling purposes by one Family in accordance with the provisions hereof and for no other purpose except as provided in Section 2 below. No business or commercial buildings may be erected on any Lot, no business or profession, or commercial enterprise may be conducted upon any part of the Common Properties or a Lot, and no building or portion thereof shall be used or maintained for any such purposes. No more than thirty-four (34) dwelling units shall be constructed, erected or placed in the Project.

Section 2. Development Purposes.

Notwithstanding the provisions of Section 1, as long as Declarant or its successors and assigns shall retain title to any Lot or portion of the Project, it may use or permit others to use its Lots or portions of the Common Properties for any of the following purposes ("Development Purposes") :

- (a) Construction of buildings and other improvements, including material and equipment storage, and trailers and offices associated with construction and development; and
- (b) Sales and marketing purposes, including model sales offices.

Section 3. Garages, Storage Areas, and Driveways.

Repair of vehicles shall be permitted only inside the garage. No unenclosed storage area, auxiliary building, garage or structure of any kind shall be erected which is separate from the main residence building which it serves. Every dwelling unit in the Project shall have a minimum of a two (2) car garage and no dwelling unit shall have more than a three (3) car garage without approval of Declarant. Driveways and parking areas on Lots in the Project shall be constructed of paver blocks, or brick materials.

Section 4. Garbage Containers, Oil and Gas Tanks, Air-Conditioners, and Energy Devices.

All garbage and refuse containers, air-conditioning units, oil tanks, bottled gas tanks, sprinkler system pumps, and permanently affixed swimming pool equipment, pumps and housings shall be placed in walled-in or landscaped areas so that they shall be substantially concealed or obscured from any eye level elevation or any street or adjacent properties; provided that this subsection shall not apply to Declarant or its designee, or its or their contractors during construction of improvements by or on behalf of the Declarant or such designee. No wall or window air-conditioning units shall be permitted. No reflective foil or other reflective substance shall be placed on any glass surface of any residence except as conservation purposes. No portion of the Project shall be used or maintained as a dumping ground for rubbish, and all equipment for the storage or disposal of rubbish shall be kept clean and in a sanitary condition. No solar collection or energy devices shall be placed on any lot except as installed by Declarant or approved by the

A.R.B.

Section 5. Automobiles, Commercial and Recreation Vehicles, etc.

- (a) No vehicle may be kept on the Project which is unlicensed or inoperable unless kept fully enclosed inside a garage.
- (b) No commercial vehicles of any kind shall be permitted to be parked for any period of more than overnight, unless the same is temporarily present and necessary in the actual construction or repair of a Lot or to service the same.
- (c) No commercial vehicle of any kind shall be parked overnight, and no boat, boat trailers, buses or trailers of any kind, campers, recreational vehicles or mobile homes shall be permitted to park within the Project at any time unless kept fully enclosed inside a garage which contains a full garage door and such garage door is kept closed.
- (d) No repair work to any type of motor vehicle, boat or boat trailer shall be conducted on any Lot.
- (e) No truck, commercial vehicle, boat, camper or mobile home shall be used as a domicile or residence, either permanent or temporary.
- (f) No motorized vehicle (including without limitation all-terrain vehicles or cycles, "dirt-bikes," or other off-road recreational vehicles) shall be operated anywhere within the Project except on streets or roadways and then only if appropriately licensed. This prohibition shall not apply to authorized vehicles of Declarant, Association, contractors or any governmental entity.

Section 6. Outside Storage of Personal Property.

All personal property of any Owner shall be stored inside the Owner's residence and shall not be left outside overnight, with the exception of the Owner's permitted motor vehicles, a barbecue, and patio furniture accessories.

Section 7. Nuisances, Animals and Pets.

No person, including an Owner, lessee, invitee, permittee or occupant of any residence building on a Lot shall do or permit any act or omission which may be, become or cause an annoyance or nuisance to the Project, and without limiting the generality of the foregoing:

- (a) No obnoxious, unpleasant or offensive activities shall be carried on, nor shall anything be done within the Project which could be construed to constitute a nuisance, public or private in nature; and
- (b) No animals, livestock or poultry of any kind shall be kept, even if kept as

pets, except that dogs, cats and other common household pets (collectively "Pets") may be kept upon Lots provided that:

- (1) they are not kept, bred or maintained for any commercial purpose;
- (2) no person keeping a Pet shall permit it to go or stray upon any other Lot without permission of the Owner thereof; all Pets shall be kept on a leash at all times while such pets are outdoors and not within a fenced portion of the Owner's lot and all waste deposited by a Pet on any portion of the Property other than the Lot owned by the Pet's owner shall be immediately removed by the Pet's owner; and
- (3) such Pets shall not constitute a nuisance to other residents within the Project.

Section 8. Rules and Regulations.

The Board may, from time to time, adopt and amend previously adopted rules and regulations governing the operation, use, maintenance, management and control of the Project.

Section 9. Signs.

No signs of any type (including "for sale" and "for rent" signs) shall be erected or displayed on any Lot, structure, or vehicle unless the placement, character, form, size, color and time of placement of such sign shall be first approved in writing by the Declarant or the Architectural Review Board.

Section 10. Trees.

Owners shall not remove trees on their lots nor trim trees excessively unless such trees are diseased. Any tree removed must be replaced with a tree of similar variety and quality which will, when mature, be of similar size to the tree which was removed. Any tree removal is subject to any required prior approval of all applicable governmental authorities.

Section 11. Pools and Outdoor Recreational Courts.

No above-ground pools shall be erected, constructed or installed on any Lot. No outdoor recreational courts shall be permitted on a Lot except as may be approved in writing by Declarant or the A.R.B.

Section 12. Subdividing and Dwelling Unit Size.

No Lot shall be divided or sold except as whole without the prior written approval of Declarant or the Association. The minimum square feet of living area for a dwelling unit on any Lot shall be two thousand (2,000) square feet exclusive of garages, porches, patios, and terraces.

Section 13. Setbacks.

Setbacks shall be in accordance with Palm Beach County setback requirements.

Section 14. Storm Shutters.

No hurricane or storm shutters shall be installed unless they shall be of the type and appearance approved in writing by the Declarant or the A.R.B. Any hurricane or storm shutters must be taken down forty-eight (48) hours after any storm or hurricane.

Section 15. Rights of Declarant.

Notwithstanding any provisions of this Declaration, Declarant shall have the right to construct buildings, residences, signs, billboards, placards and other improvements including landscaping on the Project without the approval of any entity or person. The construction of buildings, residences, signs and improvements shall be of such type, nature, design, size, shape, height, materials and location, including landscaping (which term shall be defined in its broadest sense as including grass, hedges, vines, trees, and the like) as Declarant determines in its sole discretion without obtaining the prior consent or approval of the Association, the Architectural Review Board or any other person or entity provided that all the same complies with applicable governmental requirements.

Section 16. Wells, Mining and "Ground Water".

No Owner shall install a well or mining operation of any type in any portion of the Project, or draw any oil, gas, ground water, or any other mineral for any purpose whatsoever. For purposes of this Section, water which is piped to the Project from any governmental entity having jurisdiction over the Project shall not be considered to be "ground water".

Section 17. Screen Enclosures.

No screen enclosures on a Lot shall be permitted except as may be approved in writing by Declarant or the A.R.B.

Section 18. Roofs.

The specifications and construction of roofs on each Lot shall be in accordance with specifications as may be approved in writing by Declarant or the A.R.B.

Section 19. Antennas and Flag Poles.

No outside antennas, antenna poles, antenna masts, electronic devices, satellite dishes or antenna towers, or flag poles shall be permitted except as may be approved in writing by Declarant or the A.R.B.

Section 20. Indemnification.

Any loss or damage incurred by the Association by breach of any restrictions herein shall be reimbursed by the responsible Lot Owner. The Association may obtain recovery against such Owner in the same manner as the collection and enforcement of Assessments.

Section 21. Compliance with Rules and Regulations

No person shall use the Common Property, or any part thereof, or a Lot, or any part thereof, in any manner contrary to, or not in accordance with rules and regulations as may be promulgated by the Association from time to time.

Section 22. Enforcement.

The Association; through its Board of Directors, officers and the A.R.B., shall have the authority to enforce those restrictions imposed under this Article IX. Failure to enforce the restrictions imposed under this Article IX shall not be deemed a waiver of the right of enforcement.

ARTICLE X

INSURANCE

Insurance, other than title insurance, that shall be carried on the Common Property shall be governed by the following provisions:

Section 1. Authority to Purchase: Named Insured.

All insurance policies upon the Common Property shall be purchased by the Association and shall be placed in a single agency or company, if possible. The named insured shall be the Association individually and as trustee for the members without naming them, and mortgagees. The Board may authorize an "Insurance Trustee" to maintain the policies and receive any proceeds of such policies. The Insurance Trustee may be any bank in Florida with trust powers, as may be designated by the Board of Directors of the Association. Provisions shall be made for the issuance of mortgagee endorsements and memoranda of insurance to any mortgagees.

The owners of Lots may purchase insurance on their individual dwellings.

Section 2. Coverage.

A. Casualty Insurance. All buildings and insurable improvements on the Common Property, in any, shall be insured for fire and extended coverage perils, excluding foundation and excavation costs, at their maximum replacement value, and all personal property owned by the Association shall be insured for its full insurable value, all as determined annually by the Board of Directors of the Association.

B. Public Liability Insurance. The Association shall obtain public liability insurance and property damage insurance covering all of the Common Property, and insuring the Association and the members as their interests may appear in such amounts and providing such coverage as the Board of Directors of the Association may determine from time to time. The liability insurance shall include, but not be limited to, hired and nonowned automobile coverage.

C. Workman's Compensation Insurance. The Association shall obtain Workman's Compensation insurance in order to meet the requirements of law, as necessary.

D. Flood Insurance. The Association shall obtain flood insurance to meet the requirements of federal, state or local law, or any regulation enacted pursuant to federal, state or local law, as necessary.

E. Other Insurance. The Board of Directors of the Association shall obtain such other insurance as they shall determine from time to time to be desirable.

F. Subrogation Waiver. If available, the Association shall obtain policies which provide that the insurer waives its rights to subrogation as to any claim against members, the Association and their respective servants, agents, and guests.

Section 3. Premiums.

Premiums upon insurance policies purchased by the Association shall be paid by the Association. The cost of insurance premiums and other incidental expenses incurred by the Association in administering and carrying out any of the provisions of this Section shall be assessed against and collected from members as part of Common Assessments.

Section 4. Share of Proceeds.

All insurance policies purchased by the Association shall be for the benefit of the Association, the members, and mortgagees, as their interests may appear, and shall provide that all proceeds covering losses shall be paid to the Association, as trustee or the Insurance Trustee designated by the Board of Directors of the Association. The Insurance Trustee shall not be liable for the payment of premiums nor the renewal nor the sufficiency of policies nor the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the proceeds in trust for the purposes elsewhere stated herein for the benefit of the members and mortgagees in the following shares, which shares need not be set forth on the records of the Insurance Trustee:

A. Common Property. Proceeds on account of damage to Common Property shall be an equal undivided share for each member.

B. Mortgagees. In the event a mortgagee endorsement has been issued regarding an improvement, the share of the Lot Owner shall be held in trust for the

mortgagee, and the Lot Owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged improvement shall be reconstructed or repaired, and not mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distribution of such proceeds made to the Lot Owner and mortgagee pursuant to the provisions of this Declaration.

Section 5. Distribution of Proceeds.

Proceeds of insurance policies received by the Association or by the Insurance Trustee shall be distributed to or for the benefit of the members in the following manner:

A. Expense of the Trust. All expenses of the Insurance Trust shall be paid first, or provisions made for such payment.

B. Reconstruction or Repair. If the damage for which proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost of such as herein provided. Any proceeds which remain after defraying such costs shall be distributed to the members.

C. Failure to Reconstruct or Repair. If it is determined in the manner hereinafter provided that the damage for which proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the members. There shall be no distribution of remaining proceeds until all debris, remains and residue have been cleared and removed, and the damaged area has been properly landscaped. In the event of loss or damage to personal property belonging to the Association, and the Board of Directors of the Association determine not to replace such personal property as may be lost or damaged, the proceeds shall be distributed to the members.

D. Certificate. In making distribution to members, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary as to the names of the members and their respective shares of the distribution.

Section 6. Association's Power to Compromise Claim.

The Board of Directors of the Association is hereby irrevocably appointed as agent for each member and for each owner of a mortgage or other lien, for the purpose of compromising and settling all claims arising under insurance policies purchased by the Association, and to execute and deliver releases therefor upon payment of claims.

ARTICLE XI

DAMAGE OR DESTRUCTION TO COMMON PROPERTIES

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

- (a) In the event of damage to or destruction of Improvements on the Common Properties, if insurance proceeds are sufficient to effect total restoration, then the Association shall cause such Improvements on Common Properties to be repaired and reconstructed substantially as they previously existed.
- (b) If the insurance proceeds are within One Hundred Thousand Dollars (\$100,000.00) or less of being sufficient to effect total restoration to the Improvements on the Common Properties, then the Association shall cause such Improvements on the Common Properties to be repaired and reconstructed substantially as they previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a Special Assessment against each of the Owners and Lots and no consent of Owners shall be required.
- (c) If the insurance proceeds are insufficient by more than One Hundred Thousand Dollars (\$100,000.00) to effect total restoration to the Improvements on the Common Properties, then the Members shall determine, by vote of two-thirds (2/3) of Member votes present, in person or by proxy, at a special meeting of the Members, duly called, whether (1) to rebuild and restore the Improvements on the Common Properties in substantially the same manner as they existed prior to damage and to raise the necessary funds over the insurance proceeds by levying a Special Assessment against all Lots, or (2) to rebuild and restore in a way which is less expensive than replacing these Improvements in substantially the same manner as they existed prior to being damaged, or (3) to not rebuild and to retain the available insurance proceeds. If a decision is made to rebuild in a manner which would result in a change in the Improvements, such new plans must receive the written approval of the Architectural Review Board, which may pre-approve plans to be submitted to the Members at a special meeting of Members. Any decision not to rebuild substantially in accordance with the original Improvements shall require the consent of the Mortgagee, if any, of each Lot so voting.
- (d) Each Owner shall be liable to the Association for any damage to the Common Properties not fully covered by collected insurance which may be sustained by reason of the negligence or willful misconduct of any Owner or of his Family, tenants, guests or invitees, both minor and adult. In addition, the Association shall have the right to charge such Owner an Individual Assessment equal to the increase, if any, in any insurance premium due from the Association directly attributable to the damage caused by such Owner. In the case of joint ownership of a Lot, the liability of such Owners shall be joint and several. The cost of correcting such damage shall be an Individual Assessment against the Lot and may be collected as provided herein for the collection of Assessments.

ARTICLE XII

EMINENT DOMAIN OR CONDEMNATION PROCEEDINGS

If eminent domain or condemnation proceedings are successfully litigated against some but not all of the Project, then the entire eminent domain or condemnation award in connection with same shall be paid to the Association for the benefit of the Owners. The net proceeds thereof shall first be applied to the restoration of such taken areas and improvements thereon to the extent deemed advisable by the Association and approved by Owners owning at least two thirds (2/3) of the Subject Properties.

If eminent domain or condemnation proceedings are successfully litigated against all of the Project, then the entire eminent domain or condemnation award in connection with the same shall be divided by the Association among the Owners (or the Mortgagee holding a first mortgage on the lot of said Owner) in accordance with the proportionate share of Common Assessments attributable to such Owners.

Owners, by acceptance of deeds to their Lots, irrevocably nominate, constitute and appoint the Association, through its duly authorized officers, as the proper and legal attorney-in-fact for representation of the Owners in any proceedings, negotiations, settlements, or agreements with respect to condemnation or eminent domain proceedings. Said appointment is coupled with an interest and is therefor irrevocable.

ARTICLE XIII

RENTAL RESTRICTION

Entire Lots may be rented or leased without Association approval. If an Owner leases a Lot, then within ten (10) days prior to execution of the lease, the Owner shall provide the Association with written notice that Owner intends to lease its Lot and shall also provide the Association with a copy of the lease. The liability of the Owner under the Declaration shall continue, notwithstanding the fact that the Owner may have leased, rented or sublet said interest, as provided herein. Every lessee shall take possession of the Lot subject to this Declaration, Articles, and By-Laws of the Association. A breach of any of the provisions of this Declaration, the Articles, or By-Laws may be enjoined, abated or remedied by the appropriate legal proceedings by the Association. The failure of the Association to enforce any of the provisions of this Declaration, Articles, or By-Laws shall not constitute a waiver of the right to enforce same hereafter. No liability shall be imposed on, or incurred by, the Association as a result of such failure. Any failure of a tenant to comply with the requirements of this Declaration shall constitute a default under the lease between the tenant and the Owner, regardless whether such fact shall be expressed in the lease. Each Owner, by the acceptance of the deed to its Lot, irrevocably nominates, constitutes and appoints the Association, through its duly authorized officers, as the proper and legal attorney-in-fact for instituting any eviction proceedings against a tenant who fails to comply with this Declaration, Articles, or By-Laws. Said appointment is coupled with an interest in and is therefor irrevocable. The Association shall be entitled to recover any and all costs and expenses, including reasonable attorneys' fees from the Owner, in the event

it institutes legal proceedings as aforesaid, which costs and expenses shall be secured by a lien on the Owner's Lot. Such lien may be foreclosed in the same manner in which liens for assessments are foreclosed. Notwithstanding the foregoing, the Association shall not be required to institute eviction proceedings against any tenant. No portion of a Lot may be rented other than the entire Lot, and all leases of Lots shall be restricted to occupancy by a single Family. No Lot may be leased more than twice in a given calendar year, and no lease shall be for a term of less than six (6) months.

ARTICLE XIV

GENERAL PROVISIONS

Section 1. Enforcement.

This Declaration, the Articles, and the By-Laws may be enforced as follows:

- (a) Breach of any of the covenants contained in this Declaration, Articles or the By-Laws and the continuation of any such breach by any person, firm or entity, may be enjoined, abated or remedied by appropriate legal proceedings by the Declarant, the Association, any Owner and any Institutional Mortgagee holding a mortgage on any portion of the Subject Property. Any judgement rendered in any action or proceeding to enforce this Declaration, Articles or the By-Laws shall include a sum for attorneys' fees, in such amount as the court may deem reasonable, as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs.
- (b) The result of every act or omission whereby any of the covenants contained in this Declaration, Articles or the By-Laws are violated in whole or in part is hereby declared to be and constitute a nuisance, and every remedy allowed by law or equity with respect to nuisances either public or private shall be applicable and may be exercised by the Declarant or the Association.
- (c) The remedies herein provide for breach of the covenants contained in this Declaration, Articles or in the By-Laws shall be deemed cumulative, and none such remedies shall be deemed exclusive.
- (d) The failure of the Association to enforce any of the covenants contained in this Declaration, Articles or in the By-Laws shall not constitute a waiver of the right to enforce the same thereafter.
- (e) In addition to any other remedies provided for herein, the Association or its duly authorized agent shall have power to enter upon a Lot or any portion of the Common Properties to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates this Declaration, Articles, the By-Laws, the rules and regulations, or the use restrictions. Unless an emergency situation exists, the Board shall give the

violating Owner or occupant ten (10) days written notice of its intent to exercise this right. All costs of self-help, including reasonable attorneys' fees actually incurred, shall be an Individual Assessment against the violating Owner.

- (f) In addition to any other remedies provided herein, the Association may suspend the voting rights of a member for nonpayment of regular annual assessments that are delinquent in excess of ninety (90) days.

Section 2. Fines and Suspension of Rights.

In addition to all other remedies, and to the maximum extent lawful, a fine or fines may be imposed, and suspension of an Owner's and an Owner's tenants, guests, and invitees rights to use common areas and facilities (except means of ingress and egress, including parking) may be imposed, upon an Owner for failure of an Owner, his family, guests, invitees, or employees, to comply with any covenant, restriction, rule or regulation, provided the following procedures are adhered to:

- (a) Notice: The Association shall notify the Owner of the alleged infraction or infractions. Included in the notice shall be the date and time of a hearing at which time the Owner shall present reasons why a fine(s) and/or suspension should not be imposed. At least fourteen (14) days notice of such hearing shall be given.
- (b) Hearing: The alleged non-compliance shall be presented to a committee of at least three (3) members appointed by the Board of Directors who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother or sister of an officer, director or employee, who shall hear reasons why a fine(s) and/or suspension should not be imposed. A written decision of the committee shall be submitted to the Owner by not later than twenty-one (21) days after the hearing. The Owner shall have a right to be represented by counsel and to cross-examine witnesses. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed.
- (c) Amounts: The committee may impose fines as follows and the Board of Directors may impose special assessments against the Lot owned by the Owner for those fines imposed as follows:
 - (1) A fine not in excess of One Hundred and No/100 U.S. Dollars (\$100.00) for each violation.
 - (2) A fine may be levied on the basis of each day of a continuing violation, not to exceed One Thousand and No/100 U.S. Dollars (\$1000.00) in the aggregate.
- (d) Payment of Fines: Fines shall be paid no later than five (5) days after notice

of the imposition or assessment of the penalties.

- (e) Collection of Fines: Fines shall be treated as an assessment subject to the provisions for the collection of assessments as set forth herein.
- (f) Application of Proceeds: All monies received from fines shall be allocated as directed by the Board of Directors.
- (g) Duration of Suspension: Any suspension of rights imposed by the committee must be for a reasonable period of time.
- (h) Non-Exclusive Remedy: These fines and suspensions shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; provided, however, any penalty paid by the offending Owner shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner.
- (i) Declarant: The Declarant shall not be liable for any fines or be subject to any suspensions.
- (j) Fines or Suspensions for Delinquent Assessments: Any fines or suspensions imposed for delinquent assessments shall not be subject to the requirements of this Section.

Section 3. Severability.

Invalidation of any one of these covenants or restrictions or any part thereof by judgement or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 4. Term.

The covenants, conditions and restrictions of this Declaration shall run with and bind the Project, and shall inure to the benefit of and be enforceable by the Association, the Declarant, and any other Owner, their respective legal representatives, heirs, successors and assigns for a period of thirty (30) years from the date this Declaration is recorded amongst the Public Records of the County. At the expiration of said thirty (30) year period, this Declaration shall automatically be renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if, at least one year prior to the termination of the initial thirty (30) year period, or at least one year prior to the termination of any subsequent ten (10) year renewal period, two-thirds (2/3) of the votes cast at a duly held meeting of the Members of the Association and Institutional Mortgagees holding mortgages encumbering two-thirds (2/3) of all subject properties encumbered by

mortgages held by Institutional Mortgagees are in favor of terminating this Declaration at the end of its then current term. It shall be required that written notice of any meeting at which such proposal to terminate this Declaration is to be considered, shall be given at least forty-five (45) days in advance of said meeting.

In the event that the Association votes to terminate this Declaration, then the president and Secretary of the Association shall execute a certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of members of the Association, the total number of votes required to constitute a quorum at the meeting of the Association, the number of votes necessary to adopt a resolution terminating this Declaration, the total number of votes cast in favor of such resolution, and the total number of votes cast against such resolution. Said certificate shall be recorded in the Official Real Estate Records for Palm Beach County, Florida, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration. Should the Members of the Association vote not to renew and extend this Declaration as provided herein, all Common Properties shall be transferred to a Trustee appointed by the Circuit Court for Palm Beach County, Florida, which Trustee shall sell the Common Properties free and clear of the limitations imposed hereby upon the terms established by the Circuit Court of Palm Beach County, Florida. Proceeds of such sale shall first be used for the payment of any debts or obligations constituting a lien of the Common Properties, then for the payment of any obligations incurred by the Trustee in the operation, maintenance, repair and upkeep of the Common Properties. The excess of proceeds, if any, from Common Properties shall be distributed among the Owners in a proportion which is equal to the proportionate share of such Owners in Common Assessments.

Section 5. Interpretation.

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a community and for the maintenance of community facilities and Common Properties. The article and section headings have been inserted for conveniences only, and shall not be considered or referred to in resolving questions of interpretation or construction. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine and neutral genders shall each include the others. The Board shall be the ultimate interpreter of this Declaration and an opinion of counsel that any such interpretation is not unreasonable shall establish the validity of any such interpretation.

Section 6. Amendments.

This Declaration may be amended by the affirmative vote of two-thirds (2/3) of the votes of all Lot Owners, taken at any annual or special meeting, in person or by proxy, together with the affirmative vote of Declarant if the Declarant has not relinquished control of the Association as provided in Article II, Section 5, of this Declaration.

So long as the Declarant has not relinquished control of the Association, the Declarant may, without consent of the Owners, file any amendment which may be required by an Institutional Mortgagee for the purpose of satisfying its planned unit development criteria as may be established by such mortgagee's secondary mortgage market purchasers, including, without limitations, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, provided that any such Declarant filed amendments must be in accordance with any applicable rules, regulations and other requirements promulgated by the United States Department of Housing and Urban Development.

An amendment need not be executed by a record owner of an affected parcel or record owners of liens of an affected parcel, regardless of whether the amendment affects vested rights.

Notwithstanding the foregoing, no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of any Institutional Mortgagees without the specific written approval of such Institutional Mortgagee affected thereby.

Any amendment which would affect the surface water management system of any portion of the Project must be approved by the South Florida Water Management District. Notwithstanding anything herein to the contrary, this Section 6 may not be amended.

In the event any amendment is sought other than by the Declarant, notice shall be given at least thirty (30) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved by the Members as set forth above, the President and Secretary of the Association shall execute an Amendment to this Declaration which shall set forth the amendment, the effective date of the amendment which in no event shall be less than thirty (30) days after the date of recording the amendment, the date of the meeting of the Members at which such amendment was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Association, the number of votes present in person or by proxy at the meeting, the total number of votes cast for the amendment, and the total number of votes cast against the amendment. Such amendment shall be recorded in the Official Records for Palm Beach County, Florida. Amendments made by the Declarant need be signed only by the Declarant with no recitation of the items set forth immediately above.

Section 7. No Public Right or Dedication.

Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Common Properties to the public, or for any public use.

Section 8. Constructive Notice and Acceptance.

Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot or other portion of the Project shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition and

covenant contained herein, whether or not any reference hereto is contained in the instrument by which such person acquired an interest in such Lot or other property.

Section 9. Notices.

Any notice permitted or required to be delivered as provided herein shall (unless otherwise expressly set forth herein) be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered forty-eight (48) hours after a copy of the same has been deposited in the United States mail, postage prepaid, address to any person at the address for such person contained in the records of the Association. Such address may be changed from time to time by notice in writing to the Association.

Section 10. Rights of Mortgagees to Notice.

Each Lot Owner must advise the Association of any Mortgage on his Lot and provide the Association with a true copy of the mortgage and the correct name and address of the Mortgagee. The Association shall provide all Institutional Mortgagees who provide written request to the Association, timely written notice of the following:

- (a) Any condemnation, loss or casualty loss which affects any material portion of the Common Property;
- (b) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- (c) Any proposed action which would require the consent of mortgagees holding a mortgage encumbering the Subject Property; and
- (d) Any failure by an Owner owning a Subject Property encumbered by a mortgage held, insured or guaranteed by such Institutional Mortgagee to perform his obligations under this Declaration, including, but not limited to, any delinquency in the payment of Assessments, or any charge owed to the Association by said Owner where such failure or delinquency has continued for a period of sixty (60) days.

Section 11. NO REPRESENTATIONS OR WARRANTIES.

NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, HAVE BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE PROJECT, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF, EXCEPT (A) AS SPECIFICALLY AND EXPRESSLY SET FORTH IN THIS DECLARATION OR IN WRITTEN DOCUMENTS DELIVERED BY THE DECLARANT TO ANY OWNER, AND (B)

AS OTHERWISE REQUIRED BY LAW.

Section 12. Declarant Exemption.

Notwithstanding any provision contained in this Declaration to the contrary, Declarant hereby expressly reserves unto itself and its successors and assigns a non-exclusive, perpetual right, privilege, and easement with respect to the Common Properties for the benefit of Declarant, its successors, and assigns over, under, in, and/or the Common Properties, without obligation and without charge to Declarant, for the purposes of construction, installation, relocation, development, sale, maintenance, repair, replacement, use and enjoyment, and/or otherwise dealing with the Common Properties and any other property now owned or which may in the future be owned by Declarant (such other property is hereinafter referred to as "Additional Property"). The reserved easement shall constitute a burden on the title to the Common Properties and specifically includes, but is not limited to:

- (a) The right of access, ingress, and egress for vehicular and pedestrian traffic over, under, on, or in the Common Properties; and the right to tie into any portion of the Common Properties with driveways, parking areas, and walkways; and the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, maintain, and repair any device which provides utility or similar services, including, without limitation, electrical, telephone, natural gas, water, sewer, and drainage lines and facilities constructed or installed in, on, under, and/or over the Common Properties; and
- (b) The right to construct, install, replace, relocate, maintain, repair, use, and enjoy signs, model residences, and sales offices in the Common Properties, and to establish separate access to such sales offices by means other than the entrances and roadways constituting the Common Properties;
- (c) No rights, privileges, and easements granted or reserved herein shall be merged into the title of any property, including, without limitation, the Common Properties, but shall be held independent of such title, and no such right, privilege, or easement shall be surrendered, conveyed, or released unless and until and except by delivery of a quit-claim deed from Declarant releasing such right, privilege, or easement by express reference thereto.

This Article shall not be amended without the prior written consent of the Declarant.

Section 13. Conveyances of Common Properties.

The Association shall accept such conveyances of the Common Properties as are made from time to time to the Association by the Declarant.

Section 14. Security.

Neither the Association, nor the Declarant, shall in any way be considered insurers or guarantors of security within the Project and neither the Association nor the Declarant shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. All Owners, tenants, guests and invitees of any Owner, as applicable, acknowledge that the Association, its Board of Directors, the Declarant, and committees established by any of the foregoing entities, are not insurers and that each Owner, tenant, guest and invitee assumes all risk of loss or damage to persons, to Lots and to the contents of Lots. Further, the Owners acknowledge that neither the Declarant, nor the Association, Board of Directors or committees have made any representation or warranties, whether express or implied, regarding any security measures recommended or undertaken.

Section 15. Conflicts.

In the event there should be found irreconcilable conflict among or between this Declaration, the Articles, or the By-Laws and in the absence of any express language indicating which document controls the particular subject matter, then the provision of this Declaration shall be paramount, the Articles shall be next paramount, and the By-Laws subordinate.

Section 16. Dispute Notification and Resolution Procedure (Declarant Disputes)

Any disputes between the Association (or any Owners) and the Declarant or any director, officer, partner, employee, subcontractor or agent of the Declarant relating to this Declaration, the use or condition of the Property, and/or the construction and installation of any Improvements located thereon shall be subject to the following provisions:

- (a) Notice and Opportunity to cure. If any Owner discovers a material structural or other defect ("Defect") in the Project or any Lot, Improvement or Common Properties located thereon including, without limitation, buildings, walks, hard scape and soil/grading that Owner feels may be the responsibility of Declarant, Owner shall notify Declarant in writing. Such notice ("Defect Notice") shall include: (a) a description of the Defect, with copies of any experts' reports or inspections obtained by Owner, (b) the date upon which the Defect was discovered, and (c) dates and times when Owner will be home week days between 7:30 a.m. and 5:00 p.m. so that service calls or inspections by Declarant can be scheduled. Declarant shall, in its sole discretion, within thirty (30) calendar days after receipt of the Defect Notice, be entitled to inspect the property on one or more occasions regarding the Defect and within its sole discretion, be entitled, within a reasonable period of time thereafter, to cure such Defect. As used in this Section 16 only, Declarant shall include any director, member, officer, partner, employee, subcontractor or agent of Declarant. Owner shall not pursue any other remedies available to it under this Section 16 until Declarant has had the

notice and opportunity to cure the Defect described above. Declarant shall not be liable for any general, special or consequential damage, costs, diminution in value or other loss which Owner may suffer as a result of any Defect in the Project, which reasonably might have been avoided had Owner given to Declarant the notice and opportunity to cure described above. Except as otherwise provided in any written limited warranty provided Owner by Declarant, the provisions contained herein do not establish any contractual duty or obligation on the part of Declarant to inspect, repair, replace or cure any Defect. If the Declarant shall fail, for any reason other than the fault of Owner, to inspect and/or cure the Defect within the time period specified above, Owners' sole remedy shall be to proceed as provided in Section 16 (b) hereof. Owner and Declarant are sometimes referred to herein, individually as "Party" and collectively as the "Parties".

- (b) Resolution of Dispute. Subject to the provisions of Section 16 (a) above, Owner and Declarant hereby agree that the mediation and arbitration procedures described below, shall be the sole, exclusive and final means of resolving any "Dispute" between them and/or between their respective successors-in-interest. As used herein, "Dispute" shall mean any claim, cause of action (whether at law or in equity), or disagreement of any nature whatsoever ("Claim") arising from or in connection with the sale of the Lot to Owner, construction or installation of any Improvements on the Project or any work or services performed by Declarant on or in connection with the Project including, without limitation, Claims for real and personal property damage, construction defects (whether patent or latent), bodily injury or wrongful death, nondisclosure, misrepresentation, fraud, monetary damages, rescission of any agreement, enforceability of this Declaration and/or specific performance.
 - (i) Mediation. If a dispute still exists after the Declarant has been provided the notice and opportunity to cure described in Section 16 (a) above the Parties agree that they shall attempt to mediate the Dispute. Either Party may initiate mediation to resolve a dispute through a written request to the other Party. The written request ("Mediation Request") shall include: (i) a description of the nature of the Dispute and (ii) a proposal for the manner in which the Dispute may be resolved, including the facts supporting such proposal. If neither Party initiates mediation in accordance herewith within forty-five (45) calendar days after Declarant's receipt of the Defect Notice, the Parties agree that they waive the Dispute and any and all Claims relating or arising from the Dispute. The mediation shall be conducted by the American Arbitration Association ("AAA") located in Palm Beach County, Florida, pursuant to the mediation procedures adopted by the AAA or any successor thereto or any other entity offering mediation services acceptable to the Parties. Within twenty (20) calendar days following the receipt by the applicable Party of the Mediation request, the Parties shall select a mediator in accordance

with the AAA rules and procedures, If the Parties cannot agree on a mediator within the time frame provided herein, they agree that the AAA shall appoint a mediator. Within ten (10) calendar days following the selection of the mediator, each Party shall submit to the mediator a brief memorandum setting forth its position with respect to the issues involved in the Dispute ("Memorandum"). A Party's Memorandum may not be disclosed by the mediator to the other Party without the consent of the Party submitting the same. The mediation shall be commenced within ten (10) calendar days following the submittal by each Party of its Memorandum and shall be concluded within ten (10) calendar days following commencement of the mediation unless the Parties mutually agree to an extension thereof. The mediation shall be held in Palm Beach County, Florida, or such other place as may be mutually acceptable to the Parties. The Parties shall each bear their own attorney and/or expert/consultant fees. All other expenses of the mediation, including required traveling and other expenses the mediator, and expenses of any witnesses and costs of any expert advice, at the direct request of the mediator, shall be borne equally by the Parties. If any Dispute is not resolved through mediation, the mediator shall prepare a written statement ("Mediation Statement") setting forth the issues which the Parties were not able to resolve, and the respective positions of the Parties regarding such issues. The Mediation Statement shall be executed by both Parties and shall be submitted by the mediator to the arbitrator as provided below. If the Parties are unable to agree on the Mediation Statement within three (3) calendar days after it has been prepared by the mediator, each Party shall, within five (5) calendar days after the Mediation Statement has been prepared by the Mediator, submit its own Mediation Statement to the mediator who will submit both Mediation Statements to the arbitrator as provided below. The Mediation Statement(s) shall be evidence to the arbitrator of compliance by the Parties with the mediation requirements hereof. The mediation proceedings shall be privileged under Florida Law; however, the Parties agree that the Mediation Statement(s) shall not be subject to any such privilege.

- (ii) Arbitration. If the Parties are unable to resolve a Dispute through mediation as described above, the Dispute shall be submitted to binding arbitration by the AAA under the Commercial Arbitration Rules of the AAA. As a condition to commencement of the arbitration, the Parties shall insure the mediator provides to the arbitrator a copy of the Mediation Statement(s). The arbitrator shall have jurisdiction to address only the issues set forth in the Mediation Statement(s). Except as provided herein, the results of the arbitration shall be final and non-appealable upon both Parties, and may be enforced by either Party in a court of competent jurisdiction. A request for arbitration must be filed under the Commercial Arbitration Rules of the

AAA no later than six (6) months after the date of the Mediation Statement(s). In the event the request for arbitration is not filed in accordance herewith within six(6) months after the date of the Mediation Statement(s), the Parties agree that they waive the Dispute and any and all claims relating to or arising from the Dispute. No notice, claim or communication between the Parties, whether under any written limited warranty or otherwise shall stop the running of any statute of limitations. In addition to the Commercial Arbitration Rules of the AAA, the following additional rules shall govern the arbitration: (i) the arbitration shall be conducted by a single arbitrator; (ii) unless the prior written consent of both Parties is obtained, the Parties to the arbitration shall be limited to Owner and Declarant and both Parties agree not to attempt to include additional parties in the arbitration or consolidate the arbitration with any other arbitrations or legal proceedings; (iii) Declarant shall post the initial fee for such arbitration although the arbitrator shall have the discretion to require reimbursement of the fee in connection with any award; (iv) the arbitrator shall follow the law of the State of Florida; (v) any decision relating to the interpretation or application of the statute(s) of limitation shall be appealable under the rules of the AAA; and (vi) the arbitrator shall provide the Parties with written findings of fact and law in support of each element of his/her award. The arbitrator shall also stay any arbitration proceedings unless the arbitrator has received a copy of the Mediation Statement(s) described above, confirming the Parties compliance with Section 16 (b) (i) hereof.

Section 17. Effective Date.

This Declaration shall become effective upon its recordation in the Public Records of Palm Beach County, Florida.

Declarant has caused this Declaration to be executed as of the date first written above.

Witnesses:

Strata Development Corporation,
a Florida corporation

BY:

Owen Altman, President

(Corporate Seal)

Witness Signature

JEANNE K. SIMON

Printed Name of Witness

Witness Signature

LYNN K. HANESSY

Printed Name of Witness

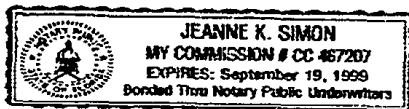
STATE OF FLORIDA)
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 14th day of April, 1999, by Owen Altman, as President of Strata Development Corporation, a Florida corporation, on behalf of the corporation. He is personally known to me or has produced _____ as identification.

Notary Public, State of Florida

JEANNE K. SIMON

My Commission Expires:



SCHEDULE OF EXHIBITS

A- Legal Description of Project

B- Copy of Articles

C- Copy of By-Laws

EXHIBIT "A"

LEGAL DESCRIPTION

A PORTION OF THE NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER OF SECTION 1, TOWNSHIP 46 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST ONE-QUARTER CORNER OF SAID SECTION 1; THENCE SOUTH $89^{\circ} 36' 14''$ EAST, ALONG THE NORTH LINE OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 1 AND THE NORTH LINE OF LAKE WORTH DRAINAGE DISTRICT CANAL L-29, A DISTANCE OF 669.43 FEET TO A POINT; THENCE SOUTH $01^{\circ} 59' 11''$ EAST, ALONG THE WEST LINE OF THE EAST ONE-HALF OF THE NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 1, A DISTANCE OF 66.06 FEET TO A POINT ON THE SOUTH LINE OF SAID LAKE WORTH DRAINAGE DISTRICT CANAL L-29 PER CHANCERY CASE 407 AS DESCRIBED IN OFFICIAL RECORD BOOK 6495, PAGE 761 OF THE PUBLIC RECORDS OF SAID PALM BEACH COUNTY AND BEING THE POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT OF LAND; THENCE SOUTH $89^{\circ} 36' 14''$ EAST, ALONG THE SOUTH LINE OF SAID LAKE WORTH DRAINAGE DISTRICT CANAL L-29, 66.00 FEET SOUTH OF, AS MEASURED AT RIGHT ANGLES TO THE NORTH LINE OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 1, A DISTANCE OF 414.95 FEET TO A POINT ON THE WEST LINE OF THE PRESTWICK PLAT AS RECORDED IN PLAT BOOK 38, PAGE 19, OF THE PUBLIC RECORDS OF SAID PALM BEACH COUNTY; THENCE SOUTH $01^{\circ} 52' 12''$ EAST, ALONG THE WEST LINE OF THE SAID PRESTWICK PLAT, A DISTANCE OF 1215.42 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF COCONUT LANE AS DESCRIBED IN OFFICIAL RECORD BOOK 8856, PAGE 713 OF THE PUBLIC RECORDS OF SAID PALM BEACH COUNTY; THENCE NORTH $89^{\circ} 19' 25''$ WEST ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID COCONUT LANE, 65.00 FEET NORTH OF, AS MEASURED AT RIGHT ANGLES TO THE SOUTH LINE OF THE NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 1, A DISTANCE OF 412.56 FEET TO A POINT ON THE WEST LINE OF THE EAST ONE-HALF OF THE NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 1; THENCE NORTH $01^{\circ} 59' 11''$ WEST, ALONG THE WEST LINE OF THE EAST ONE-HALF OF THE NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 1, A DISTANCE OF 1213.50 FEET TO THE POINT OF BEGINNING AND CONTAINING 11.525 ACRES OF LAND MORE OR LESS.

(This Property to be platted in the Public Records of Palm Beach County, Florida)

ARTICLES OF INCORPORATION
OF
OAK RUN OF BOYNTON HOMEOWNERS'
ASSOCIATION, INC.

ARTICLES OF INCORPORATION

OF

OAK RUN OF BOYNTON
HOMEOWNERS' ASSOCIATION, INC.
(a Florida corporation not for profit)

ARTICLE I
NAME

The name of this corporation shall be OAK RUN OF BOYNTON HOMEOWNERS' ASSOCIATION, INC. (Hereinafter referred to as the "HOMEOWNERS' ASSOCIATION").

ARTICLE II

PRINCIPAL OFFICE AND MAILING ADDRESS

The principal office mailing address of the corporation is

4837 Coconut Lane
Boynton Beach, Florida 33436

ARTICLE III

DEFINITIONS

The following words when used in these Articles of Incorporation shall have the following meanings:

1. "BOARD" or "BOARDS OF DIRECTORS" shall mean and refer to the BOARD OF DIRECTORS of the HOMEOWNERS' ASSOCIATION.

2. "COMMON PROPERTIES" shall mean any property, whether improved or unimproved, or any easement or interest which are declared as being Common Properties in the Declaration or any Supplemental Declaration hereafter made by Declarant, or in any

Prepared By:
Jeanne K. Simon, Esquire
2255 Glades Rd., Suite 226A
Boca Raton, Florida 33431
(561) 241-1110
Florida Bar No. 0816086

deed from the Declarant to the Association designating the property conveyed to the Association as "Common Properties", including, but not limited to, open areas, roads, entrance-ways, parking, and other similar properties, provided that the foregoing shall not be deemed a representation or warranty that any of the foregoing Common Areas will be provided. Common Properties are for the common use and enjoyment of the Owners, subject to the rights hereunder of the Declarant and others. Declarant hereby declares the property described in Exhibit "D" hereto to be the Initial Common Properties.

3. "DECLARANT" or "DEVELOPER" shall mean and refer to Strata Development Corporation, a Florida corporation, as well as its successors and assigns if such successors and assigns should acquire any portion of the Project from the Declarant for the purpose of development and resale so as long as Declarant assigns such rights of Declarant hereunder to any such person or entity by an express written assignment recorded in Palm Beach County, Florida. Upon execution and recording of such assignment, the assignees shall be deemed the Declarant hereunder for all purposes.

"Developer" shall include any "Lender" which has loaned money to Developer to acquire or construct improvements upon the Subject property or its successors and assigns if such Lender, its successors or assigns, acquires title to any portion of the Subject Property as a result of the foreclosure of any mortgage encumbering any portion of the Subject Property securing any such loan to Developer or acquires title thereto by deed in lieu of foreclosure.

4. "LOT" shall mean and refer to any plot of land as shown as a lot on the subdivision plat of the property recorded or to be recorded in the Public Records of Palm Beach County, Florida, located in the Project and intended for residential use, and any lot shown on any resubdivision of said plat, together with any Improvements which may be constructed thereon.

5. "OWNER" shall mean and refer to the person or persons or legal entity or entities, including Declarant, holding a fee simple interest of record to any Lot, including sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation.

6. "QUORUM" shall mean the presence in person or by proxy of thirty (30) percent of the total voting interest shall constitute a quorum.

All other terms which are used in the DECLARATION shall have the same meanings herein.

ARTICLE IV

PURPOSES

The general nature, objects and purposes of the HOMEOWNERS' ASSOCIATION are:

A. To own and maintain portions of the property subject to the DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR OAK RUN (hereinafter referred to as the "DECLARATION"), to be recorded in the Public Records of Palm Beach County, Florida. The property subject to the DECLARATION shall be referred to as OAK RUN and is more particularly described in Exhibit "A" which is attached hereto and made part hereof.

B. To improve, maintain, repair and replace landscaping, associated lighting and irrigation systems on, upon, over and under said property and such other property the HOMEOWNERS' ASSOCIATION may acquire for such purpose(s).

C. To provide, purchase, construct, improve, maintain, repair, replace and operate (i) a paved roadway system (ii) landscaping, associated lighting and irrigation systems (iii) drainage facilities on, upon, over and under the drainage easements and street lights on the LOTS.

D. To improve, maintain, repair and replace landscaping and irrigation systems on, upon and over the LOTS and COMMON PROPERTY. (HOMEOWNERS' are to maintain, repair and replace landscaping and irrigation systems on their own lots.)

E. To operate, without profit, for the sole and exclusive benefit of its MEMBERS.

F. To enter into easement agreements or other use or possessory agreements including but not limited to, those agreements executed by DECLARANT or the local municipality whereby the HOMEOWNERS' ASSOCIATION may obtain by assignment or other instrument the use or possession of certain real property surrounding the neighborhood or a portion thereof, and not owned by it, and to maintain and pay for the insurance, administration, upkeep, repair, replacement and maintenance of such property.

ARTICLE V

GENERAL POWERS

The general powers that the HOMEOWNERS' ASSOCIATION shall have are as follows:

A. To hold funds solely and exclusively for the benefit of the MEMBERS for purposes set forth in these Article of Incorporation.

B. To promulgate and enforce rules, regulations, and agreements to effectuate the purposes for which the HOMEOWNERS' ASSOCIATION is organized.

C. To delegate power or powers where such is deemed in the interest of the HOMEOWNERS' ASSOCIATION.

D. To purchase, lease, hold, sell, mortgage or otherwise acquire or dispose of, real or personal property, except to the extent restricted hereby; to enter into, make, perform or carry out contracts of every kind with any person, firm, corporation, association or other entity; to do any and all of the activities and pursue any and all of the objectives and purposes set forth in these Articles of Incorporation and not forbidden by the Laws of the State of Florida.

E. To make, levy and collect assessments against property in OAK RUN to defray expenses and costs of effectuating the objectives and purposes of the HOMEOWNERS' ASSOCIATION, and to create reasonable reserves for such expenditures as deemed necessary, and to authorize its Board of Directors, in its discretion, to enter into agreements with banks in Florida or other organizations in Florida for the collection of such assessments.

F. To charge recipients for services rendered by the HOMEOWNERS' ASSOCIATION when such is deemed appropriate by the Board of Directors.

G. To pay taxes and other charges, if any, on or against property owned or accepted by the HOMEOWNERS' ASSOCIATION.

H. In general, to have all powers conferred upon a corporation not for profit by the Laws of the State of Florida, except as may be prohibited herein.

I. Notwithstanding anything contained herein to the contrary, the HOMEOWNERS' ASSOCIATION shall not have the power to, and shall not engage in or carry on propaganda or otherwise attempt to influence legislation addressing any and all issues including but not limited, zoning, environmental, and land use, or participate or intervene, directly or indirectly in any political campaign on behalf of, or in opposition to any candidate for office, whether public, quasi-public or private, or otherwise engage in or carry on any political action including the publishing or distribution of statements, nor shall MEMBERS perform any such activities in the name of the HOMEOWNERS' ASSOCIATION.

J. Notwithstanding anything contained herein to the contrary, the HOMEOWNERS' ASSOCIATION shall not have the power to, and shall not expend Capital Contribution monies (as defined in the DECLARATION), in connection with the construction of a new capital improvement (except for necessary construction resulting from the damage or destruction of existing improvements), in excess of Ten Thousand Dollars (\$10,000.00) without first obtaining the MEMBERS approval in accordance with the terms and conditions of Article VII, Section A hereof. Further, the Capital Contribution reserve shall not be used by the HOMEOWNERS' ASSOCIATION for the purpose of litigation at both the trial and appellate levels in any court of competent jurisdiction.

ARTICLE VI

MEMBERS

The MEMBERS of the HOMEOWNERS' ASSOCIATION shall consist of the record property OWNERS of all of the LOTS in OAK RUN.

ARTICLE VII

VOTING AND ASSESSMENTS

A. Subject to the restrictions and limitations hereinafter set forth, a MEMBER shall be entitled to one (1) vote for each Lot owned, except that until such time as DECLARANT relinquishes control of the HOMEOWNERS' ASSOCIATION, which shall be three (3) months after ninety percent (90%) of the LOTS have been conveyed to MEMBERS, DECLARANT shall have a total of votes equal to not less than the number of votes cumulatively held by all other MEMBERS, plus one (1). When more than one person holds a fee interest in any one (1) LOT, all such persons shall be MEMBERS, and the one (1) vote for such LOT shall be exercised as the OWNERS among themselves determine. Fractional voting is prohibited. There shall be no cumulative voting. The affirmative vote of a majority of the votes of the MEMBERS at any meeting of the MEMBERS duly called at which a quorum is present, shall be binding upon the MEMBERS.

B. The DECLARANT shall have the right to appoint all of the BOARD OF DIRECTORS until three (3) months after DECLARANT has conveyed ninety percent (90%) of the LOTS in OAK RUN; thereafter, the MEMBERS are entitled to elect a majority of the BOARD OF DIRECTORS.

C. The DECLARANT shall have the right to appoint one (1) MEMBER of the BOARD OF DIRECTORS so long as it holds for sale in the ordinary course of business not less than five percent (5%) of the LOTS in OAK RUN.

D. The HOMEOWNERS' ASSOCIATION will obtain funds with which to operate by assessments of its MEMBERS in accordance with the provisions of the DECLARATION, as supplemented by the provisions of the Articles of Incorporation and By-Laws of the HOMEOWNERS' ASSOCIATION relating thereto.

ARTICLE VIII

BOARD OF DIRECTORS.

A. The affairs of the HOMEOWNERS' ASSOCIATION shall be managed by a BOARD OF DIRECTORS consisting of three (3) Directors. The initial members of the BOARD OF DIRECTORS shall serve until the first annual meeting of the MEMBERS. So long as the DECLARANT shall have the right to appoint all of the BOARD OF

DIRECTORS, Directors need not be MEMBERS of the HOMEOWNERS' ASSOCIATION and need not be residents of OAK RUN; thereafter, Directors shall be MEMBERS of the HOMEOWNERS' ASSOCIATION, except for those who are appointed by the DECLARANT.

B. The first annual meeting of the MEMBERS shall be held at the call of the DECLARANT. At the first annual meeting of the MEMBERS, an election (or appointment, as the case may be) of the three (3) members of the BOARD OF DIRECTORS shall be held. Election shall be by plurality vote. The term of offices of the elected Director receiving the highest plurality of votes shall be established at two (2) years and the term of the other elected Directors shall be established at one (1) year each. Thereafter, as many Directors shall be elected and appointed, as the case may be, as there are regular terms of office of Directors expiring at such time, and the term of the Directors so elected or appointed at each succeeding annual election shall be for two (2) years expiring at the second annual election following their election, and thereafter until removed from office with or without cause by affirmative vote of a majority of all votes of the MEMBERS. Notwithstanding the foregoing, until such time as the DECLARANT turns over control of the HOMEOWNERS' ASSOCIATION, in no event may a Director appointed by the DECLARANT be removed except by action of the DECLARANT and any Director appointed by the DECLARANT shall serve at the pleasure of the DECLARANT, and may be removed from office, and a successor Director appointed at any time by the DECLARANT. After turnover of control of the HOMEOWNERS' ASSOCIATION and until such time as the DECLARANT no longer has the right to appoint at least one (1) Director, only the DECLARANT can remove and replace the Director appointed by the DECLARANT.

C. The names and addresses of the members of the first BOARD OF DIRECTORS, who shall hold office until the first annual meeting of the HOMEOWNERS' ASSOCIATION, and until their successors are elected or appointed and have qualified, are as follows:

Owen Altman

4837 Coconut Lane
Boynton Beach, Florida 33436

Leon Rubenstein

4837 Coconut Lane
Boynton Beach, Florida 33436

Rod Sheldon

4837 Coconut Lane
Boynton Beach, Florida 33436

ARTICLE IX

OFFICERS

A. The officers of the HOMEOWNERS' ASSOCIATION shall be a President, a Secretary and a Treasurer, and such other officers as the BOARD may from time to time deem necessary. Any two (2) or more offices may be held by the same person except for the offices of President and Secretary.

B. The names of the officers who are to manage the affairs of the HOMEOWNERS' ASSOCIATION until their successors are duly elected (or appointed) and qualified are:

Owen Altman	President
Rod Sheldon	Secretary
Leon Rubenstein	Treasurer

ARTICLE X

CORPORATE EXISTENCE

THE HOMEOWNERS' ASSOCIATION shall have perpetual existence.

ARTICLE XI

BY-LAWS

The BOARD OF DIRECTORS may adopt By-Laws not inconsistent with these Articles, which may be amended as provided in such By-Laws, however, there shall be no amendment to the By-Laws which shall abridge, amend or alter the rights of any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee.

ARTICLE XII

AMENDMENT TO ARTICLES OF INCORPORATION

These Articles of Incorporation may be amended in the following manner:

A. The BOARD OF DIRECTORS, by majority vote, shall adopt a Resolution setting forth the proposed Amendment and direct that it be submitted to vote at a meeting of the MEMBERS.

B. Notice of the subject matter of the proposed Amendment shall be included in the notice of any meeting (special or annual) at which such proposed Amendment is to be considered by the MEMBERS. Such notice shall set out in full the proposed amended article, section, subsection or paragraph of a subsection.

C. Such proposed Amendment shall be submitted to and approved by the MEMBERS at such meeting. Any number of Amendments may be submitted to the MEMBERS and voted upon at one (1) meeting. The proposed Amendment shall be adopted upon receiving the affirmative vote of at least 2/3 of the votes of the MEMBERS.

D. An Amendment to these Articles of Incorporation may be made by a written statement signed by all MEMBERS eligible to vote in lieu of the above procedure.

E. Notwithstanding the foregoing, so long as DECLARANT has not relinquished control of the Association to the MEMBERS, which shall be three (3) months after ninety percent (90%) of the Lots have been conveyed to MEMBERS, no Amendment affecting Strata Development Corporation, a Florida corporation, or its successors or assigns, as DECLARANT of OAK RUN shall be effective without the prior written consent of said DECLARANT.

F. Amendments to the Articles need not be executed by a record owner of an affected parcel, or record owners of liens of an affected parcel, regardless of whether such amendment affects vested rights.

G. Notwithstanding the foregoing, the Articles shall not be amended in any manner which shall prejudice the rights of any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee.

ARTICLE XIII

INCORPORATOR

The name and address of the Incorporator of this corporation is

Owen Altman
4837 Coconut Lane
Boynton Beach, Florida 33436

ARTICLE XIV

INDEMNIFICATION OF OFFICERS, DIRECTORS, AND MEMBERS OF THE A.R.B.

Every officer of the Association, director of the Association and member of the A.R.B. shall be indemnified by the Association against all expenses and liability, including counsel fees, reasonably incurred by or imposed upon him or her in connection

with any proceeding to which he/she may be a party or in which he/she may become involved by reason of his/her having been an officer, director, or member; whether or not her/she is an officer, director, or member at the time such expenses are incurred, except in such cases wherein the officer, director, or member is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties, provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the officer, director, or member seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of any right to indemnification to which such officer, director, or member may be entitled, whether by statute or common law. No amendment to this Article which reduces or restricts the indemnity created herein may be adopted without the prior consent of each and every officer, director, or member (whether current or former) affected by such amendment.

ARTICLE XV

TRANSACTION IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

A. No contract or transaction between the HOMEOWNERS' ASSOCIATION and one or more of its Directors or Officers, or between the HOMEOWNERS' ASSOCIATION and any other corporation, partnership, association or other organization in which one or more of its Directors or Officers are Directors or Officers or have a financial interest, shall be invalid, void or voidable solely for this reason, or solely because the Director or Officer is present at the meeting of the BOARD or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if : (i) the fact of such relationship or interest is disclosed or known to the BOARD OF DIRECTORS or committee which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; (ii) the fact of such relationship or interest is disclosed or known to the MEMBERS entitled to vote on such contract or transaction, if any, and they authorize, approve, or ratify it by vote or written consent; or (iii) the contract or transaction is fair and reasonable as to the HOMEOWNERS' ASSOCIATION at the time it is authorized by the BOARD, a committee, or the MEMBERS. No Director or Officer of the HOMEOWNERS' ASSOCIATION shall incur liability by reason of the fact that he is or may be interested in such contract or transaction.

B. Interested Directors may be counted in determining the presence of a quorum at a meeting of the BOARD OF DIRECTORS or of a committee which authorizes, approves, or ratifies the Contract or transaction.

ARTICLE XVI

DISSOLUTION OF THE HOMEOWNERS' ASSOCIATION

A. Upon dissolution of the HOMEOWNERS' ASSOCIATION, all of its assets remaining after provision for creditors and payments of all costs and expenses of such dissolution shall be distributed in the following manner and order:

1. Real property contributed to the HOMEOWNERS' ASSOCIATION without the receipt of other than nominal consideration by the DECLARANT (or its successors in interest) shall be returned to the DECLARANT (whether or not a MEMBER at the time of such dissolution) unless it refuses to accept the conveyance (in whole or in part);

2. Dedication of the assets to applicable municipal or other governmental authority or public body of such property (whether real, personal or mixed) as determined by the BOARD OF DIRECTORS of the HOMEOWNERS' ASSOCIATION to be appropriate for dedication and which the authority is willing to accept; or said assets shall be conveyed to a non-profit organization; and,

3. The remaining assets shall be distributed among the MEMBERS, subject to the limitations set forth below, as tenants in common, each MEMBER'S share of the assets to be determined in accordance with his or her voting rights.

B. The HOMEOWNERS' ASSOCIATION may be dissolved upon a resolution to that effect being approved by three-fourths(3/4) of the members of the BOARD OF DIRECTORS; three-fourths(3/4) of the MEMBERS; and the issuance thereafter of a decree of dissolution by a Circuit Judge as provided for in Section 617.1433, Florida Statutes, as amended.

ARTICLE XVII

GENDER


Whatever the male pronoun is used herein, it shall be understood to be the female pronoun if the context or sex of the party referred to so requires.

ARTICLE XVIII

DESIGNATION OF REGISTERED AGENT

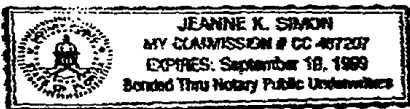
Alan Richard Simon, Esquire is hereby designated as the HOMEOWNERS' ASSOCIATION'S Registered Agent for service of process in the State of Florida, at 2255 Glades Rd., Suite 226A, Boca Raton, Florida 33431.

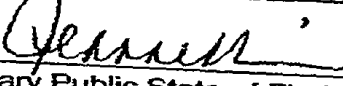
IN WITNESS WHEREOF, the undersigned Incorporator has executed these Articles of Incorporation this 11th day of March, 1999.


OWEN ALTMAN

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing Articles of Incorporation were acknowledged before me this 11th day of March, 1999, by OWEN ALTMAN, who is personally known to me or who produced _____ as identification.




Notary Public State of Florida
JEANNE K. SIMON
Printed Name of Notary
My Commission Expires:

ACCEPTANCE OF APPOINTMENT
AS REGISTERED AGENT

Pursuant to Section 48.091, Florida Statutes, the undersigned acknowledges and accepts its appointment as Registered Agent of OAK RUN OF BOYNTON HOMEOWNERS' ASSOCIATION, INC. and agrees to act in that capacity and to comply with the provisions of the Florida Not For Profit Corporation Act, relative to keeping the registered office at the following address: 2255 Glades Rd., Suite 226A, Boca Raton, Florida 33431. The undersigned is familiar with and accepts the obligations of Section 617.0501, Florida Statutes.

Dated March 15, 1999.

BY: 
ALAN RICHARD SIMON

EXHIBIT "A"

LEGAL DESCRIPTION

THE WEST 412.00 FEET OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 1, TOWNSHIP 46 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, EXCEPT THE SOUTH 65.0 FEET FOR ROAD RIGHT-OF-WAY AND RIGHT-OF-WAY FOR LAKE WORTH DRAINAGE DISTRICT LATERAL CANAL L-29;

TOGETHER WITH:

ALL THAT PORTION OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$ OF SECTION 1, TOWNSHIP 46 SOUTH, RANGE 42 EAST, LYING EAST OF THE EAST LINE OF THE WEST 412.00 FEET OF THE EAST $\frac{1}{2}$ OF SAID NORTHWEST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$; LYING NORTH OF THE NORTH RIGHT-OF-WAY LINE OF COCONUT ROAD; LYING SOUTH OF THE SOUTH RIGHT-OF-WAY LINE OF LAKE WORTH DRAINAGE DISTRICT LATERAL CANAL NO. 29; AND LYING WEST OF THE PLATTED WEST LINE OF "PRESTWICK PLAT" ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 38, PAGE 19, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

ALL OF THE ABOVE BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE WEST $\frac{1}{4}$ CORNER OF SAID SECTION 1; THENCE RUN SOUTH 89 DEGREES 36 MINUTES 14 SECONDS EAST ALONG THE NORTH LINE OF THE SOUTHWEST $\frac{1}{4}$ OF SAID SECTION 1 FOR A DISTANCE OF 669.40 FEET TO A POINT; THENCE RUN SOUTH 01 DEGREES 59 MINUTES 10 SECONDS EAST ALONG THE WEST LINE OF THE EAST $\frac{1}{2}$ OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$ OF SAID SECTION 1 FOR A DISTANCE OF 65.06 FEET TO THE POINT OF BEGINNING; THENCE RUN SOUTH 89 DEGREES 36 MINUTES 14 SECONDS EAST ALONG THE SOUTH RIGHT-OF-WAY LINE OF SAID LAKE WORTH DRAINAGE DISTRICT LATERAL CANAL L-29 FOR A DISTANCE OF 415.22 FEET TO A POINT; THENCE RUN SOUTH 01 DEGREES 51 MINUTES 01 SECONDS EAST ALONG THE WEST LINE OF SAID "PRESTWICK PLAT" FOR A DISTANCE OF 1231.37 FEET TO A POINT; THENCE RUN NORTH 89 DEGREES 19 MINUTES 25 SECONDS WEST ALONG THE NORTH RIGHT-OF-WAY LINE OF COCONUT LANE FOR A DISTANCE OF 412.39 FEET TO A POINT; THENCE RUN NORTH 01 DEGREES 59 MINUTES 01 SECONDS WEST ALONG THE WEST LINE OF THE EAST $\frac{1}{2}$ OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$ OF SAID SECTION 1 FOR A DISTANCE OF 1229.48 FEET TO THE POINT OF BEGINNING, LESS THE SOUTH 15 FEET THEREOF.

(This property to be platted in the Public Records of Palm Beach County, Florida by a subdivision to be known as Oak Run.)

BY-LAWS
OF
OAK RUN OF BOYNTON HOMEOWNERS'
ASSOCIATION, INC.

EXHIBIT "C"

BY-LAWS
OF
OAK RUN OF BOYNTON
HOMEOWNERS' ASSOCIATION, INC.
(A Florida not for Profit Corporation)

1. GENERAL PROVISIONS.

1.01 IDENTITY. These are the By-Laws of OAK RUN OF BOYNTON HOMEOWNERS' ASSOCIATION, INC. (hereinafter referred to as the "ASSOCIATION"), A Florida not for profit corporation. The ASSOCIATION has been organized for the purposes stated in the Articles of Incorporation and shall have all of the powers provided in these By-Laws, the Articles, the Declaration, and under the laws of the State of Florida.

1.02 PRINCIPAL OFFICE. The principal office of the ASSOCIATION shall be 4837 Coconut Lane, Boynton Beach, Florida 33436, or at such place as the Board may determine from time to time.

1.03 FISCAL YEAR. The fiscal year of the ASSOCIATION shall be the calendar year.

1.04 SEAL. The seal of the ASSOCIATION shall have inscribed upon it the name of the ASSOCIATION, the year of its incorporation and the words "Corporation Not-for-Profit". The seal may be used by causing it, or a facsimile thereof, to be impressed, affixed or otherwise reproduced upon any instrument or document executed in the name of the ASSOCIATION.

1.05 INSPECTION OF BOOKS AND RECORDS. The books and records of the ASSOCIATION shall be open to inspection by all members or authorized representatives, and all holders, insurers or guarantors of any first mortgage encumbering a Lot, at a reasonable time and place within ten (10) business days after receipt of written request for access. The failure of the ASSOCIATION to provide access to the records within ten (10) business days after receipt of a written request creates a rebuttable presumption that the ASSOCIATION willfully failed to comply with this requirement. A member who is denied access to official records is entitled to actual damages or minimum damages for the ASSOCIATIONS willful failure to comply with this section. The minimum damages are to be \$50.00 per calendar day up to ten (10) days, the calculation to begin on the eleventh business day after receipt of the written request.

The ASSOCIATION may adopt reasonable rules governing the frequency, time, location, notice, and manner of inspections, and may impose fees to cover the costs of providing copies of the official records, including, without limitation, the costs of copying.

The ASSOCIATION shall maintain an adequate number of copies of the recorded governing documents to ensure their availability to members and prospective members, and may charge only its actual costs for reproducing and furnishing these documents to those persons who are entitled to receive them.

1.06 RECORDS. The ASSOCIATION shall maintain each of the following items, when applicable, which shall constitute the official records of the ASSOCIATION:

- a copy of the plans, specifications, permits and warranties related to improvements constructed on the common areas or other property that the ASSOCIATION is obligated to maintain, repair, or replace.
- a copy of the By-Laws of the ASSOCIATION and each amendment to the By-Laws;
- a certified copy of the articles of incorporation of the HOMEOWNERS' ASSOCIATION, or other documents creating the HOMEOWNERS' ASSOCIATION, and each amendment thereto;
- a copy of the declaration of covenants and a copy of each amendment thereto;
- a copy of the current rules of the HOMEOWNERS' ASSOCIATION
- a book or books that contain the minutes of all meetings of the HOMEOWNERS' ASSOCIATION, of the board of directors, and of members which must be retained for at least seven (7) years;
- a current roster of all members and their mailing address, lot identifications, and if known, telephone numbers;
- all of the ASSOCIATION's insurance policies or a copy thereof, which policies must be retained for at least seven (7) years;
- a current copy of all contracts to which the ASSOCIATION is a party, including, without limitation, any management agreements, leases, or other contracts under which the ASSOCIATION has an obligation or responsibility;
- bids received by the ASSOCIATION for work to be performed which must be kept for a period of seven (7) years;
- financial and accounting records for the ASSOCIATION and separate accounting records for each lot, according to generally accepted accounting principles; all financial and accounting records are to be

kept for a period not less than seven (7) years; accounting records shall be open to inspection by parcel owners or their authorized representatives at reasonable times; accounting records should include, but are not limited to:

- accurate, itemized, and detailed records of all receipts and expenditures;

- a current account and a periodic statement of the account for each member of the ASSOCIATION designating the name and current address of each member who is obligated to pay assessments, the due date and amount of each assessment or other charges against the member, the date and amount of each payment on the account and the balance due;

- all tax returns, financial statements and financial reports of the ASSOCIATION;

- any other records that identify, measure, record, or communicate financial information.

1.07 BUDGET. The ASSOCIATION shall prepare an annual budget. The budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges for recreational amenities, if any, whether owned by the ASSOCIATION, the developer, or another person. The ASSOCIATION shall provide each member a copy of the budget or a written notice that a copy of the budget is available upon request at no charge to the member. The copy must be provided to the member within the time limits set forth in Section 1.05 hereof.

1.08 FINANCIAL REPORTING. The ASSOCIATION shall prepare an annual financial report within sixty (60) days after the close of the fiscal year. The ASSOCIATION shall, within the time limits set forth in Section 1.05 hereof, provide each member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the member. The financial report must consist of either: (a) financial statements presented in conformity with generally accepted accounting principles; or (b) a financial report of actual receipts and expenditures, cash basis, which report must show: (i) the amount of receipts and expenditures by classification, and (ii) the beginning and ending cash balances of the ASSOCIATION.

1.09 FUNDS HELD BY DECLARANT. All ASSOCIATION funds held by Declarant shall be maintained separately in the ASSOCIATION's name. Reserve and operating funds of the ASSOCIATION shall not be commingled prior to turnover except the ASSOCIATION may jointly invest reserve funds; however, such jointly invested funds must be accounted for separately.

Declarant, while Declarant is in control of the ASSOCIATION, shall not commingle any ASSOCIATION funds with his or her funds or with the funds of any other HOMEOWNERS' association or community association.

1.10 DEFINITIONS. Unless the context otherwise requires, all terms used in these By-Laws shall have the same meaning as are attributed to them in the Articles, and the Declaration.

2. MEMBERSHIP.

2.01 QUALIFICATION. Pursuant to the Articles, all the record owners of the Lots shall be members of the ASSOCIATION. Membership for each Lot shall be established upon the recording of the Declaration. Prior to the recording of the Declaration, the incorporator shall be the sole member of the ASSOCIATION, but its membership shall terminate upon the recording of the Declaration, unless the incorporator owns any Lot(s).

2.02 CHANGES IN MEMBERSHIP. The transfer of the ownership of any Lot, either voluntary or by operation of law, shall automatically terminate the membership of the prior owner, and the transferee or new owner shall automatically become a member of the ASSOCIATION. It shall be the responsibility of the transferor and transferee of a Lot, and the corresponding change in membership, by delivering to the ASSOCIATION a recorded copy of the deed or other instrument of conveyance which establishes the transfer of ownership. In the absence of such notification, the ASSOCIATION shall not be obligated to recognize any change in membership or ownership of a lot for any purpose including the right to vote, the right to receive notice of meetings, and notice of assessments.

2.03 MEMBER REGISTER. The secretary of the ASSOCIATION shall maintain a register of the names and address of the members of the ASSOCIATION. It shall be the obligation of each member of the ASSOCIATION to advise the Secretary of any change of address of the member, or of change of ownership of a member's Lot, as set forth above. Any member who mortgages his Lot shall notify the ASSOCIATION of the name and address of the mortgagee and shall file a copy of the mortgage with the ASSOCIATION. Any member who satisfies a mortgage encumbering his Lot shall notify the ASSOCIATION by filing a copy of the recorded satisfaction of mortgage with the ASSOCIATION. The names and addresses of any such mortgagee shall also be maintained with the member register.

2.04 RIGHT OF OWNERS TO PEACEABLE ASSEMBLE. All common area recreational facilities, if any, serving the HOMEOWNERS' ASSOCIATION shall be available to lot owners in the HOMEOWNERS' ASSOCIATION served thereby and their invited guests for the use intended for such common areas and recreational facilities. The entity or entities responsible for the operation of the common areas and recreational facilities, if any, may adopt reasonable rules and regulations pertaining to the use of such

common areas and recreational facilities. No entity or entities shall unreasonably restrict any parcel owner's right to peaceably assemble or right to invite public officers or candidates for public office to appear and speak in common areas and recreational facilities. Any owner prevented from existing rights guaranteed by subsection (1) may bring an action in the appropriate court of the county in which the alleged infringement occurred, and upon favorable adjudication, the court shall enjoin the enforcement of any provision contained in any HOMEOWNERS' ASSOCIATION document or rule that operates to deprive the owner of such rights.

3. MEMBER VOTING.

3.01 VOTING RIGHT. There shall be one vote for each Lot, except that until such time as Declarant relinquishes control of the ASSOCIATION, Declarant shall have a total number of votes equal to not less than the number of votes cumulatively held by all other members, plus one (1), providing Declarant with a majority of the votes of the membership. In the event any Lot is owned by more than one person, or is owned by a person other than an individual, the vote for such Lot shall be cast as set forth below, and votes shall not be divisible. In the event any member owns more than one Lot, the member shall be entitled to one vote for each Lot owned.

3.02 QUORUM AND VOTING REQUIREMENTS. The presence in person or by proxy of thirty (30) percent of the total voting interest shall constitute a quorum. The acts approved by a majority of the votes, in person or by proxy, at a meeting at which a quorum is present shall be binding upon all members and owners for all purposes, except where otherwise provided by law, in the Declaration, in the Articles, or in these By-Laws.

3.03 DETERMINATION AS TO VOTING RIGHTS. If a Lot is owned by more than one person or by an entity, the vote may be cast at any meeting by any co-owner of the Lot provided, however, that if a dispute arises between the co-owners as to how the vote for the Lot shall be cast, or if the co-owners are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to cast the vote for the Lot on the matter being voted upon at the meeting. Fractional voting is prohibited. The directors and officers of a corporation owning a Lot shall be deemed co-owners.

3.04 PROXIES. Every member entitled to vote at a meeting of the members, or to express consent or dissent without a meeting, may authorize another person or persons to act on the member's behalf by a proxy signed by such member or his attorney-in-fact. Any proxy shall be delivered to the secretary of the meeting at or prior to the time designated in the order of business for delivering proxies. HOMEOWNERS may not vote by general proxy, but may vote by limited proxy. Limited proxies and general proxies may be used to establish a quorum. Limited proxies may also be used for votes taken to amend the articles of incorporation or by-laws or for any matter that requires or permits a vote of the HOMEOWNERS. Any proxy shall be effective only for the specific meeting for which originally given and any lawful adjourned meetings thereof. A proxy is not valid for a period longer than 90 days after the date of the first meeting for which it was

given. A proxy is revocable at any time at the pleasure of the homeowner who executes it. To be valid, a proxy must be dated, must state the date, time and place of the meeting and must be signed by the authorized person who executed the proxy.

4. MEMBERSHIP MEETINGS.

4.01 ATTENDANCE. If a Lot is owned by more than one person, all co-owners of the Lot may attend any meeting of the members. If any Lot is owned by a corporation, any director or officer of the corporation may attend any meeting of the members. However, the vote for any Lot shall be cast in accordance with the provisions of Paragraph 3 above. Institutional Lenders have the right to attend all members' meetings.

4.02 PLACE. All meetings of the members shall be held at such place and at such time as shall be designated by the Board and stated in the notice of meeting.

4.03 NOTICES. Written notice stating the place, date and hour of a meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each member entitled to vote not less than 10 days before the date of the meeting, by or at the direction of the President, the Secretary or the officer or persons calling the meeting. Only one notice shall be required to be given with respect to the Lot, which may be given to any co-owner. Notice to any member or co-owner shall be sent to the Lot of such member or co-owner, unless otherwise directed in writing by the owner or co-owner.

4.04 WAIVER OF NOTICE. Whenever any notice is required to be given to any member under the provisions of the Articles or these Bylaws, or otherwise provided by law, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a member at a meeting shall constitute a waiver of notice of such meeting, except when the member objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

4.05 ANNUAL MEETING. The annual meeting for the purpose of electing directors and transacting any other business shall be held at eight o'clock p.m. on the second Thursday in March each year, or at such other time in the months of February or March of each year as shall be selected by the Board and is contained in the notice of such meeting. The first annual meeting of the Members shall be held at the call of the Declarant.

4.06 SPECIAL MEETINGS. Special meetings of the members may be called at any time by any director, the President, or at the request, in writing, by not less than 25% of the members, or as otherwise provided by law. Such request shall state the purpose of the proposed meeting. Business transaction at all special meetings shall be confined to the subjects stated in the notice for the meeting. Notice of any special meeting

shall be given by the Secretary, or other officer of the ASSOCIATION, to all of the members within thirty (30) days after same is duly called, and the meeting shall be held within 45 days after same is duly called. Notice of a special meeting shall include the purpose or purposes for which the meeting was called.

4.07 ADJOURNMENTS. Any meeting may be adjourned or continued by a majority vote of the members present, in person or by proxy and entitled to vote, or if no member entitled to vote is present, then any officer of the ASSOCIATION may adjourn a meeting. If the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken, notice of the adjourned meeting may be given to members not present at the original meeting, without giving notice to the members which are present at such meeting.

4.08 ORGANIZATION. At each meeting of the members, the President, or any person chosen by a majority of the members present, in that order, shall act as chairman of the meeting. The Secretary-Treasurer, or in his absence or inability to act, any person appointed by the chairman of the meeting, shall act as Secretary of the meeting.

4.09 ORDER OF BUSINESS. The order of business at the annual meeting of the members shall be:

- Determination of chairman of the meeting;
- Calling of the roll and certifying of proxies;
- Proof of notice of meeting or waiver of notice;
- Reading and disposal of any unapproved minutes;
- Reports of directors, officers or committees;
- Unfinished business;
- New business;
- Adjournment.

4.10 MINUTES. The minutes of all meetings of the members shall be filed and maintained in the minutes book of the ASSOCIATION, which shall be available for inspection by the members or their authorized representatives, and the directors, at any reasonable time. The ASSOCIATION shall maintain these minutes for at least seven (7) years.

4.11 ACTIONS WITHOUT A MEETING. Any action required or permitted to be taken at any annual or special meeting of the members of the ASSOCIATION, may be taken without a meeting, without a prior notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members entitled to vote thereon were presented and voted. Within 10 days after obtaining such authorization by written consent, notice of the action taken shall be given to those members who have not consented in writing. If a Lot is owned by more than one person or by a corporation, the consent for such Lot need only be signed by one person who would be entitled to cast the vote for the Lot as a co-owner pursuant

to Paragraph 3.03 of these By-Laws.

5. DIRECTORS.

5.01 MEMBERSHIP. The affairs of the ASSOCIATION shall be managed by a Board of three (3) directors who are also the officers of the ASSOCIATION.

5.02 ELECTION OF DIRECTORS BY MEMBERS. An election of directors to be elected by the members of the ASSOCIATION shall be conducted in the following manner:

5.02.1 Except as provided above, the members shall elect directors at the annual meetings of members.

5.02.2 The election of directors by the members shall be in person at a meeting of the members or by ballot that the member personally casts and by a plurality of the votes cast, each member voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. All nominees must also be members.

5.03 TERM OF OFFICE. All directors elected by the members shall hold office for a term of two years and until their successors are duly elected and qualified, or until such director's death, resignation or removal, as hereinafter provided or as otherwise provided by statute or by the Articles.

5.04 ORGANIZATIONAL MEETING. The newly elected Board shall meet for the purposes of organization, the election of officers and the transaction of other business immediately after their election or within ten (10) days of same at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

5.05 REGULAR MEETINGS. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Meetings of the Board shall be open to all members, except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of discussion would otherwise be governed by the attorney-client privilege.

5.06 SPECIAL MEETINGS. Special meeting of the Board may be called by any director, or by the President at any time, or by at least twenty-five (25) percent of the voting interest of the association. Notice of a special meeting shall include the purpose or purposes for which the meeting was called.

5.07 NOTICE OF MEETINGS. Notice of each meeting of the Board shall be given by the Secretary, or by any other officer or director, which notice shall state the day, place and hour of the meeting. Notice of such meeting shall be delivered to each

director either personally or by telephone or telegraph, at least 48 hours before the time at which such meeting is to be held, or by first class mail, postage prepaid, addressed to such director at his residence, or usual place of business, at least three days before the day on which such meeting is to be held. Notice of a meeting of the Board need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting shall constitute a waiver of such notice and a waiver of any and all objections of notice of such meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director states, at the beginning of the meeting, that it is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in any notice or waiver of notice of such meeting; provided however, notice of any meeting in which assessments against parcels are to be established shall specifically contain a statement of that assessments shall be considered and a statement of the nature of such assessments. Notice of meetings shall be posted in a conspicuous place on the ASSOCIATION property at least forty-eight (48) hours in advance, except in emergency.

5.08 ADJOURNED MEETINGS. A majority of the directors present at a meeting, whether or not a quorum exists, may adjourn any meeting of the Board to another place and time. Notice of any such replacement meeting shall be given to the directors who are not present at the time of the adjournment, and, unless the time and place of the replacement meeting are announced at the time of the adjournment, to the other directors. At any replacement meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

5.09 MINUTES OF MEETING. The minutes of all meetings of the Board shall be filed and maintained in a minutes book of the ASSOCIATION, which shall be available for inspection by the members of the ASSOCIATION, or their authorized representatives, and the directors at any reasonable time. A vote or abstention from voting on each matter voted upon, for each director present at a board meeting, must be recorded in the minutes. The ASSOCIATION shall retain these minutes for at least seven (7) years.

5.10 COMMITTEES. The Board may, by resolution duly adopted, appoint committees. Any committee shall have and may exercise such powers, duties and functions as may be determined by the Board from time to time, which may include any powers which may be exercised by the Board and which are not prohibited by law from being exercised by a committee.

5.11 RESIGNATION OF DIRECTORS. Any director of the Association may resign at any time, by instrument in writing. The resigning director shall deliver such resignation to the board of directors or its chair or to the ASSOCIATION. Any such resignation is effective when the notice is delivered unless the notice specifies a later effective date, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.12 REMOVAL OF DIRECTORS. Directors may be removed as follows:

5.12.1 Any director other than a director appointed by the Declarant may be removed by majority vote of the remaining directors, if such director (a) has been absent for the last three consecutive Board meetings, and/or adjournments and continuances of such meetings; or (b) is an owner and has been delinquent for more than thirty (30) days in the payment of assessments or other monies owed to the ASSOCIATION.

5.12.2 Any director may be removed with or without cause by the vote of a majority of the members of the ASSOCIATION at a special meeting of the members or by agreement in writing by a majority of all votes of the membership. The notice of the meeting of the members to recall a member or members of the board of directors shall state the specific directors sought to be removed. A proposed removal of a director at a meeting shall require a separate vote for each director sought to be removed. Where removal is sought by written agreement, a separate agreement is required for each director to be removed. The vacancy of the Board caused by removal at a meeting shall be filled by the members at the same meeting. Any director removed from the board shall not be eligible to stand for reelection until the next annual meeting of the members. Any director removed from office shall turn over to the board of directors within seventy-two (72) hours any and all records of the ASSOCIATION in his or her possession. If a director who is removed shall not relinquish his or her office or turn over records as required, a circuit court in Palm Beach County, Florida may summarily order the director to relinquish his or her office and turn over corporate records upon application of any member.

5.13 VACANCIES.

5.13.1 Vacancies in the Board may be filled by the affirmative vote of the majority of the remaining directors, even though the remaining directors constitute less than a quorum, or by a sole remaining director, and a director so chosen shall hold office for the unexpired term of his or her predecessor in office and until his or her successor is duly elected and qualified, unless sooner displaced. If there are no directors, then a special meeting of the members shall be called to elect the directors. Any directorship to be filled by reason of an increase in the number of directors may be filled by the board of directors, but only for a term of office continuing until the next election of directors by the members, or if the ASSOCIATION has no members or no members having the right to vote thereon, for a term of two (2) years. A vacancy that will occur at a specific later date, by reason of a resignation effective at a later date as specified in the written notice of resignation, may be filled before the vacancy occurs, however, the new director may not take office until the vacancy occurs.

5.13.2 if the ASSOCIATION fails to fill vacancies on the Board in accordance with these by-laws, any member may apply to the circuit court that has jurisdiction over the community for the appointment of receiver to manage the affairs of the ASSOCIATION. At least thirty (30) days before applying to the circuit court the member shall mail to the ASSOCIATION, by certified or registered mail, and post, in a conspicuous place on the property of the community served by the ASSOCIATION, a notice describing the intended action, giving the ASSOCIATION thirty (30) days to fill the vacancies. If

during such time the ASSOCIATION fails to fill a sufficient number of vacancies so that a quorum can be assembled, the member may proceed with the petition. If a receiver is appointed, the ASSOCIATION shall be responsible for the salary of the receiver, court costs, attorney's fees, and all other expenses of the receivership. The receiver shall have all powers and duties of a duly constituted board of directors and shall serve until the ASSOCIATION fills a sufficient number of vacancies on the board so that a quorum can be assembled.

5.14 DIRECTORS APPOINTED BY THE DECLARANT. Notwithstanding anything contained herein to the contrary, the Declarant shall have the right to appoint the directors in accordance with the privileges granted to the Declarant pursuant to the Articles, and the Declarant shall have the right to remove and replace such directors in accordance with the privileges granted to the Declarant pursuant to the Articles. All directors appointed by the Declarant need not be members of the ASSOCIATION so long as Declarant has the right to appoint such directors.

5.15 POWERS AND DUTIES. The directors shall have the right to exercise all of the powers and duties of the ASSOCIATION, express or implied, existing under these By-Laws, the Articles, the Declaration, or as otherwise provided by statute or law.

6. OFFICERS.

6.01 MEMBERS AND QUALIFICATIONS. The officers of the ASSOCIATION shall include a President, Treasurer, and Secretary, all of whom shall be members of the Board. Any person may hold two or more offices except that the President shall not also be Secretary. The Officers of the corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members.

6.02 THE PRESIDENT. The President shall be the chief executive officer of the ASSOCIATION. He shall have all the powers and duties which are usually vested in the office of President of an ASSOCIATION or corporation including, but not limited to, the power to appoint committees from among the members from time to time, as he may in his discretion deem appropriate to assist in the conduct of the affairs of the ASSOCIATION.

6.03 THE SECRETARY. The Secretary shall prepare and keep the minutes of all proceedings of the directors and the members. He shall attend to the giving and serving of notice to the members and other directors and other notices required by law. He shall have custody of the seal of the ASSOCIATION and affix the same to instruments requiring a seal when duly executed. He shall keep the records of the ASSOCIATION, and shall perform all other duties incident to the office of Secretary of an ASSOCIATION, and as may be required by the directors or the President.

6.04 THE TREASURER. The Treasurer shall have custody of all property of the ASSOCIATION, including funds, securities, and evidence of indebtedness. He shall

keep the books of account for the ASSOCIATION in accordance with generally accepted accounting principles, which, together with substantiating paper, shall be made available to the Board for examination at reasonable times. He shall submit a Treasurer's Report to the Board at reasonable intervals and shall perform all other duties incident to the officer of Treasurer. He shall collect all assessments and shall report to the Board the status of collections as requested.

6.05 RESIGNATION OF OFFICERS. Any officer of the Association may resign at any time, by instrument in writing. The resigning officer shall deliver such resignation to the board of directors or its chair or to the ASSOCIATION. Any such resignation is effective when the notice is delivered unless the notice specifies a later effective date, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.06 REMOVAL OF OFFICERS. The board of directors may remove any officer at any time with or without cause.

7. FINANCES AND ASSESSMENTS.

7.01 ASSESSMENT ROLL. The ASSOCIATION shall maintain an assessment roll for each unit, designating the name and current mailing address of the owner, the amount of each assessment against such owner, the dates and amounts in which the assessments come due, the amounts paid upon the account of the owner, and the balance due.

7.02 DEPOSITORIES. The funds of the ASSOCIATION shall be deposited in such banks and depositories as may be determined and approved by appropriate resolutions of the Board from time to time. Funds shall be withdrawn only upon checks and demands for money signed by such officers, directors or other persons as may be designated by the Board.

7.03 ACCOUNTING RECORDS AND REPORTS. The ASSOCIATION shall maintain accounting records according to generally accepted accounting principle. The records shall be open to inspection by owners and Institutional Lenders or their authorized representatives, at reasonable times. The records shall include, but not be limited to (a) a record of all receipts and expenditures, and (b) the assessment roll of the members referred to above. The Board may, and upon the vote of a majority of the members shall, conduct a review of the accounts of the ASSOCIATION by a public accountant, and if such a review is made, a copy of the report shall be furnished to each member, or their authorized representatives, within fifteen days after same is completed.

7.04 RESERVES. The budget of the ASSOCIATION shall provided for a reserve fund for the periodic maintenance, repair and replacement of improvements to the common areas and those other portions of the subject property which the ASSOCIATION is obligated to maintain.

8. PARLIAMENTARY RULES. Roberts' Rules of order (latest edition) shall govern the conduct of the ASSOCIATION meetings when not in conflict with the Declaration, Articles or these By-Laws.

9. AMENDMENTS.

9.01 NOTICE. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

9.02 INITIATION. A resolution to amend these By-Laws may be proposed either by any director, or by any officer or at the direction of ten percent (10%) or more of the members of the ASSOCIATION.

9.03 ADOPTION OF AMENDMENTS.

9.03.1 A resolution for the adoption of the proposed amendment shall be adopted either: (a) by unanimous vote of all the directors; or (b) by not less than a majority of the votes of the entire membership of the ASSOCIATION. Any amendment approved by the members may provide that the Board may not further amend, modify or repeal such amendment.

9.03.2 Notwithstanding anything contained herein to the contrary, so long as the Declarant is entitled to appoint a majority of the directors, the Declarant shall have the right to unilaterally amend these By-Laws without the joinder or approval of the Board or any member.

9.04 No amendment shall make any changes in the qualifications for membership nor in the voting rights or property rights of members without approval by all of the members and the joinder of all record owners of mortgages upon the lots. No amendment shall be made that is in conflict with the Declaration or the Articles. Prior to the closing of the sale of all lots, no amendments shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, the Declarant, unless the Declarant shall join in the execution of the amendment, including, but not limited to, any right of the Declarant to appoint directors.

9.05 No amendment to these By-Laws shall prejudice or impair the rights and priorities of any Institutional Lenders unless such Institution Lenders affected thereby join in the execution of such amendment.

9.06 No amendment to these By-Laws shall be made which discriminates against any owner(s), or affects less than all of the owners without the written approval of all of the owners so discriminated against or affected.

9.07 No modification of, or amendment to, the By-Laws shall be valid until record in the public records of the county in which the property is located.

9.08 Any amendment made by Declarant and any amendment made by the members prior to the completion of construction of seventy-five percent (75%) of the improvements on the Lots within the subject property, must be approved by the Federal Housing Administration or by the Veterans Administration if any mortgage encumbering a lot is guaranteed or insured by either such agency, if such amendment materially and adversely affect the owners or materially or adversely affects the general scheme of development created by the 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 guaranty mortgage loans for the lots, or is required by any governmental authority. Such approval shall be deemed given either if (1) the agency fails to deliver written notice of its disapproval of any amendment to Declarant or to the ASSOCIATION with twenty (20) days after a request for such approval is delivered to the agency by certified mail, return receipt requested, or equivalent delivery, and such approval shall be conclusively evidenced by (2) a certificate given by the Declarant or the ASSOCIATION that the approval was given or deemed given.

9.09 The Articles of Incorporation of OAK RUN OF BOYNTON HOMEOWNERS' ASSOCIATION, INC. shall not be amended in any manner which shall prejudice the rights of any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee.

10. MISCELLANEOUS.

10.01 DECLARANT'S RIGHTS. Notwithstanding anything to the contrary contained herein, DECLARANT shall have the right to disapprove the actions of the Board of Directors or any committee so long as DECLARANT has the right to appoint a majority of the directors.

10.02 TENSE AND GENDER. The use of any gender or of any tense in these By-Laws shall refer to all genders or to all tenses, wherever the context so requires.

10.03 PARTIAL INVALIDITY. Should any of the provisions hereof be void or become unenforceable at law or in equity, the remaining provisions shall, nevertheless, be and remain in full force and effect.

10.04 CONFLICTS. In the event of any conflict, the Declaration, the Articles, and these By-Laws shall govern, in that order.

10.05 CAPTION. Captions are inserted herein only as a matter of convenience and for reference, and in no way are intended to or shall define, limit or describe the scope of these BY-LAWS or the intent of any provision hereof.

10.06 WAIVER OF OBJECTIONS. The failure of the Board or of any officers of the ASSOCIATION to comply with any of the terms and provisions of the Declaration, the Articles or these By-Laws which relate to time limitations shall not, in and of itself, invalidate the act done or performed. Any such failure shall be waived if it is not objected

to by a member of the ASSOCIATION within ten (10) days after the member is notified, or becomes aware of the failure. Furthermore, if such failure occurs at a general or special meeting, the failure shall be waived as to all members who received notice of the meeting or appeared and failed to object to such failure at the meeting.

The foregoing was adopted as the BY-LAWS of the ASSOCIATION at the First Meeting of the Board of Directors on the 11th day of March, 1999.

BY: 
OWEN ALTMAN, Director

BY: 
LEON RUBENSTEIN, Director

BY: 
ROD SHELDON, Director

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the OAK RUN OF BOYNTON HOMEOWNERS' ASSOCIATION, INC., a Florida not for profit corporation and

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 11th day of March, 1999.



ROD SHELDON, Secretary

(Corporate Seal)