

MASTER DECLARATION
FOR
NAUTICA

RECORD AND RETURN TO:

THIS INSTRUMENT PREPARED BY:

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**MASTER DECLARATION
FOR
NAUTICA**

THIS MASTER DECLARATION FOR NAUTICA is made this 3rd day of March, 1999,
by SHOMA DEVELOPMENT CORP., a Florida corporation ("DECLARANT").

This MASTER DECLARATION includes the following exhibits:

- Exhibit "A" - Legal Description of the SUBJECT PROPERTY
- Exhibit "B" - Legal Description of the CONSERVATION EASEMENT
- Exhibit "C" - Articles of Incorporation of COMMUNITY ASSOCIATION
- Exhibit "D" - Bylaws of COMMUNITY ASSOCIATION

PREAMBLE:

DECLARANT owns the property described herein, and intends to develop the property as a residential community. The purpose of this Declaration is to provide various use and maintenance requirements and restrictions in the best interests of the future owners of dwellings within the property, to protect and preserve the values of the property. This Declaration will also establish a COMMUNITY ASSOCIATION, which will own, operate and/or maintain various portions of the property and improvements constructed within the property, will have the right to enforce the provisions of this Declaration, and will be given various other rights and responsibilities. The expenses of the COMMUNITY ASSOCIATION will be shared by the owners of portions of the property.

NOW, THEREFORE, DECLARANT hereby declares that the SUBJECT PROPERTY, as hereinafter defined, shall be held, sold, conveyed, leased, mortgaged and otherwise dealt with subject to the easements, covenants, conditions, restrictions, reservations, liens and charges set forth herein,

SO

all of which are created in the best interests of the owners and residents of the SUBJECT PROPERTY, and which shall run with the SUBJECT PROPERTY and shall be binding upon all persons having and/or acquiring any right, title or interest in the SUBJECT PROPERTY or any portion thereof, and shall inure to the benefit of each and every person, from time to time, owning or holding an interest in the SUBJECT PROPERTY, or any portion thereof.

1. **DEFINITIONS.** The words and phrases listed below, as used in this declaration, shall have the following meanings, unless the context otherwise requires:

1.1. **APPROVING PARTY** means DECLARANT, as long as it owns any portion of the SUBJECT PROPERTY, or until DECLARANT relinquishes its rights as the APPROVING PARTY by written notice to the COMMUNITY ASSOCIATION. DECLARANT reserves the right to assign its rights as the APPROVING PARTY with respect to any PARCEL to the PARCEL DEVELOPER of the PARCEL or to the COMMUNITY ASSOCIATION, in whole or in part. When DECLARANT or its assignee is no longer the APPROVING PARTY with respect to any PARCEL, the COMMUNITY ASSOCIATION shall be the APPROVING PARTY with respect to such PARCEL. Notwithstanding the foregoing, DECLARANT, so long as it owns any portion of the SUBJECT PROPERTY, and thereafter the PARCEL DEVELOPER of any PARCEL or its assignee, and not the COMMUNITY ASSOCIATION, shall be the APPROVING PARTY with respect to the initial construction of any improvements within a PARCEL by the PARCEL DEVELOPER of the PARCEL or by any builder or developer.

1.2. **ARTICLES** mean the Articles of Incorporation of the COMMUNITY ASSOCIATION, as amended from time to time.

1.3. **ASSESSMENT** means the amount of money which may be assessed against an OWNER for the payment of the OWNER's share of COMMON EXPENSES, and/or any other funds which an OWNER may be required to pay to the COMMUNITY ASSOCIATION as provided by this DECLARATION, the ARTICLES or the BYLAWS.

1.4. **BOARD** means the Board of Directors of the COMMUNITY ASSOCIATION.

1.5. **BYLAWS** mean the Bylaws of the COMMUNITY ASSOCIATION, as amended from time to time.

1.6. **COMMON AREAS** means any property, whether improved or unimproved, or any easement or interest therein, now or hereafter owned by the COMMUNITY ASSOCIATION, or which is dedicated to the COMMUNITY ASSOCIATION on any recorded plat of any portion of the SUBJECT PROPERTY, or which is declared to be a COMMON AREA by this DECLARATION, or which is intended by DECLARANT to be a COMMON AREA. COMMON AREAS shall include all of the roads, parks, street lights, entry features, wetland preservation or mitigation areas, upland buffers, conservation easements, and lakes and other waterways, and common irrigation systems within the SUBJECT PROPERTY, provided that the foregoing shall not be deemed a representation or warranty that any or all of the foregoing types of COMMON AREAS will be provided

1.7. COMMON EXPENSES mean all expenses of any kind or nature whatsoever properly incurred by the COMMUNITY ASSOCIATION, including, but not limited to, the following:

1.7.1. Expenses incurred in connection with the ownership, maintenance, repair, improvement or operation of the COMMON AREAS, or any other property to be maintained by the COMMUNITY ASSOCIATION as provided in this DECLARATION, including, but not limited to, utilities, taxes, assessments, insurance, operation, maintenance, repairs, improvements, alterations and security.

1.7.2. Expenses of obtaining, repairing or replacing personal property owned by the COMMUNITY ASSOCIATION.

1.7.3. Expenses incurred in connection with the administration and management of the COMMUNITY ASSOCIATION.

1.7.4. Costs incurred in connection with the Monitoring Plans referred to in Paragraph 2.11 below, including consultants and replacement of plants.

1.7.5. The cost of operating and maintaining any gatehouses or electronic gates or entry devices within the SUBJECT PROPERTY.

1.7.6. The cost of providing cable television or security service for the SUBJECT PROPERTY and/or the UNITS.

1.7.7. The cost of maintaining and replacing the entrance features to the SUBJECT PROPERTY and to all of the PARCELS.

1.7.8. Expenses declared to be COMMON EXPENSES by the provisions of this DECLARATION or by the ARTICLES or BYLAWS.

1.8. COMMON SURPLUS means the excess of all receipts of the COMMUNITY ASSOCIATION over the amount of the COMMON EXPENSES.

1.9. COMMUNITY ASSOCIATION means the corporation formed pursuant to the Articles of Incorporation attached hereto as an exhibit.

1.10. DECLARANT means the entity executing this DECLARATION, or any PERSON who may be assigned the rights of DECLARANT pursuant to a written assignment executed by the then present DECLARANT and recorded in the public records of the county in which the SUBJECT PROPERTY is located. In addition, in the event any PERSON obtains title to all of the SUBJECT PROPERTY then owned by DECLARANT as a result of the foreclosure of any mortgage or by taking title by deed in lieu thereof, such PERSON may elect to become the DECLARANT or to have any of DECLARANT's rights as provided by this DECLARATION, the ARTICLES, or the BYLAWS, by a written election recorded in the public records of the county in which the SUBJECT

PROPERTY is located, and regardless of the exercise of such election, such PERSON may appoint as DECLARANT or assign any rights of DECLARANT to any third party who acquires title to all or any portion of the SUBJECT PROPERTY by written appointment recorded in the public records of the county in which the SUBJECT PROPERTY is located. In any event, any subsequent DECLARANT shall not be liable for any actions or defaults of, or obligations incurred by, any prior DECLARANT, except as same may be expressly assumed by the subsequent DECLARANT.

1.11. DECLARATION means this declaration, as it may be amended from time to time.

1.12. IMPROVEMENT means any building, fence, wall, patio area, road, driveway, walkway, landscaping, antenna, sign, mailbox, pool, tennis court, recreational facility, berm, lake, pond, canal, or other structure or improvement which is constructed, made, installed, placed or developed within or upon, or removed from, any PROPERTY, or any change in, alteration of, addition to, or removal of all or any portion of any such structure or improvement other than normal maintenance and repair which does not materially alter or change the exterior appearance, condition and color of same, and any change in the ground elevation of any PROPERTY.

1.13. INSTITUTIONAL LENDER means the holder of a mortgage encumbering any PROPERTY, which holder in the ordinary course of business makes, purchases, guarantees, or insures mortgage loans, and which is not owned or controlled by the OWNER of the PROPERTY encumbered. An INSTITUTIONAL LENDER may include, but is not limited to, a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension or profit sharing plan, mortgage company, credit union, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, an agency of the United States or any other governmental authority, or any other similar type of lender generally recognized as an institutional-type lender. For definitional purposes only, an INSTITUTIONAL LENDER shall also mean the holder of any mortgage executed by or in favor of DECLARANT or and PARCEL DEVELOPER, whether or not such holder would otherwise be considered an INSTITUTIONAL LENDER.

1.14. LOT means any platted lot within the SUBJECT PROPERTY, or any other parcel of land located within the SUBJECT PROPERTY which has been or is intended to be conveyed to an OWNER and which contains or is intended to contain one UNIT, and shall include any UNIT constructed upon the LOT.

1.15. COMMUNITY ASSOCIATION means the corporation formed pursuant to the Articles of Incorporation attached hereto as an exhibit.

1.16. OWNER means the record owner(s) of the fee title to any PROPERTY and/or UNIT. The term OWNER shall include a UNIT OWNER.

1.17. PARCEL means any portion of the SUBJECT PROPERTY which is developed as a separate residential community in which the OWNERS of the property comprising the PARCEL have a common interest separate and distinct from the interest of all of the OWNERS. Each

PARCEL may be subject to a separate PARCEL DECLARATION, and may, but is not required to, be operated by or subject to the jurisdiction of a PARCEL ASSOCIATION.

1.18. PARCEL AREAS means any property, whether improved or unimproved, or any easement or interest therein, now or hereafter owned by the COMMUNITY ASSOCIATION, other than the COMMON AREAS, which are owned and/or maintained by the COMMUNITY ASSOCIATION, and which (i) are located within a PARCEL and primarily benefit the OWNERS of the LOTS and/or UNITS within the PARCEL, or (ii) are restricted for the use and benefit of the OWNERS of only one or more, but less than all, of the PARCELS, in any PARCEL DECLARATION, or in any deed or easement for the PARCEL AREA to the COMMUNITY ASSOCIATION, or pursuant to a recorded document executed by DECLARANT or any applicable PARCEL DEVELOPER, or (ii) which are otherwise declared to be PARCEL AREAS pursuant to this DECLARATION.

1.19. PARCEL ASSESSMENT means an ASSESSMENT which is assessed against the OWNERS within one or more, but less than all of, the PARCELS.

1.20. PARCEL ASSOCIATION means a non-profit corporation, other than the COMMUNITY ASSOCIATION, which is formed to administer a PARCEL DECLARATION, and whose members consist of the OWNERS within the PARCEL affected by the PARCEL DECLARATION. For purposes of this DECLARATION, the PARCEL affected by any PARCEL DECLARATION shall be deemed to be operated by, and subject to the jurisdiction of, the respective PARCEL ASSOCIATION.

1.21. PARCEL DECLARATION means a supplement to this DECLARATION or a separate and distinct declaration of covenants and restrictions that effects one or more PARCELS and which contains provisions specially relating to such PARCELS, which may include provisions regarding PARCEL AREAS, PARCEL ASSESSMENTS and use and maintenance covenants and restrictions applicable to such PARCELS. A PARCEL DECLARATION may, but is not required to, establish a separate and distinct PARCEL ASSOCIATION to administer the PARCEL DECLARATION, or in the alternative a PARCEL DECLARATION may assign various duties and obligations to the COMMUNITY ASSOCIATION.

1.22. PARCEL DEVELOPER means the PERSON that executes a PARCEL DECLARATION, or the PERSON named as the PARCEL DEVELOPER in any PARCEL DECLARATION, or the PERSON which owns the entire PARCEL prior to the conveyance of the first LOT or UNIT within the PARCEL, or any PERSON who succeeds to all of the interests of the PARCEL DEVELOPER with respect to the applicable PARCEL other than a single LOT, or any PERSON who is assigned the rights of the PARCEL DEVELOPER with respect to the PARCEL pursuant to a written assignment executed by the then present PARCEL DEVELOPER and recorded in the Public Records of the County in which the SUBJECT PROPERTY is LOCATED. In any event, any subsequent PARCEL DEVELOPER shall not be liable for any actions or defaults of, or obligations incurred by, any prior PARCEL DEVELOPER, except as same may be expressly assumed by the subsequent PARCEL DEVELOPER.

1.23. PARCEL EXPENSE means a COMMON EXPENSE which is incurred in connection with the ownership, maintenance, repair, improvement, or operation of any PARCEL AREA or which is incurred exclusively for the benefit of one or more PARCELS pursuant to a PARCEL DECLARATION, the cost of which is to be assessed solely against the OWNERS within the PARCELS benefited by the expense.

1.24. PERSON means an individual, corporation, partnership, trust or any other legal entity.

1.25. PLANNED UNIT means a UNIT which is planned to be constructed within any PROPERTY, but which is not yet constructed and/or for which the controlling governmental authority has not yet issued a certificate of occupancy. The number of PLANNED UNITS within any PROPERTY is (i) the total number of UNITS which may be constructed within the PROPERTY determined pursuant to a site plan approved by any controlling governmental authority or a recorded plat which subdivides the PROPERTY into LOTS (prior to the approval of any such site plan or the recording of any such plat, the number of UNITS shall be the maximum number of UNITS that may be constructed within the PROPERTY in accordance with the applicable governmental requirements unless otherwise agreed upon by DECLARANT), (ii) less the number of UNITS actually existing within the PROPERTY. Any PARCEL OWNER may limit the number of PLANNED UNITS within the PARCEL OWNER'S PROPERTY by executing an agreement setting forth the maximum number of UNITS which may be constructed within such PROPERTY, which shall be executed or joined in by the COMMUNITY ASSOCIATION and any mortgagee holding a mortgage encumbering the PROPERTY and shall be recorded in the public records of the county in which the PROPERTY is located, and in that event no more UNITS may be constructed within the PROPERTY without the written consent of the COMMUNITY ASSOCIATION.

1.26. PROPERTY means all or any portion of the SUBJECT PROPERTY. The term PROPERTY shall include all UNITS and improvements located upon or within the PROPERTY.

1.27. SUBJECT PROPERTY means all of the property which is subject to this DECLARATION from time to time, which as of the execution and recording of this DECLARATION is the property described in Exhibit "A" attached hereto, and includes any property that is hereafter added to this DECLARATION, and excludes any property that is hereafter withdrawn from this DECLARATION, by an amendment.

1.28. UNIT means a residential dwelling contained within the SUBJECT PROPERTY, for which the controlling governmental authorities have issued a certificate of occupancy or its equivalent. Where any building contains more than one dwelling, each such dwelling shall be a UNIT. A UNIT may include, but is not limited to, a house, apartment, townhouse, patio home, cluster home, or residential condominium unit. The term UNIT shall include any PROPERTY or interest in PROPERTY owned in conjunction with the UNIT. Any UNIT which is located in a building that contains more than one UNIT or is attached to another UNIT by a "Party Wall" shall be referred to as a "Townhouse Unit." A "Party Wall" shall mean any wall built as a part of the original construction of two or more UNITS which is placed or intended to be placed on the dividing line or Platted Lot line between such UNITS.

1.29. UNIT OWNER means the record holder(s) of the fee title to a UNIT.

2. COMMON AREAS, DUTIES AND OBLIGATIONS OF THE COMMUNITY ASSOCIATION.

2.1. Conveyance of COMMON AREAS to the COMMUNITY ASSOCIATION.

2.1.1. By DECLARANT or a PARCEL DEVELOPER. DECLARANT shall have the right to convey title to any property owned by it, or any easement or interest therein, to the COMMUNITY ASSOCIATION as a COMMON AREA, and the COMMUNITY ASSOCIATION shall be required to accept such conveyance. Any such conveyance shall be effective upon recording the deed or instrument of conveyance in the public records of the county where the SUBJECT PROPERTY is located. Notwithstanding the foregoing, neither DECLARANT nor any PARCEL DEVELOPER shall have the obligation to develop and/or convey any property to the COMMUNITY ASSOCIATION as a COMMON AREA, and if DECLARANT or any PARCEL DEVELOPER desires to convey any property to the COMMUNITY ASSOCIATION, the timing of the conveyance shall be in the sole discretion of DECLARANT or the PARCEL DEVELOPER.

2.1.2. By Any Other PERSON. Any other PERSON may also convey title to any property owned by such PERSON, or any easement or interest therein, to the COMMUNITY ASSOCIATION as a COMMON AREA, but the COMMUNITY ASSOCIATION shall not be required to accept any such conveyance, and no such conveyance shall be effective to impose any obligation for the maintenance, operation or improvement of any such property upon the COMMUNITY ASSOCIATION, unless the BOARD expressly accepts the conveyance by executing the deed or other instrument of conveyance or by recording a written acceptance of such conveyance in the public records of the county in which the SUBJECT PROPERTY is located.

2.2. Easements. The COMMON AREAS are subject to the following easements, which are hereby created (see Paragraph 2.11 for special provisions relating to CONSERVATION EASEMENT):

2.2.1. Easements for Pedestrian and Vehicular Traffic. Easements for pedestrian traffic over, through and across sidewalks, paths, lanes and walks, as the same may from time to time exist upon the COMMON AREAS and be intended for such purpose; and for pedestrian and vehicular traffic and parking over, through, across and upon such portion of the COMMON AREAS as may from time to time be paved and intended for such purposes, same being for the use and benefit of the OWNERS and the residents of the SUBJECT PROPERTY, their mortgagees, and their guests and invitees.

2.2.2. Use and Benefit. All COMMON AREAS shall be held by the COMMUNITY ASSOCIATION subject to an easement for the use and benefit of the OWNERS, and their respective guests and invitees, the holders of any mortgage encumbering any PROPERTY from time to time, and any other persons authorized to use the COMMON AREAS or any portion thereof by DECLARANT or the COMMUNITY ASSOCIATION, for all proper and reasonable

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purposes and uses for which the same are reasonably intended, subject to the terms of this DECLARATION, subject to the terms of any easement, restriction, reservation or limitation of record affecting the COMMON AREA or contained in the deed or instrument conveying the COMMON AREA to the COMMUNITY ASSOCIATION, and subject to any rules and regulations adopted by the COMMUNITY ASSOCIATION. An easement and right for such use is hereby created in favor of all OWNERS, appurtenant to the title to their PROPERTY.

2.2.3. Service and Utility Easements. Easements in favor of governmental and quasi-governmental authorities, utility companies, cable television companies, ambulance or emergency vehicle companies, and mail carrier companies, over and across all roads existing from time to time within the SUBJECT PROPERTY, and over, under, on and across the COMMON AREAS, as may be reasonably required to permit the foregoing, and their agents and employees, to provide their respective authorized services to and for the SUBJECT PROPERTY. Also, easements as may be required for the installation, maintenance, repair and providing of utility services, equipment and fixtures in order to adequately serve the SUBJECT PROPERTY, including, but not limited to, electricity, telephones, sewer, water, lighting, irrigation, drainage, and television antenna and cable television facilities.

2.2.4. Additional Easements. DECLARANT (so long as it owns any PROPERTY) and the COMMUNITY ASSOCIATION, on their behalf and on behalf of all OWNERS, each shall have the right to grant and declare additional easements over, upon, under and/or across the COMMON AREAS in favor of DECLARANT or any person, entity, public or quasi-public authority or utility company, or (ii) modify, relocate, abandon or terminate existing easements affecting the COMMON AREAS.

2.3. Additions, Alterations or Improvements. The COMMUNITY ASSOCIATION shall have the right to make additions, alterations or improvements to the COMMON AREAS, and to purchase any personal property as it deems necessary or desirable from time to time, provided however that the approval of a 2/3 vote of the total votes of all the OWNERS shall be required for any addition, alteration or improvement, or any purchase of personal property, exceeding a sum equal to one month's total ASSESSMENTS for COMMON EXPENSES payable by all of the OWNERS, or if the cost of the foregoing shall in any fiscal year exceed in the aggregate a sum equal to 2 months' ASSESSMENTS for COMMON EXPENSES payable by all of the OWNERS. The foregoing approval shall in no event be required with respect to expenses incurred in connection with the maintenance, repair or replacement of existing COMMON AREAS, or any existing improvements or personal property associated therewith. The cost and expense of any such additions, alterations or improvements to the COMMON AREAS, or the purchase of any personal property, shall be a COMMON EXPENSE. In addition, so long as DECLARANT owns any portion of the SUBJECT PROPERTY, DECLARANT shall have the right to make any additions, alterations or improvements to the COMMON AREAS as may be desired by DECLARANT in its sole discretion from time to time, at DECLARANT's expense.

2.4. Utilities. The COMMUNITY ASSOCIATION shall pay for all utility services for the COMMON AREAS, or for any other property to be maintained by the COMMUNITY ASSOCIATION, as a COMMON EXPENSE.

2.5. Taxes. The COMMUNITY ASSOCIATION shall pay all real and personal property taxes and assessments for any property owned by the COMMUNITY ASSOCIATION as a COMMON EXPENSE.

2.6. Insurance. The COMMUNITY ASSOCIATION shall purchase insurance as a COMMON EXPENSE, as follows:

2.6.1. Hazard Insurance protecting against loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement, and all other perils customarily covered for similar types of projects, including those covered by the standard all-risk endorsement, covering 100% of the current replacement cost of all COMMON AREAS and property owned by the COMMUNITY ASSOCIATION, excluding land foundations, excavations and other items normally excluded from insurance coverage, or such reduced coverage as is approved by the BOARD. The COMMUNITY ASSOCIATION shall not use hazard insurance proceeds for any purpose other than repair, replacement or reconstruction of any damaged or destroyed property, until such repair, replacement or reconstruction is completed, without the approval of the DECLARANT so long as DECLARANT owns any portion of the SUBJECT PROPERTY or a 2/3 vote of the total votes of all of the OWNERS.

2.6.2. Comprehensive General Liability Insurance protecting the COMMUNITY ASSOCIATION from claims for bodily injury, death or property damage providing for coverage of at least \$1,000,000 for any single occurrence. Notwithstanding the foregoing, if the BOARD determines that it is impossible or unduly expensive to obtain \$1,000,000 of general liability insurance, then the BOARD may upon a unanimous vote of the directors obtain a lower amount of general liability insurance.

2.6.3. Blanket Fidelity Bonds (unless waived by the BOARD) for anyone who handles or is responsible for funds held or administered by the COMMUNITY ASSOCIATION, covering the maximum funds that will be in the custody or control of the COMMUNITY ASSOCIATION or any managing agent, which coverage shall be at least the sum of three (3) months assessments on all units plus reserve funds.

2.6.4. Such other insurance as may be desired by the COMMUNITY ASSOCIATION, such as flood insurance, errors and omissions insurance, workman's compensation insurance, or any other insurance.

2.6.5. All insurance purchased by the COMMUNITY ASSOCIATION must include a provision requiring at least ten (10) days written notice to the COMMUNITY ASSOCIATION before the insurance can be canceled or the coverage reduced for any reason.

2.6.6. Any deductible or exclusion under the policies shall be a COMMON EXPENSE and shall not exceed \$2,500 or such other sum as is approved by a majority of the BOARD.

2.6.7. Upon request, each INSTITUTIONAL LENDER shall have the right to receive a copy or certificate of the insurance purchased by the COMMUNITY ASSOCIATION, and shall have the right to require at least ten (10) days written notice to the INSTITUTIONAL LENDER before any insurance can be canceled or the coverage reduced for any reason. Each INSTITUTIONAL LENDER shall have the right upon notice to the COMMUNITY ASSOCIATION to review and approve, which approval shall not be unreasonably withheld, the form, content, issuer, coverage and deductibles of all insurance purchased by the COMMUNITY ASSOCIATION, and to require the COMMUNITY ASSOCIATION to purchase insurance complying with the reasonable and customary requirements of the INSTITUTIONAL LENDER. In the event of a conflict between the INSTITUTIONAL LENDERS, the requirements of the INSTITUTIONAL LENDER holding mortgages encumbering UNITS which secure the largest aggregate indebtedness shall control.

2.7. Default. Any OWNER or INSTITUTIONAL LENDER may pay for any utilities, taxes or assessments, or insurance premiums which are not paid by the COMMUNITY ASSOCIATION when due, or may secure new insurance upon the lapse of an insurance policy, and shall be owed immediate reimbursement therefor from the COMMUNITY ASSOCIATION, plus interest and any costs of collection, including attorneys' fees.

2.8. Damage or Destruction. In the event any improvement (other than landscaping) within any COMMON AREA is damaged or destroyed due to fire, flood, wind, or other casualty or reason, the COMMUNITY ASSOCIATION shall restore, repair, replace or rebuild (hereinafter collectively referred to as a "repair") the damaged improvement to the condition the improvement was in immediately prior to such damage or destruction, unless otherwise approved by a 2/3 vote of the BOARD. If any landscaping within any COMMON AREA or any other property maintained by the COMMUNITY ASSOCIATION is damaged or destroyed, the COMMUNITY ASSOCIATION shall only be obligated to make such repairs to the landscaping as is determined by the BOARD in its discretion. Any excess cost of repairing any improvement over insurance proceeds payable on account of any damage or destruction shall be a COMMON EXPENSE, and the COMMUNITY ASSOCIATION shall have the right to make a special ASSESSMENT for any such expense.

2.9. Maintenance of COMMON AREAS and other Property. The COMMUNITY ASSOCIATION shall maintain all COMMON AREAS and property owned by the COMMUNITY ASSOCIATION, and all improvements thereon, in good condition at all times. If pursuant to any easement the COMMUNITY ASSOCIATION is to maintain any improvement within any property, then the COMMUNITY ASSOCIATION shall maintain such improvement in good condition at all times. The COMMUNITY ASSOCIATION shall have the right to assume the obligation to operate and/or maintain any walls or fences on or near the boundaries of the SUBJECT PROPERTY, and any pavement, landscaping, sprinkler systems, sidewalks, paths, signs, entrance features, or other improvements, in or within 40 feet of any public or private road right-of-ways within or contiguous to the SUBJECT PROPERTY. In such event, where applicable the COMMUNITY ASSOCIATION shall so notify any OWNER or PARCEL ASSOCIATION otherwise responsible for such operation or maintenance, and thereafter such property shall be operated and/or maintained by the COMMUNITY ASSOCIATION and not by the OWNER or PARCEL ASSOCIATION, until the

BOARD determines that it is no longer necessary to assume the obligation to operate and/or maintain such property and so notifies the appropriate OWNER or PARCEL ASSOCIATION in writing. To the extent the COMMUNITY ASSOCIATION assumes the obligation to operate and/or maintain any PROPERTY which is not owned by the COMMUNITY ASSOCIATION, the COMMUNITY ASSOCIATION shall have an easement and right to enter upon such PROPERTY in connection with the operation in or maintenance of same, and no such entry shall be deemed a trespass. Such assumption by the COMMUNITY ASSOCIATION of the obligation to operate and/or maintain any property which is not owned by the COMMUNITY ASSOCIATION may be evidenced by a supplement to this DECLARATION, or by a written document recorded in the public records of the county in which the SUBJECT PROPERTY is located, and may be made in connection with an agreement with any OWNER, PARCEL ASSOCIATION, DECLARANT, or any governmental authority otherwise responsible for such operation or maintenance, and pursuant to any such document the operation and/or maintenance of any property may be made a permanent obligation of the COMMUNITY ASSOCIATION. The COMMUNITY ASSOCIATION may also enter into agreements with any other PERSON, or any governmental authority, to share in the maintenance responsibility of any property if the BOARD, in its sole and absolute discretion, determines this would be in the best interest of the OWNER. Notwithstanding the foregoing, if any UNIT OWNER or any resident of any UNIT, or their guests or invitees, damages any COMMON AREA or any improvement thereon, the UNIT OWNER of such UNIT shall be liable to the COMMUNITY ASSOCIATION for the cost of repair or restoration to the extent otherwise provided by law.

2.10. Surface Water Management System. It is acknowledged that the surface water management and drainage systems for the SUBJECT PROPERTY are one integrated system, and accordingly shall be deemed a COMMON AREA. Portions of the SUBJECT PROPERTY are subject to the terms and provisions of that certain Drainage Easement No. 1 (Nautica) dated April 15, 1997 between Country Lakes, L.P., a Virginia Limited Partnership and The South Broward Drainage District (the "SBDD") recorded in Official Records Book 26359 Page 355 of the Public Records of Broward County, Florida. The SUBJECT PROPERTY is also subject to and an easement is hereby created by those certain dedications of drainage easements and storage and surface water flowage easement contained or depicted in the Plat of Nautica which has been recorded or which will be recorded in the Public Records of Broward County, Florida. Declarant or the Community Association shall be entitled to create from time to time, when needed, over portions of the SUBJECT PROPERTY, easements, for surface water drainage and for the installation and maintenance of the surface water management and drainage system for the SUBJECT PROPERTY, provided however that such easements shall be subject to improvements constructed within the SUBJECT PROPERTY as permitted by controlling governmental authorities from time to time. The surface water management and drainage system of the SUBJECT PROPERTY shall be developed, operated, and maintained in conformance with the requirements of, and any permits or approvals issued by SBDD, the South Florida Water Management District, and any other controlling governmental authority. It is acknowledged that the lakes and portions of the drainage system within the SUBJECT PROPERTY may be owned and/or maintained by the SBDD. The COMMUNITY ASSOCIATION shall maintain as a COMMON EXPENSE the entire surface water management and drainage system for the SUBJECT PROPERTY, except for portions thereof which are in fact maintained by the SBDD, including but not limited to all lakes, canals, swale areas, retention areas,

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culverts, pipes, pumps, catch basins, and related appurtenances, and any littoral zones in any lakes or other waterway, regardless of whether or not same are natural or man-made within the SUBJECT PROPERTY or are owned by the COMMUNITY ASSOCIATION. Such maintenance shall be performed in conformance with the requirements of any controlling governmental authority, and an easement for such maintenance is hereby created. The COMMUNITY ASSOCIATION will have the right, but not the obligation, to maintain any portion of the surface water management and drainage system for the SUBJECT PROPERTY which is owned and/or maintained by any controlling governmental authority, or which is outside of the SUBJECT PROPERTY. The SUBJECT PROPERTY shall be required to accept surface water drainage from any other property pursuant to the requirements of any controlling governmental authority, and in connection therewith will have the right, but not the obligation, to maintain any portion of the surface water management system for such other property reasonably required in connection with the maintenance or operation of the surface water management system for the SUBJECT PROPERTY.

2.11. CONSERVATION EASEMENT.

2.11.1. Pursuant to the requirements of the South Florida Water Management District ("SFWMD"), and the Broward County Department of Natural Resources Protection ("DNRP"), the CONSERVATION AREA (as described in Exhibit "B" to this DECLARATION) is hereby dedicated to the COMMUNITY ASSOCIATION as COMMON AREAS, and shall be the perpetual maintenance responsibility of the COMMUNITY ASSOCIATION, which shall maintain same in accordance with the requirements of SFWMD and/or DNRP from time to time, including but not limited to: (i) the requirements and restrictions contained in the DNRP Dredge and Fill License for the SUBJECT PROPERTY as same may be modified from time to time, together with any monitoring plan attached thereto, and (ii) the requirements and restrictions contained in the SFWMD Permit for the SUBJECT PROPERTY, and any modifications made thereto, and any monitoring plan contained therein. At the request of the COMMUNITY ASSOCIATION, DECLARANT shall provide the COMMUNITY ASSOCIATION with a copy of the applicable DNRP License and SFWMD permit, and any amendments thereto; or the COMMUNITY ASSOCIATION can obtain same from such agencies.

2.11.2. The Declarant has entered into with the SFWMD and the County of Broward that certain Deed of Conservation Easement and Agreement with respect to the Conservation Area that has been or will be recorded in the Public Records of Broward County, Florida (the "Conservation Easement"). Pursuant to the Conservation Easement, the CONSERVATION AREA may in no way be altered from their natural/permitted state, as prescribed by SFWMD and/or DNRP. Activities prohibited within the CONSERVATION AREA include, but are not limited to, the following (except to the extent permitted under the DNRP license or the SFWMD permit): (i) construction or placing of buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground, (ii) dumping or placing of soil or other substance or material as landfill or dumping or placing of trash, waste, or unsightly or offensive materials, (iii) removal or destruction of trees, shrubs, or other vegetation, with the exception of exotic or nuisance vegetation removal or restoration in accordance with any restoration plan included in the DNRP Dredge and Fill License or the SFWMD Permit referred to above (exotic vegetation may include Melaleuca, Brazilian Pepper, Australian Pine and Japanese Climbing Fern,

and nuisance vegetation may include Cattails, Primrose Willow and Grapevine), (iv) excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance in such manner as to affect the surface, (v) surface use, except for purposes that permit the land or water area to remain predominantly in its natural condition, and (vi) activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation, including but not limited to diking and fencing.

2.11.3. All respective OWNERS are hereby notified that their PROPERTY, LOTS and/or UNITS may contain or be adjacent to wetland preservation or mitigation areas and upland buffers which are protected under the Conservation Easement set forth above.

2.11.4. The COMMUNITY ASSOCIATION shall take action against any OWNER as necessary to enforce the conditions of the Conservation Easement set forth above and any conditions contained in the DNRP License or the SFWMD Permit referred to above.

2.11.5. The SBDD has been granted drainage easements over, across and through the Conservation Area to be utilized for the flowage and storage of storm water from the Subject Property and neighboring properties as more particularly described in that certain Drainage Easement No. 1 dated April 15, 1997 from Country Lakes LP in favor of the SBDD which was recorded in Official Records Book 26359 Page 355 of the Public Records of Broward County, Florida, and as described in the dedications contained in that certain plat of the Subject Property known as Nautica recorded in the Public Records of Broward County, Florida. SBDD has on a nonexclusive basis, access to, and the right to utilize the Conservation Area for the purpose of the construction and maintenance of drainage facilities, together with any necessary appurtenances incidental and necessary thereto, together with free ingress and egress across the Conservation Area for the purpose of constructing, maintaining and repairing the drainage system and appurtenances contained therein. The Declarant, the Community Association and the SBDD have entered into or will enter into that certain Agreement to be recorded in the Public Records of Broward County, Florida regarding the maintenance of easements dedicated to the SBDD within the Conservation Area and providing for the indemnification of the SBDD in the event any claims are made against the SBDD arising out of the Community Association's obligations contained within the Agreement.

2.11.6. The legal description of the property comprising the CONSERVATION AREA, and subject to the Conservation Easement, may not be modified except pursuant to an amendment to this DECLARATION which is approved in writing by the SFWMD.

2.11.7. SFWMD, SBDD, BROWARD COUNTY, or any other controlling governmental authority shall have the right to enforce the COMMUNITY ASSOCIATION'S obligations hereunder, and shall have all remedies available at law or in equity, including injunctive relief. Without limitation, in the event the COMMUNITY ASSOCIATION fails to perform its obligations hereunder, SFWMD, BROWARD COUNTY, SBDD or any other controlling governmental authority shall have, the right to perform the obligations of the COMMUNITY ASSOCIATION, and in that event the COMMUNITY ASSOCIATION shall pay such governmental authority all costs incurred in connection therewith within 10 days after written demand, plus interest at the highest rate permitted by law. In any legal proceedings arising out of this paragraph to enforce

the obligations of the COMMUNITY ASSOCIATION, the prevailing party shall be entitled to recover its costs and attorneys fees from the losing party.

2.12. Mortgage and Sale of COMMON AREAS. The COMMUNITY ASSOCIATION shall not encumber, sell or transfer any COMMON AREA owned by the COMMUNITY ASSOCIATION without the approval of a 2/3 vote of the OWNERS, excluding DECLARANT, provided, however, that the COMMUNITY ASSOCIATION may dedicate the fee title to any COMMON AREA, or any easement therein, to any governmental authority without the approval of the OWNERS. Notwithstanding the foregoing, if DECLARANT or any PARCEL DEVELOPER changes the development plan fore portion of the SUBJECT PROPERTY such that any portion of the COMMON AREAS previously conveyed to the COMMUNITY ASSOCIATION would be within any PROPERTY which is not intended to be a COMMON AREA, then the COMMUNITY ASSOCIATION shall have the right without the approval of the OWNERS to convey such portion of the COMMON AREAS to DECLARANT or any applicable PARCEL OWNER; and in connection therewith, DECLARANT or the applicable PARCEL OWNER shall convey to the COMMUNITY ASSOCIATION any property which will be a COMMON AREA pursuant to the new development plan. If ingress or egress to any PROPERTY is through any COMMON AREA, any conveyance or encumbrance of such COMMON AREA shall be subject to an appurtenant easement for ingress and egress in favor of the OWNER(S) of such PROPERTY, unless alternative ingress and egress is provided to the OWNER(S).

2.13. Perimeter Wall, Fence or Berm. DECLARANT and the COMMUNITY ASSOCIATION shall have an easement around any boundary of the SUBJECT PROPERTY that is contiguous to a road right-of way, for the installation and maintenance of a wall, fence or berm, which easement shall be over and upon: (i) the North 20 feet of the SUBJECT PROPERTY, (ii) the West 28 feet of the SUBJECT PROPERTY, and (iii) any Utility, Drainage, and Landscape Buffer Easement shown on a recorded plat of the SUBJECT PROPERTY or any portion thereof. If any wall, fence or berm is constructed within such easement, the COMMUNITY ASSOCIATION shall maintain the wail, fence, or berm, and the landscaping located between the wall, fence or berm and the perimeter of the SUBJECT PROPERTY or rear of the applicable LOT, and an easement for such maintenance is hereby established. However, where any wall or fence is located upon a LOT, the OWNER shall maintain the side of the wall or fence facing the OWNER's LOT, but shall not paint the wall or fence or alter the condition or appearance thereof without the consent of the APPROVING PARTY.

2.14. Gatehouses or Entry Gates. It is acknowledged that one or more gatehouses and/or entry gates may, but will not be required to be, constructed within the SUBJECT PROPERTY, which if provided may be manned, or which may contain an unmanned entry system. If provided, all costs associated with any gatehouse or entry gate will be a COMMON EXPENSE. So long as DECLARANT appoints a majority of the Directors of the COMMUNITY ASSOCIATION, if any gatehouse is to be manned, DECLARANT shall have the right to determine, in its sole discretion, whether, and during what hours the gatehouse will be manned. In any event, DECLARANT or the COMMUNITY ASSOCIATION shall not have any liability for any injury, damage, or loss, of any kind or nature whatsoever due to the fact that any gatehouse is not manned, or due to the failure of

any person staffing the gatehouse or any mechanical or electrical entry system to prevent or detect a theft, burglary, or any unauthorized entry into the SUBJECT PROPERTY.

2.15. PARCEL AREAS. The following provisions shall apply with respect to any PARCEL AREA, notwithstanding other provisions in this DECLARATION to the contrary:

2.15.1. Use. Any PARCEL AREA that is a COMMON AREA shall be held by the COMMUNITY ASSOCIATION solely for the use and benefit of the owners and residents of the PARCELS who are intended to be benefited by the PARCEL AREAS, and the respective guests and invitees.

2.15.2. PARCEL EXPENSES. Any expenses exclusively associated with any PARCEL AREAS as determined by the COMMUNITY ASSOCIATION are PARCEL EXPENSES, and shall only be assessed to the OWNERS of the applicable PARCELS which are entitled to use or which are benefited by the PARCEL AREAS.

2.15.3. Approval of Action Concerning PARCEL AREAS. Where pursuant to this DECLARATION the OWNERS are given the right to approve any action concerning any COMMON AREAS, any such approval rights with respect to any PARCEL AREA shall only be approved by the required vote of the OWNERS of the applicable PARCELS served by the PARCEL AREA, and such action shall not be voted upon by any other OWNERS.

2.16. Roads, Driveways, and Parking Areas. It is acknowledged that the COMMON AREAS or the PARCEL AREAS may include roads, driveways, and parking areas. Without limitation, if the streets or roads within any PARCEL are not dedicated or conveyed to a governmental authority, such streets or roads exclusively serving the UNITS within the PARCEL, and any sidewalks within the PARCEL which exclusively serve that PARCEL (regardless of whether same are located within any LOT or within the road right-of-way) shall be deemed PARCEL AREAS, and all costs of maintaining and repairing same, and any cost of maintaining, repairing and operating any street lighting associated therewith, shall be PARCEL EXPENSES of the PARCEL. The COMMUNITY ASSOCIATION shall establish and adequately fund a separate reserve account for the purpose of repairing and maintaining any roads, driveways, sidewalks, or parking areas which are COMMON AREAS or PARCEL AREAS, and any other improvements located within any road right-of-way which is a COMMON AREA or a PARCEL AREA. Such reserve account shall be included in all budgets of the COMMUNITY ASSOCIATION and shall be funded through ASSESSMENTS as provided for in this DECLARATION. If the streets, roads or sidewalks do not exclusively serve the UNITS within that PARCEL, then the streets, roads and sidewalks shall be Common Expenses of all OWNERS.

CITY OF MIRAMAR'S RESERVATION OF RIGHTS. NOTWITHSTANDING ANY PROVISION TO THE CONTRARY IN THIS DECLARATION, THE CITY OF MIRAMAR SHALL NOT BE REQUIRED TO ACCEPT THE DEDICATION OR CONVEYANCE OF ALL OR ANY PORTION OF THE COMMON AREAS OR ANY PARCEL AREA, INCLUDING BUT NOT LIMITED TO ROADS, DRIVEWAYS, SIDEWALKS, AND PARKING AREAS. HOWEVER, THE CITY MAY ACCEPT ANY SUCH DEDICATION OR CONVEYANCE, IN ITS

SOLE DISCRETION, BUT NO DEDICATION OR CONVEYANCE OF ANY PROPERTY CONTAINING ANY ROAD, DRIVEWAY, SIDEWALK, OR PARKING AREA TO THE CITY SHALL BE EFFECTIVE UNLESS SAME IS ACCEPTED BY THE CITY. FURTHERMORE, THE CITY OF MIRAMAR SHALL HAVE NO DUTY OR OBLIGATION TO MAINTAIN ANY ROADS, DRIVEWAYS, SIDEWALKS, OR PARKING AREAS THAT ARE NOT OWNED BY THE CITY.

2.17. Common Irrigation System. The ASSOCIATION shall maintain any common irrigation system serving the SUBJECT PROPERTY. In this regard, it is acknowledged that irrigation for all of the LOTS may be provided by one or more common irrigation systems. If all of the LOTS within all of the PARCELS are irrigated by one or more common irrigation systems, then the cost of same shall be a COMMON EXPENSE; and if the LOTS within one or more PARCELS are not irrigated by a common irrigation system, the cost of same as to any PARCEL that has a common irrigation system shall be a PARCEL EXPENSE. The ASSOCIATION shall also pay for any utility services used in connection with any common irrigation system. Notwithstanding the foregoing, each OWNER shall be responsible for the repair and replacement of the sprinkler heads on the OWNER's LOT, and each OWNER shall be responsible for any damage to any common sprinkler system caused by the OWNER or any resident of the OWNER's UNIT. No OWNER shall make any IMPROVEMENT to the OWNER's LOT which would affect the common sprinkler system serving the LOT without the written consent of the APPROVING PARTY, and each OWNER shall be responsible for any alterations, repairs, or replacements to the common irrigation system necessitated by the acts of the OWNER or any resident of the OWNER's LOT, or their contractors, guests or invitees.

3. COMMUNITY ASSOCIATION. In order to provide for the administration of the SUBJECT PROPERTY and this DECLARATION, the COMMUNITY ASSOCIATION has been organized under the Laws of the State of Florida.

3.1. Articles of Incorporation. A copy of the ARTICLES is attached hereto as Exhibit "C". No amendment to the ARTICLES shall be deemed an amendment to this DECLARATION, and this DECLARATION shall not prohibit or restrict amendments to the ARTICLES, except as specifically provided herein.

3.2. BYLAWS. A copy of the BYLAWS is attached hereto as Exhibit "D". No amendment to the BYLAWS shall be deemed an amendment to this DECLARATION, and this DECLARATION shall not prohibit or restrict amendments to the BYLAWS, except as specifically provided herein.

3.3. Powers of the COMMUNITY ASSOCIATION. The COMMUNITY ASSOCIATION shall have all the powers indicated or incidental to those contained in its ARTICLES and BYLAWS. In addition, the COMMUNITY ASSOCIATION shall have the power to enforce this DECLARATION and shall have all powers granted to it by this DECLARATION. By this DECLARATION, the SUBJECT PROPERTY is hereby submitted to the jurisdiction of the COMMUNITY ASSOCIATION.

3.4. Approval or Disapproval of Matters. Whenever the decision, consent or approval of the OWNERS is required upon any matter, whether or not the subject of a COMMUNITY ASSOCIATION meeting, such decision shall be made in accordance with the ARTICLES and BYLAWS, except as otherwise provided herein. Where any matter requires a vote of a specified share of the OWNERS, but does not specifically refer to "all of" the OWNERS, the matter requires only the approval of the specified percentage or share of the votes actually cast on the matter, regardless of how many votes are actually cast. Where any matter requires a vote of a specified share of "all the" OWNERS, the matter requires a number of votes equal to at least the specified share or percentage of the total number of votes of all the OWNERS.

3.5. Acts of the COMMUNITY ASSOCIATION. Unless the approval or action of the OWNERS and/or a certain specific percentage of the BOARD is specifically required by this DECLARATION, the ARTICLES or BYLAWS, or by applicable law, all approvals or actions required or permitted to be given or taken by the COMMUNITY ASSOCIATION shall be given or taken by the BOARD, without the consent of the OWNERS, and the BOARD may so approve an act through the proper officers of the COMMUNITY ASSOCIATION without a specific resolution. When an approval or action of the COMMUNITY ASSOCIATION is permitted to be given or taken, such action or approval may be conditioned in any manner the COMMUNITY ASSOCIATION deems appropriate, or the COMMUNITY ASSOCIATION may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal, except as herein specifically provided to the contrary.

3.6. Management and Service Contracts. The COMMUNITY ASSOCIATION shall have the right to contract for professional management or services on such terms and conditions as the BOARD deems desirable in its sole discretion, provided, however, that any such contract shall not exceed three (3) years and shall be terminable by either party without cause and without payment of a termination or penalty fee on ninety (90) days or less written notice.

3.7. Membership.

3.7.1. OWNERS. Each OWNER shall be a member of the COMMUNITY ASSOCIATION. Notwithstanding the foregoing, no governmental authority or utility company shall be deemed a member unless one or more UNITS actually exist upon the PROPERTY owned by such governmental authority or utility company, in which event the governmental authority or utility company will be a member only with respect to the PROPERTY owned in conjunction with such UNIT(S).

3.7.2. DECLARANT and PARCEL DEVELOPERS. DECLARANT and each PARCEL DEVELOPER shall be a member of the COMMUNITY ASSOCIATION so long as DECLARANT or the applicable PARCEL DEVELOPER owns any PROPERTY.

3.8. Voting Rights. The votes of the members shall be established and exercised as provided in the ARTICLES and BYLAWS.

4. ASSESSMENTS FOR COMMON EXPENSES.

4.1. Responsibility. Each OWNER shall be responsible for the payment of ASSESSMENTS for COMMON EXPENSES to the COMMUNITY ASSOCIATION as hereinafter provided.

4.2. Determination of ASSESSMENTS for COMMON EXPENSES and PARCEL ASSESSMENTS. Not less than 60 days prior to the beginning of each fiscal year, the BOARD shall adopt a budget for such fiscal year, which shall estimate all of the COMMON EXPENSES to be incurred during the fiscal year, and shall also adopt PARCEL budgets for each PARCEL where the COMMUNITY ASSOCIATION will incur any PARCEL EXPENSE, each of which shall estimate all of the PARCEL EXPENSES to be incurred for the applicable PARCEL by the COMMUNITY ASSOCIATION during the fiscal year. In determining the budgets for any fiscal year, the Board may take into account COMMON AREAS and UNITS anticipated to be added during the fiscal year. The BOARD shall then establish the per-UNIT ASSESSMENTS and PARCEL ASSESSMENTS pursuant to the budgets. It is anticipated that the PROPERTY when fully improved will contain a total of 830 UNITS of which it is anticipated that 390 will be single family detached home UNITS, and 440 will be Townhouse UNITS. After the BOARD establishes the budget, the budget will be divided in half and payment of one-half of the COMMON EXPENSES of the budget will be the responsibility of all single family home detached dwelling UNITS and single family detached home PLANNED UNITS (the "Single Family Home Portion"), and the other one-half of the COMMON EXPENSES will be the responsibility of the Townhouse UNITS, and all PLANNED UNITS which will become Townhouse UNITS (the "Townhouse Portion"). As to the Single Family Home Portion of the budget, the per -Unit Assessments for single family detached home Units will be the total amount assessed for Common Expenses under the Single Family Home Portion divided by the total number of single family detached home Units and Planned Units which will become single family detached home Units. As to the Townhouse Portion of the budget, the per- Unit Assessments for Townhouse Units will be the total amount assessed for Common Expenses under the Townhouse Portion divided by the total number of Townhouse Units and Planned Units that will become Townhouse Units. The per-UNIT PARCEL ASSESSMENTS for any PARCEL will be equal to the total amount to be assessed for the PARCEL EXPENSES pursuant to the applicable PARCEL budget, divided by the total number of UNITS and PLANNED UNITS within the PARCEL, and any other property anticipated to be added to the PARCEL during the fiscal year, unless an applicable PARCEL DECLARATION establishes a different manner of allocating PARCEL ASSESSMENTS among the OWNERS within the PARCEL. The COMMUNITY ASSOCIATION shall then promptly notify all OWNERS, in writing, of the amount, frequency, and due dates of the per-UNIT ASSESSMENTS and PARCEL ASSESSMENTS. From time to time during the fiscal year, the BOARD may modify any COMMUNITY ASSOCIATION or PARCEL budget for the fiscal year, and pursuant to the revised budget or otherwise the BOARD may, upon written notice to the OWNERS, change the amount, frequency and/or due dates of the ASSESSMENTS or PARCEL ASSESSMENTS. If the expenditure of funds is required by the COMMUNITY ASSOCIATION in addition to funds produced by the regular ASSESSMENTS for COMMON EXPENSES, the BOARD may make special ASSESSMENTS for COMMON EXPENSES, which may include ASSESSMENTS to provide funds to pay for an existing or proposed deficit of the COMMUNITY ASSOCIATION, or for any additions, alterations, or improvements to any COMMON AREA, or

for any other purpose. Where any such funds are only required for any PARCEL EXPENSES, the special ASSESSMENTS shall only be made against the applicable PARCEL(S) as special PARCEL ASSESSMENTS. Special ASSESSMENTS for COMMON EXPENSES shall be levied in the same manner as hereinbefore provided for regular ASSESSMENTS for COMMON EXPENSES and shall be payable in one lump sum or as otherwise determined by the BOARD in its sole discretion and as stated in the notice of any special ASSESSMENT for COMMON EXPENSES. In the event any ASSESSMENTS for COMMON EXPENSES are made payable in equal periodic payments, as provided in the notice from the COMMUNITY ASSOCIATION, such periodic payments shall automatically continue to be due and payable in the same amount and frequency as indicated in the notice, unless and/or until: (i) the notice specifically provides that the periodic payments will terminate upon the occurrence of a specified event or the payment of a specified amount, or (ii) the COMMUNITY ASSOCIATION notifies the OWNER in writing of a change in the amount and/or frequency of the periodic payments. In no event shall any ASSESSMENT for COMMON EXPENSES payable by any OWNER be due less than ten (10) days from the date of the notification of such ASSESSMENT for COMMON EXPENSES.

4.3. Payment of ASSESSMENTS for COMMON EXPENSES. Except as hereafter provided, on or before the date each ASSESSMENT for COMMON EXPENSES is due, each OWNER shall be required to and shall pay to the COMMUNITY ASSOCIATION an amount equal to the per-UNIT ASSESSMENT, multiplied by the number of UNITS and PLANNED UNITS then owned by such OWNER. In addition, each OWNER within a PARCEL that is subject to PARCEL ASSESSMENTS shall be required to and shall pay to the COMMUNITY ASSOCIATION an amount equal to the per-UNIT PARCEL ASSESSMENT, multiplied by the number of UNITS and PLANNED UNITS then owned by such OWNER, or as otherwise determined by an applicable PARCEL DECLARATION.

4.4. Enforcement. If any OWNER fails to pay any ASSESSMENT for COMMON EXPENSES when due, the COMMUNITY ASSOCIATION shall have the rights set forth in Paragraph 7.1.

4.5. DECLARANT'S and PARCEL DEVELOPERS' LIABILITY FOR ASSESSMENTS for COMMON EXPENSES.

4.5.1. Notwithstanding the foregoing, until such time as 75% of the UNITS anticipated to be built within the SUBJECT PROPERTY have actually been built and conveyed to purchasers or occupied (the "75% Build Out Date"), or until DECLARANT and the PARCEL DEVELOPERS notify the COMMUNITY ASSOCIATION in writing that they elect to pay ASSESSMENTS for COMMON EXPENSES as in the case of any other OWNER, DECLARANT and the PARCEL DEVELOPERS shall not be liable for ASSESSMENTS for COMMON EXPENSES for any UNITS or PLANNED UNITS within the PROPERTY owned by them.

4.5.2. In lieu of the requirements of section 4.5.1 hereof, DECLARANT, so long as it owns any LOT, shall be responsible for all COMMON EXPENSES actually incurred by the COMMUNITY ASSOCIATION in excess of the ASSESSMENTS for COMMON EXPENSES and

any other income receivable by the COMMUNITY ASSOCIATION from the OWNERS other than the PARCEL DEVELOPERS (the "DEFICIT"), except as hereafter provided.

4.5.3. After DECLARANT no longer owns any LOT, each PARCEL DEVELOPER shall be liable for a pro-rata share of the DEFICIT, which DEFICIT shall be determined quarterly unless otherwise determined by majority vote of the PARCEL DEVELOPERS, and for such purpose each PARCEL DEVELOPER shall have one vote per LOT owned at the time such vote is taken. The share of the DEFICIT payable by each PARCEL DEVELOPER shall be based upon the ratio that the number of LOTS owned by the PARCEL DEVELOPER bears to the total number of LOTS owned by all of the PARCEL DEVELOPERS as of the beginning of each period for which the DEFICIT is determined any payable. Such share shall be due and payable within 20 days after written demand by the COMMUNITY ASSOCIATION, and if not paid the COMMUNITY ASSOCIATION shall have all rights set forth in Paragraph 7,1 below.

4.5.4. Prior to the 75% Build Out Date, the ASSESSMENTS for COMMON EXPENSES shall be established by DECLARANT so long as it owns any LOT, and thereafter by majority vote of the PARCEL DEVELOPERS (one vote per LOT owned), based upon DECLARANT's or the PARCEL DEVELOPERS' good faith estimate of what the actual expenses of the COMMUNITY ASSOCIATION would be on the 75% Build Out Date, assuming all COMMON AREAS anticipated to be completed at that point were completed and available for use and that the COMMUNITY ASSOCIATION had assumed all duties and responsibilities anticipated to be delegated to it. The ASSESSMENTS so determined may be changed from time to time by DECLARANT or the PARCEL DEVELOPERS, as applicable, based upon changes in such estimate.

4.5.5. Notwithstanding the foregoing, in the event the COMMUNITY ASSOCIATION incurs any expense not ordinarily anticipated in the day-to-day management and operation of the SUBJECT PROPERTY, including but not limited to expenses incurred in connection with lawsuits against the COMMUNITY ASSOCIATION, or incurred in connection with damage to property, or injury or death to any person, which are not covered by insurance proceeds, the liability of DECLARANT or the PARCEL DEVELOPERS for such COMMON EXPENSES shall not exceed the amount that they would be required to pay if they were liable for ASSESSMENTS for COMMON EXPENSES as any other OWNER, and any excess amounts payable by the COMMUNITY ASSOCIATION shall be assessed to the other OWNERS.

4.5.6. After the 75% Build Out Date DECLARANT and the PARCEL DEVELOPERS will only be liable for ASSESSMENTS for COMMON EXPENSES for any completed UNITS that are owned by them and that are occupied, and DECLARANT and the PARCEL DEVELOPERS will not be liable for any other ASSESSMENTS or be otherwise obligated to pay any further monies to the COMMUNITY ASSOCIATION, including but not limited to any deficits or any ASSESSMENTS, provided, however, that DECLARANT or the PARCEL DEVELOPERS may, without prejudice to their right to discontinue payments thereafter, voluntarily pay ASSESSMENTS or the deficits of the COMMUNITY ASSOCIATION.

4.5.7. In any event, during the period when DECLARANT or the PARCEL DEVELOPERS are not liable for ASSESSMENTS for COMMON EXPENSES, the COMMUNITY

ASSOCIATION will not be required to fund the portion of any reserve account reflected in the budget which is attributable to any UNITS or PLANNED UNITS owned by DECLARANT or the PARCEL DEVELOPERS.

4.5.8. The foregoing provisions shall likewise apply with respect to any PARCEL EXPENSES for any PARCEL as to the PARCEL DEVELOPER of the PARCEL. Furthermore, any obligation of a PARCEL DEVELOPER to fund any PARCEL ASSESSMENTS or any deficits in any PARCEL EXPENSES may be established pursuant to any PARCEL DECLARATION, and in that event the PARCEL DECLARATION shall control over any conflict with the provisions of this Paragraph.

4.5.9. Exclusion for Expenses Relating to Completed UNITS. Notwithstanding anything contained herein to the contrary, in the event the COMMUNITY ASSOCIATION incurs any COMMON EXPENSE or PARCEL EXPENSE, which by its nature is applicable only to a completed UNIT, such expense shall only be assessed to and payable by the OWNERS of completed UNITS, and shall not be included within any ASSESSMENTS payable by any PARCEL DEVELOPER or any OWNER of a LOT not containing a completed UNIT. Such expenses include, for example, expenses for bulk cable television or home security monitoring service, or expenses relating to the maintenance of landscaping upon any LOT or the maintenance of any exterior walls or roofs of a UNIT, which may be incurred pursuant to this DECLARATION or any PARCEL DECLARATION.

4.6. PARCEL ASSOCIATION. If any PARCEL is subject to the jurisdiction of a separate PARCEL ASSOCIATION, at the request of the PARCEL ASSOCIATION the COMMUNITY ASSOCIATION may agree to include in the ASSESSMENTS against the OWNERS within the PARCEL any assessments that may be imposed by the PARCEL ASSOCIATION, and remit such funds to the PARCEL ASSOCIATION as same are collected. Furthermore, at the request of the COMMUNITY ASSOCIATION, the PARCEL ASSOCIATION shall collect all ASSESSMENTS assessed by the COMMUNITY ASSOCIATION against the OWNERS within the PARCEL and remit the ASSESSMENTS to the COMMUNITY ASSOCIATION on or before the date when same are due.

4.7. WORKING CAPITAL CONTRIBUTION. In addition to ASSESSMENTS for COMMON EXPENSES, after a certificate of occupancy for a UNIT is issued by the controlling governmental authority, upon the first to occur of the conveyance of the UNIT from the builder or the first occupancy of the UNIT, the OWNER of the UNIT shall pay to the COMMUNITY ASSOCIATION a contribution to a working capital fund of the COMMUNITY ASSOCIATION in an amount equal to two times the amount of the regular monthly ASSESSMENT which shall be in addition to the OWNER'S responsibility for ASSESSMENTS for COMMON EXPENSES. The working capital fund shall be used by the COMMUNITY ASSOCIATION for start-up expenses or otherwise as the COMMUNITY ASSOCIATION shall determine from time to time, and specifically may be used for the payment of COMMON EXPENSES, and such fund need not be restricted or accumulated.

5. ARCHITECTURAL CONTROL FOR EXTERIOR CHANGES.

5.1. Purpose. The APPROVING PARTY shall have the right to exercise architectural control over all IMPROVEMENTS, to assist in making the entire SUBJECT PROPERTY a community of high standards and aesthetic beauty. Such architectural control may include all architectural aspects of any IMPROVEMENT including, but not limited to, size, height, site planning, set-back exterior design, materials, colors, open space, landscaping, waterscaping, and aesthetic criteria.

5.2. OWNER or PARCEL ASSOCIATION to Obtain Approval. No OWNER or PARCEL ASSOCIATION shall make any IMPROVEMENT, and no OWNER or PARCEL ASSOCIATION shall apply for any governmental approval or building or other permit for any IMPROVEMENT, unless the OWNER or PARCEL ASSOCIATION first obtains the written approval of the IMPROVEMENT from the APPROVING PARTY.

5.3. Request for Approval. Any request for approval by the APPROVING PARTY of any IMPROVEMENT shall be in writing and shall be accompanied by plans and specifications or other details as the APPROVING PARTY may deem reasonably necessary in connection with its determination as to whether or not it will approve same. The plans and specifications submitted for approval shall show the nature, kind, shape, height, materials, color, and location of all proposed IMPROVEMENTS. If the APPROVING PARTY deems the plans and specifications deficient, the APPROVING PARTY may require such further detail in the plans and specifications as the APPROVING PARTY deems necessary in connection with its approval of same, including, without limitation, floor plans, site plans, drainage plans, elevation drawings, and descriptions or samples of exterior materials and colors, and until receipt of the foregoing, the APPROVING PARTY may postpone review of any plans submitted for approval. The APPROVING PARTY shall have the right to charge a reasonable fee to any OWNER or PARCEL ASSOCIATION requesting architectural approval, including where applicable the fee of any architect or engineer hired by the APPROVING PARTY to review any plans or specifications, provided that the APPROVING PARTY shall not be required to use the services of any architect or engineer in connection with its exercise of architectural approval. The APPROVING PARTY shall not be obligated to review or approve any plans and specifications until such fee is paid. Approval of any request shall not be withheld in a discriminatory manner or in a manner which unreasonably prohibits the reasonable improvement of any PROPERTY, but may be withheld due to aesthetic considerations.

5.4. Approval. The APPROVING PARTY shall notify the OWNER or PARCEL ASSOCIATION of its approval or disapproval, or that the APPROVING PARTY requires additions to the plans and specifications or other materials, by written notice within 30 days after request for such approval is made in writing to the APPROVING PARTY, and all documents, plans and specifications, and other materials required by the APPROVING PARTY in connection with such approval have been submitted. In the event the APPROVING PARTY fails to disapprove any request within such 30 day period, the request shall be deemed approved and upon request the APPROVING PARTY shall give written notice of such approval, provided the party requesting such approval pays any fee charged by the APPROVING PARTY in connection with the approval. In consenting to any proposed IMPROVEMENT, the APPROVING PARTY may condition such consent upon changes being made and any such approval shall be deemed a disapproval unless and

until the party requesting the approval agrees to the changes. If the APPROVING PARTY approves, or is deemed to have approved, any IMPROVEMENT, the OWNER or PARCEL ASSOCIATION requesting approval may proceed to make the IMPROVEMENT in strict conformance with the plans and specifications approved or deemed to have been approved, subject to any conditions of the APPROVING PARTY's approval, and shall not make any material changes without the approval of the APPROVING PARTY. If the APPROVING PARTY approves any IMPROVEMENT, same shall not require the APPROVING PARTY, or any subsequent APPROVING PARTY to approve any similar IMPROVEMENT in the future, and the APPROVING PARTY shall have the right in the future to withhold approval of similar IMPROVEMENTS requested by any other OWNER or PARCEL ASSOCIATION.

5.5. Architectural Guidelines and Criteria. The APPROVING PARTY may adopt and modify from time to time, in its discretion, minimum guidelines, criteria and/or standards which will be used by it in connection with its exercise of architectural control, provided however that same shall not apply to any previously existing or approved IMPROVEMENT. The foregoing may include, but are not limited to, minimum square footage, maximum height, minimum set-back, and minimum landscaping requirements.

5.6. Inspections. Upon the completion of any IMPROVEMENT, the applicable OWNER or PARCEL ASSOCIATION shall give written notice of the completion to the APPROVING PARTY. Within 90 days thereafter, the APPROVING PARTY shall have the right to inspect the IMPROVEMENT and notify the OWNER or PARCEL ASSOCIATION in writing that the IMPROVEMENT is accepted, or that the IMPROVEMENT is deficient because it was not completed in conformance with the approved plans and specifications or in a manner otherwise acceptable to the APPROVING PARTY, specifying the particulars of such deficiencies. Within 30 days thereafter the OWNER or PARCEL ASSOCIATION shall correct the deficiencies set forth in the notice, and upon completion of the work the APPROVING PARTY shall again be given a notice of the completion, and the provisions of this paragraph shall again become operative. If the APPROVING PARTY fails to notify the OWNER or PARCEL ASSOCIATION of any deficiencies within 90 days after receipt of a notice of completion the IMPROVEMENT shall be deemed to have been accepted by the APPROVING PARTY.

5.7. Remedy for Violations. In the event this section is violated in that any IMPROVEMENT is made without first obtaining the approval of the APPROVING PARTY, or is not made in strict conformance with any approval given or deemed given by the APPROVING PARTY, the APPROVING PARTY shall specifically have the right to injunctive relief to require the applicable OWNER or PARCEL ASSOCIATION to stop, remove and/or alter any IMPROVEMENT in a manner which complies with the requirements of the APPROVING PARTY, or the APPROVING PARTY may pursue any other remedy available to it. If DECLARANT is the APPROVING PARTY, then in connection with the enforcement of this section, DECLARANT shall have all of the rights of enforcement granted to the COMMUNITY ASSOCIATION pursuant to this DECLARATION, including but not limited to the right to impose fines, and to assess and lien for costs and expenses incurred in enforcing this section, except that any fines shall be paid to the COMMUNITY ASSOCIATION. In connection with the enforcement of this section, the APPROVING PARTY shall have the right to enter onto any PROPERTY and make any inspection

necessary to determine that the provisions of this paragraph have been complied with. The failure of the APPROVING PARTY to object to any IMPROVEMENT prior to the completion of the IMPROVEMENT shall not constitute a waiver of the APPROVING PARTY's right to enforce the provisions of this section. Any action to enforce this Section must be commenced within 1 year after notice of the violation by the APPROVING PARTY, or within 3 years after the date of the violation, whichever occurs first. The foregoing shall be in addition to any other remedy set forth herein for violations of this DECLARATION. Notwithstanding anything contained within this DECLARATION to the contrary, the APPROVING PARTY shall have the exclusive authority to enforce the provisions of this paragraph.

5.8. No Liability. Notwithstanding anything contained herein to the contrary, the APPROVING PARTY shall merely have the right, but not the duty, to exercise architectural control, and shall not be liable to any OWNER or PARCEL ASSOCIATION due to the exercise or non-exercise of such control, or the approval or disapproval of any IMPROVEMENT. Furthermore, the approval of any plans or specifications or any IMPROVEMENT shall not be deemed to be a determination or warranty that such plans or specifications or IMPROVEMENT are complete or do not contain defects, or in fact meet any standards, guidelines and/or criteria of the APPROVING PARTY, or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and the APPROVING PARTY shall not be liable for any defect or deficiency in such plans or specifications or IMPROVEMENT, or any injury resulting therefrom.

5.9. Compliance with Governmental Requirements. In addition to the foregoing requirements, any IMPROVEMENT made by any OWNER or PARCEL ASSOCIATION must be in compliance with the requirements of all controlling governmental authorities, and the OWNER or PARCEL ASSOCIATION shall be required to obtain an appropriate building permit from the applicable governmental authority when required by controlling governmental requirements. Any consent or approval by the APPROVING PARTY to any IMPROVEMENT may be made conditioned upon the OWNER or PARCEL ASSOCIATION obtaining a building permit for same, or providing the APPROVING PARTY written evidence from the controlling governmental authority that such permit will not be required, and in that event the OWNER or PARCEL ASSOCIATION shall not proceed with any IMPROVEMENT until such building permit or evidence that a building permit is not required is obtained and submitted to the APPROVING PARTY.

5.10. Construction by Licensed Contractor. If a building permit is required for any IMPROVEMENT made by any OWNER or PARCEL ASSOCIATION, then the IMPROVEMENT must be installed or constructed by a licensed contractor unless otherwise approved by the APPROVING PARTY, and in any event must be constructed in a good and workmanlike manner.

5.11. Certificate. Within 10 days after the request of any OWNER or PARCEL ASSOCIATION, the APPROVING PARTY shall issue without charge a written certification in recordable form as to whether or not the IMPROVEMENTS located upon the OWNER's LOT or within the property operated by the PARCEL ASSOCIATION comply with the provisions of this DECLARATION.

5.12. Effect of PARCEL ASSOCIATION. If a PARCEL ASSOCIATION is also granted the right to exercise architectural or similar control pursuant to a recorded declaration with respect to any PROPERTY, then any OWNER seeking architectural approval from the APPROVING PARTY shall first be required to obtain such approval from the PARCEL ASSOCIATION; however, no approval given by any PARCEL ASSOCIATION shall be binding upon the APPROVING PARTY.

5.13. Approval by PARCEL DEVELOPER. So long as a PARCEL DEVELOPER of any PARCEL owns any PROPERTY within the PARCEL, the PARCEL DEVELOPER shall also have the right to approve any IMPROVEMENT pursuant to the provisions of this Paragraph 5, and the APPROVING PARTY shall not approve any IMPROVEMENT until such PARCEL DEVELOPER has approved same in writing.

6. USE RESTRICTIONS AND MAINTENANCE REQUIREMENTS.

6.1. No Trade or Business. No trade, business, profession, or commercial activity, or any other non-residential use, shall be conducted upon any portion of the SUBJECT PROPERTY nor within any UNIT, if in connection therewith customers or patients come to the UNIT or if such non-residential use is otherwise apparent from the exterior of a UNIT. The foregoing shall not preclude (i) home offices complying with the previous sentence, (i) the rental of UNITS within the SUBJECT PROPERTY; or (iii) activities associated with the construction, development and sale of the SUBJECT PROPERTY or any portion thereof.

6.2. Exterior Changes, Alterations and Improvements. No OWNER or PARCEL ASSOCIATION shall make any IMPROVEMENT, without the prior written consent of the APPROVING PARTY, as required by Paragraph 5 of this DECLARATION.

6.3. Fences and Walls. Fences and walls shall not be permitted in the front of any UNIT. No fence or wall shall be installed without the consent of the APPROVING PARTY as to the location, height, type, and materials of the fence or wall. In approving any fence or wall, the APPROVING PARTY may give due consideration to such matters as easements, drainage, berms, or other physical characteristics of the applicable LOT or PROPERTY, and the effect of the fence or wall on the surrounding community. All fences and walls must be maintained in good condition at all times.

6.4. Roofs for Porches, Patios or Additions. Any roof or ceiling on any porch, patio, or other addition to any UNIT must be approved by the APPROVING PARTY, and in any event must be of the same type and color as the existing roof on the UNIT, or an aluminum frame with a screen enclosure.

6.5. Portable Buildings. No portable, storage, temporary or accessory buildings or structures, or tents, shall be erected, constructed or located upon any PROPERTY for storage or otherwise, without the prior written consent of the APPROVING PARTY.

6.6. Clothes Lines and Outside Clothes Drying. Outdoor clothes drying is only permitted behind a UNIT, in an area which is screened from view from adjoining roads and from other UNITS within the SUBJECT PROPERTY. Only portable outdoor clothes-drying facilities approved by the APPROVING PARTY are permitted, and same shall be removed when not in use.

6.7. Signs. No signs shall be placed upon any PROPERTY, and no signs shall be placed in or upon any UNIT which are visible from the exterior of the UNIT, without the prior written consent of the APPROVING PARTY. Notwithstanding the foregoing, customary and usual "for sale" signs not greater than 18" high by 24" wide shall be permitted. In the event any sign is installed within the SUBJECT PROPERTY or on the exterior of any UNIT which violates this Paragraph, the APPROVING PARTY shall have the right to remove such sign without notice to the OWNER or PARCEL ASSOCIATION, and any such removal shall not be deemed a trespass and the APPROVING PARTY shall not be liable for the removal or for any damage or loss to the sign.

6.8. Pets. No animals, livestock or poultry of any kind shall be permitted within the SUBJECT PROPERTY except for common household domestic pets. No pit bull terriers are permitted in any UNIT, except with the written consent of the APPROVING PARTY which may be granted or withheld in the APPROVING PARTY's discretion. In any event, only dogs and cats will be permitted outside of the permanently enclosed air conditioned living space of a UNIT, and no pet other than a cat or dog shall be permitted outside of such portion of a UNIT, including but not limited to any screened in porch or patio, without the consent of the APPROVING PARTY. No dog or cat shall be kept outside of a UNIT, or in any screened-in porch or patio, unless someone is present in the UNIT. Any pet must be carried or kept on a leash when outside of a UNIT or fenced-in area. Any pet must not be an unreasonable nuisance or annoyance to other residents of the SUBJECT PROPERTY. Any resident shall pick up and remove any solid animal waste deposited by his pet on the SUBJECT PROPERTY, except for designated pet-walk areas, if any. No commercial breeding of pets is permitted within the SUBJECT PROPERTY. The APPROVING PARTY may require any pet to be immediately and permanently removed from the SUBJECT PROPERTY due to a violation of this Paragraph.

6.9. Nuisances. No nuisances shall be permitted within the SUBJECT PROPERTY, and no use or practice which is an unreasonable source of annoyance to the residents within the SUBJECT PROPERTY or shall interfere with the Peaceful possession and proper use of the SUBJECT PROPERTY by its residents shall be permitted. No unreasonably offensive or unlawful action shall be permitted, and all laws, zoning ordinances and regulations of all controlling governmental authorities shall be complied with at all times.

6.10. Lakes and Canals. No swimming or motor boating will be allowed in any lake or canal.

6.11. Vehicles and Boats. Only automobiles, vans constructed as private passenger vehicles with permanent rear seats and side windows, pick-up trucks of a type customarily used as private passenger vehicles, and other vehicles manufactured and commonly used as private passenger vehicles, may be parked within the SUBJECT PROPERTY overnight without the prior written consent of the APPROVING PARTY, unless kept within an enclosed garage. In particular and

without limitation, without the prior written consent of the APPROVING PARTY, no vehicle containing commercial lettering, signs or equipment, and no truck, recreational vehicle, camper, trailer, or vehicle other than a private passenger vehicle as specified above, and no boat, may be parked or stored outside of a UNIT overnight. No overnight parking is permitted on any streets, lawns, or areas other than driveways and garages, without the consent of the APPROVING PARTY. Notwithstanding the foregoing, automobiles owned by governmental law enforcement agencies are expressly permitted. The foregoing restrictions shall not be deemed to prohibit the temporary parking of commercial vehicles while making delivery to or from, or while used in connection with providing services to, the SUBJECT PROPERTY. All vehicles parked within the SUBJECT PROPERTY must be in good condition and repair, and no vehicle which does not contain a current license plate or which cannot operate on its own power shall be parked within the SUBJECT PROPERTY outside of an enclosed garage for more than 24 hours, and no major repair of any vehicle shall be made on the SUBJECT PROPERTY. All vehicles parked within the SUBJECT PROPERTY must be painted with colors and in a manner which is customary for private passenger vehicles, and which is not offensive or distasteful in the reasonable opinion of the APPROVING PARTY. No motorcycle, motorbike, moped, all-terrain vehicle, or other such vehicle is permitted to be operated within the SUBJECT PROPERTY unless such vehicle is licensed for street use and equipped with appropriate noise-muffling equipment so that its operation does not create an unreasonable annoyance to the residents of the SUBJECT PROPERTY, and if the APPROVING PARTY determines the operation of any such vehicle creates an unreasonable annoyance to the residents of the SUBJECT PROPERTY, then after written demand from the APPROVING PARTY, the vehicle shall not be operated within the SUBJECT PROPERTY.

6.12. Surface Water Management. No OWNER or any other PERSON shall do anything to adversely affect the surface water management and drainage of the SUBJECT PROPERTY without the prior written approval of the COMMUNITY ASSOCIATION and any controlling governmental authority, including but not limited to the excavation or filling in of any lake or canal, or any portion of the SUBJECT PROPERTY, provided the foregoing shall not be deemed to prohibit or restrict the initial construction of improvements upon the SUBJECT PROPERTY by DECLARANT or by the developer of any portion of the SUBJECT PROPERTY in accordance with permits issued by controlling governmental authorities.

6.13. Outside Antennas. No outside antennas or signal-receiving or sending dishes or devices are permitted which are visible from the exterior of a UNIT without the prior written consent of the APPROVING PARTY, except for digital satellite dishes not exceeding 18" in diameter which are located in the rear of the home on the LOT and not visible from adjoining streets or LOTS.

6.14. Maintenance. All UNITS, buildings and other improvements existing under, upon or over any PROPERTY from time to time shall at all times be maintained in accordance with all applicable governmental requirements, in first class condition and good working order, and in a neat and attractive manner. Exterior maintenance, including painting, shall be periodically performed as reasonably required. Paint colors shall not be materially changed without the consent of the APPROVING PARTY, and all paint colors shall be harmonious with other improvements within the SUBJECT PROPERTY. No excessive and/or unsightly mildew, rust deposits, dirt, or deterioration shall be permitted to accumulate on any building or improvement. All sidewalks, roads,

streets, driveways, parking areas, and other paved or hard-surfaced areas intended for use by vehicular or pedestrian traffic shall be cleaned and kept free of debris; and cracks, damaged and/or eroding areas on same shall be repaired, replaced and/or resurfaced as necessary. All curbing and bumper stops shall be repaired or replaced if damaged. All striping, including but not limited to, parking space, traffic lane and directional markings, within any road, street, or parking area, shall be repainted as necessary, so that same will be clearly visible at all times.

6.15. Landscaping. All PROPERTY containing a UNIT, or owned in conjunction with the ownership of a UNIT, or owned and/or operated by a PARCEL ASSOCIATION, shall be tastefully landscaped in accordance with any criteria established by the APPROVING PARTY, to the waterline of any abutting lake or canal and to the pavement edge of any abutting road or parking area. Lawns shall be primarily grass, and shall not be paved or covered with gravel, artificial turf or other covering unless permitted by the APPROVING PARTY. All diseased or dead sod, plants, shrubs or flowers shall be promptly replaced, and excessive weeds, underbrush or unsightly growth shall be removed. All landscaping shall be regularly maintained in first-class condition and appearance, including mowing, trimming, fertilization, irrigation, and weed, insect and disease control. Underground sprinkler systems shall be installed, maintained and used to irrigate all landscaping on any LOT, or any PROPERTY owned by any PARCEL ASSOCIATION, or any other landscaping which the OWNER of the LOT or any PARCEL ASSOCIATION is required to maintain pursuant to this paragraph. All underground sprinkler systems serving any LOT or any PROPERTY containing a UNIT shall be connected to the City water system, unless prohibited by the applicable governmental authority or utility company or otherwise approved by the APPROVING PARTY. Any underground sprinkler system which utilizes water supplied by a well shall utilize a rust inhibitor system approved by the APPROVING PARTY, so that rust deposits will not accumulate on any building, wall or paved area. No artificial grass, plants or other artificial vegetation shall be placed or maintained upon the exterior portion of any PROPERTY without the consent of the APPROVING PARTY.

6.16. Garbage and Trash. Garbage, trash, refuse or rubbish shall be regularly picked up and shall not be permitted to unreasonably accumulate. Garbage, trash, refuse or rubbish that is required to be placed near any street or at any particular area in order to be collected may be so placed and kept after 5:00 p.m. on the day before the scheduled day of collection, and any trash facilities must be removed on the collection day. All garbage, trash, refuse or rubbish must be placed in appropriate trash facilities or bags. All containers, dumpsters or garbage facilities shall be screened from view and kept in a clean and sanitary condition. No noxious or offensive odors shall be permitted.

6.17. Utility Lines and Services. All utility lines and services shall be maintained in good working condition.

6.18. Outside Storage of Personal Property. The personal property of any resident of the SUBJECT PROPERTY shall be kept inside the resident's UNIT or a fenced or a walled-in yard, except for tasteful patio furniture and accessories, Bar-B-Q grills, playground equipment approved by the APPROVING PARTY, and other personal property commonly kept outside, which must be kept in the rear of the LOT and must be neat appearing and in good condition.

6.19. Air Conditioning Units. Only central air conditioning units are permitted without the prior written consent of the APPROVING PARTY.

6.20. Basketball Backboards. Only professionally manufactured basketball backboards are permitted, which must be installed on black poles, with a white or clear backboard, and must be approved by the APPROVING PARTY. No garage or roof mounted basketball backboards are permitted. No portable basketball backboards may be kept outside of a UNIT overnight.

6.21. Garbage Containers, Oil and Gas Tanks, Air Conditioners. All garbage and refuse containers, air conditioning units, oil tanks, bottled gas tanks, and all permanently affixed swimming pool equipment and housing shall be underground or placed in walled-in or landscaped areas, and shall be appropriately landscaped, as approved by the APPROVING PARTY so that they will be substantially concealed or hidden from any eye-level view from any street or adjacent property.

6.22. Solar Collectors. Solar collectors are permitted, provided that the APPROVING PARTY shall have the right to approve the specific location where solar collectors may be installed on a roof with an orientation to the south or within 45 degrees east or west of due south, provided that such determination does not impair the effective operation of the solar collectors.

6.23. Window Treatments. Window treatments shall consist of drapery, blinds, shutters, decorative panels, or other tasteful window covering, of the type customarily found in single family homes, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding 2 weeks after an OWNER or tenant first moves into a UNIT or when permanent window treatments are being cleaned or repaired.

6.24. Damage and Destruction. In the event any IMPROVEMENT is damaged or destroyed, the OWNER of the IMPROVEMENT, or the PARCEL ASSOCIATION responsible for repairing or restoring the damaged IMPROVEMENT, shall repair and restore the damaged IMPROVEMENT as soon as is reasonably practical to the same condition that the IMPROVEMENT was in prior to such damage or destruction, or shall remove the damaged IMPROVEMENT and restore the OWNER'S PROPERTY to a vacant lot condition as soon as is reasonably practical, unless otherwise approved by the APPROVING PARTY.

6.25. COMMON AREAS and PARCEL AREAS. Nothing shall be stored, constructed, placed within, or removed from any COMMON AREA or any PARCEL AREA by any OWNER other than DECLARANT or a PARCEL DEVELOPER, unless approved by the APPROVING PARTY.

6.26. Easements.

6.26.1. "Drainage and/or Utility Easements" means such easements on those portions of the SUBJECT PROPERTY so designated on any plat or any recorded easement for the installation and maintenance of utility and/or drainage facilities. Such easements are for the installation, maintenance, construction, and repair of drainage facilities, including, but not limited to, canals, pumps, pipes, inlets, and outfall structures and all necessary appurtenances thereto and

underground utility facilities, including, but not limited to, power, telephone, sewer, water, gas, irrigation, lighting, and television transmission purposes. Within these easements, no Improvement or other material shall be placed or permitted to remain or alteration made which:

6.26.2. May damage or interfere with the installation and maintenance of utilities without the prior written consent of the affected utility company and the APPROVING PARTY; provided, however, the installation of a driveway or sod shall not require the consent of the affected utility companies unless the APPROVING PARTY imposes such requirements; or

6.26.3. May materially damage the direction of flow or drainage channels in the easements or may materially obstruct or retard the flow of water through drainage channels in the easements without the prior written consent of the APPROVING PARTY and applicable governmental agencies.

The portions of the SUBJECT PROPERTY designated as Drainage and/or Utility Easements and all improvements thereon shall be maintained continuously by the OWNER of such portion of the SUBJECT PROPERTY, except for those improvements for which a public authority or utility company is responsible.

6.26.4. "Water Management and/or Retention Easements" means such easements on those portions of the SUBJECT PROPERTY so designated on any plat or any other recorded instrument for the storage of storm water and/or maintenance of adjacent water bodies. The PROPERTY subject to the Water Management and/or Retention Easements shall be maintained by the OWNER thereof in an ecologically sound condition for water retention, irrigation, drainage, and water management purposes in compliance with all applicable governmental requirements. DECLARANT, any PARCEL ASSOCIATION, and the OWNERS shall have the right to use the Water Management and/or Retention Easements to drain surface water from their PROPERTY, COMMON AREAS, and PARCEL AREAS. No IMPROVEMENT shall be placed within a Water Management and/or Retention Easement other than sod unless approved in writing by the APPROVING PARTY. No OWNER shall do anything which shall adversely affect the surface water management system of the SUBJECT PROPERTY without the prior written consent of the APPROVING PARTY and all applicable governmental agencies.

6.27. Rules and Regulations. The COMMUNITY ASSOCIATION may adopt reasonable rules and regulations relating to the use and maintenance of the SUBJECT PROPERTY. Copies of such rules and regulations and amendments shall be furnished by the COMMUNITY ASSOCIATION to any OWNER or upon request.

6.28. Additional Restrictions. Nothing contained herein shall prohibit the OWNER of any PROPERTY from imposing restrictions upon such PROPERTY in addition to, or more restrictive than, the restrictions contained herein, provided, however, that any such restrictions shall not be effective to permit that which is expressly prohibited by the restrictions contained herein.

6.29. Further Subdivision. No platted lot shall be further subdivided without the prior written consent of the APPROVING PARTY if same would result in the creation of additional lots

than before such resubdivision. Notwithstanding the foregoing, any lot lot(s) may be conveyed to the OWNER(S) of contiguous lots) in order contiguous lot(s), so long as any remaining portion of the divided independently useful for the construction of a UNIT that complies with DECLARATION.

6.30. Wells. No wells may be installed within the SUBJECT prior written consent of the APPROVING PARTY and the utility company to the SUBJECT PROPERTY.

6.31. Beaches/Lake Banks. No OWNER shall create any beach or sandy area contiguous to any lake or canal within the SUBJECT PROPERTY without the approval of the APPROVING PARTY, the South Broward Drainage District, and any other controlling governmental authorities, and all lake banks shall be sodded unless otherwise approved by the APPROVING PARTY.

6.32. Waiver. The APPROVING PARTY shall have the right to waive the application of one or more of these restrictions, or to permit a deviation from these restrictions, as to any PROPERTY or UNIT where, in the discretion of the APPROVING PARTY, circumstances exist which justify such waiver or deviation. In the event of any such waiver or permitted deviation, or in the event any party fails to enforce any violation of these restrictions, such actions or inactions shall not be deemed to prohibit or restrict the right of the APPROVING PARTY to enforce these restrictions from insisting upon strict compliance with respect to all other PROPERTY and UNITS, nor shall any such actions be deemed a waiver of any of the restrictions contained herein as same may be applied in the future.

6.33. Responsibility for Maintenance and Compliance.

6.33.1. Owners. The OWNER of any PROPERTY shall be responsible for complying with all of the provisions of this Section with respect to such PROPERTY.

6.33.2. Parcel Association. Each PARCEL ASSOCIATION shall be responsible for complying with all provisions of this Section with respect to all of the PROPERTY which is subject to the jurisdiction of the PARCEL ASSOCIATION, notwithstanding the fact that the OWNER of any portion of the PROPERTY may also be responsible for such compliance with respect to the PROPERTY owned by such OWNER.

6.33.3. Enforcement. In the event any OWNER or PARCEL ASSOCIATION fails to comply with any provision of this Section, the COMMUNITY ASSOCIATION shall have all rights of enforcement set forth in Paragraph 7, including, but not limited to, the right to perform any maintenance which any OWNER or PARCEL ASSOCIATION has failed to perform, and to assess the applicable OWNER or PARCEL ASSOCIATION for all costs and expenses incurred by the COMMUNITY ASSOCIATION in connection therewith.

6.33.4. Limitations. No OWNER or PARCEL ASSOCIATION shall maintain, repair and/or improve any PROPERTY for which the COMMUNITY ASSOCIATION has the

responsibility and duty for maintenance without the prior written consent of the COMMUNITY ASSOCIATION.

6.34. Exceptions for DECLARANT and Other Developers. The foregoing use and maintenance restrictions shall not apply to DECLARANT, or to any PROPERTY while owned by DECLARANT, and shall not be applied in a manner which would unreasonably prohibit or restrict the development of any PROPERTY and the construction of any UNITS, buildings and other improvements thereon, or any activity associated with the sale of any new UNITS, by DECLARANT or by any PARCEL DEVELOPER or any other builder. Specifically, and without limitation, DECLARANT and any PARCEL DEVELOPER, and, subject to the consent of DECLARANT, any other builder, shall have the right to: (i) construct any UNITS or improvements within the SUBJECT PROPERTY, and make any additions, alterations, improvements, or changes thereto; (ii) maintain customary and usual sales, leasing, general office and construction operations on any PROPERTY, in connection with such PROPERTY or any other property owned by the applicable developer or any affiliate of the developer; (iii) place, erect or construct portable, temporary or accessory buildings or structures upon any PROPERTY, or use any UNIT, for sales, leasing, general office, construction, storage or other purposes relating to the PROPERTY or any other property; (iv) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction of any PROPERTY; and (v) post, display, inscribe or affix to the exterior of a UNIT or upon any PROPERTY, signs and other materials used in developing, constructing, selling, leasing or promoting any PROPERTY or any other property.

7. ZERO LOT LINE RESTRICTIONS.

7.1. Definitions.

7.1.1. BURDENED LOT means a LOT or COMMON AREA upon which a MAINTENANCE EASEMENT exists.

7.1.2. MAINTENANCE EASEMENT means a non-exclusive appurtenant easement for construction, repair, maintenance and drainage purposes, over and upon any portion of a LOT or COMMON AREA contiguous to a ZERO LOT which is within 4 feet of the ZERO WALL on the ZERO LOT, which is for the benefit of the OWNER of the ZERO LOT.

7.1.3. ZERO LOT means a LOT containing a ZERO WALL, or which is will contain a ZERO WALL when a UNIT is constructed upon the LOT.

7.1.4. ZERO WALL means any wall of a UNIT which is located on or within 4 feet of any LOT LINE of the LOT.

7.2. MAINTENANCE EASEMENT. There is hereby reserved upon each BURDENED LOT or COMMON AREA adjacent to any ZERO LOT a MAINTENANCE EASEMENT for the benefit of the OWNER of the ZERO LOT. No permanent structures may be constructed or permitted to remain within the MAINTENANCE EASEMENT which would materially and adversely affect the ability of the OWNER of the ZERO LOT to construct, repair or maintain the UNIT on the ZERO

LOT without the written consent of the OWNER of the ZERO LOT and the APPROVING PARTY. If any fence or wall is constructed between a ZERO WALL and the UNIT on the BURDENED LOT which denies access to the MAINTENANCE EASEMENT by the OWNER of the ZERO LOT, then a gate or door approved by the APPROVING PARTY must be constructed to provide such access. The OWNER of the ZERO LOT shall have the right to enter upon the MAINTENANCE EASEMENT upon 24 hours written notice to the OWNER of the BURDENED LOT during the hours of 7:00 a.m. to 7:00 p.m., Monday through Friday, to construct, repair or maintain the UNIT on the ZERO LOT, including the ZERO WALL, or at any time in the event of an emergency or to prevent imminent damage, and shall also have the right to enter such other portions of the BURDENED LOT as may be reasonably necessary in connection therewith, and the OWNER of the BURDENED LOT shall provide such access to the OWNER of the ZERO LOT. In connection with such construction, repair and maintenance, the OWNER of the ZERO LOT shall use reasonable efforts to minimize damage to any landscaping or improvements within the BURDENED LOT, and shall not be liable for any damage to the landscaping or improvements within the BURDENED LOT unless such damage is caused by the gross negligence or wilful acts of the OWNER of the ZERO LOT, or such OWNER's contractors. Upon the completion of such construction, repair of maintenance, the OWNER of the ZERO LOT shall remove all materials and equipment and clean up and restore the BURDENED LOT in a reasonable manner. Notwithstanding the foregoing, the OWNER of the ZERO LOT shall not be required to repair or restore any improvements constructed or installed in violation of the provisions of this DECLARATION.

7.3. BURDENED LOT OWNERS' Obligations. The OWNER of any BURDENED LOT shall not attach any fence, wall or other improvements to the ZERO WALL, except such as are attached in connection with the original construction of the UNIT on the ZERO LOT or the BURDENED LOT, and shall not paint or otherwise alter the ZERO WALL, without the prior written consent of the OWNER of the ZERO LOT. The ZERO WALL shall not be used as a playing surface for any sport or game. No landscaping within a MAINTENANCE EASEMENT shall interfere with the flow of surface water drainage within the MAINTENANCE EASEMENT. The OWNER of the BURDENED LOT shall not cause the elevation of the soil adjacent to the ZERO WALL to be more than 2 inches above the slab of the UNIT on the ZERO LOT. No excavations may be made within the MAINTENANCE EASEMENT for any purpose without the written consent of the OWNER of the ZERO LOT. The OWNER of the BURDENED LOT shall not do anything which causes damage to the UNIT or the ZERO WALL on the ZERO LOT, and if the OWNER of the BURDENED LOT does anything which causes such damage, including but not limited to the discoloration of the paint on the ZERO WALL due to the irrigation of the landscaping on the BURDENED LOT, then the OWNER of the BURDENED LOT will be liable for such damage to the OWNER of the ZERO LOT.

7.4. Encroachments and Overhangs. There is hereby reserved an easement for encroachments and overhangs for the original construction of the UNIT constructed upon the ZERO LOT into the BURDENED LOT. Nothing herein shall be deemed to grant any OWNER the right to modify the original construction of the UNIT upon the ZERO LOT to encroach further into the BURDENED LOT.

8. COLLECTION OF ASSESSMENTS, DEFAULT AND ENFORCEMENT.

8.1. Monetary Defaults and Collection of ASSESSMENTS.

8.1.1. Late Fees and Interest. If any OWNER is in default in the payment of any ASSESSMENT for more than ten (10) days after same is due, or if any OWNER or PARCEL ASSOCIATION is in default in the payment of any other moneys owed to the COMMUNITY ASSOCIATION for a period of more than ten (10) days after written demand by the COMMUNITY ASSOCIATION, or if any check for any ASSESSMENT or any other monies owed to the COMMUNITY ASSOCIATION is dishonored, the COMMUNITY ASSOCIATION shall have the right to charge the applicable OWNER or PARCEL ASSOCIATION a late or bad check fee of ten (10%) percent of the amount due, or \$25.00, whichever is greater, plus interest at the highest rate permitted by law on the amount owed to the COMMUNITY ASSOCIATION from and after said ten (10) day period.

8.1.2. Acceleration of ASSESSMENTS. In addition, if any OWNER is in default in the payment of any ASSESSMENT or any other moneys owed to the COMMUNITY ASSOCIATION, for more than ten (10) days after written demand by the COMMUNITY ASSOCIATION, the COMMUNITY ASSOCIATION shall have the right to accelerate and require such defaulting OWNER to pay to the COMMUNITY ASSOCIATION ASSESSMENTS for COMMON EXPENSES for the next twelve (12) month period, based upon the then existing amount and frequency of ASSESSMENTS for COMMON EXPENSES. In the event of such acceleration, the defaulting OWNER shall continue to be liable for any increases in the regular ASSESSMENTS for COMMON EXPENSES, for all special ASSESSMENTS for COMMON EXPENSES, and/or all other ASSESSMENTS and moneys payable to the COMMUNITY ASSOCIATION.

8.1.3. Collection. In the event any OWNER or PARCEL ASSOCIATION fails to pay any ASSESSMENT or other moneys due to the COMMUNITY ASSOCIATION within ten (10) days after written demand, the COMMUNITY ASSOCIATION may take any action deemed necessary in order to collect such ASSESSMENTS or moneys including, but not limited to, retaining the services of a collection agency or attorney to collect such ASSESSMENTS or moneys, initiating legal proceedings for the collection of such ASSESSMENTS or moneys, recording a claim of lien as hereinafter provided, and foreclosing same in the same fashion as mortgage liens are foreclosed, or any other appropriate action, and the OWNER or PARCEL ASSOCIATION shall be liable to the COMMUNITY ASSOCIATION for all costs and expenses incurred by the COMMUNITY ASSOCIATION incident to the collection of any ASSESSMENT or other moneys owed to it, and the enforcement and/or foreclosure of any lien for same, including reasonable attorneys' fees whether or not incurred in legal proceedings, and all sums paid by the COMMUNITY ASSOCIATION for taxes and on account of any mortgage lien and encumbrance in order to preserve and protect the COMMUNITY ASSOCIATION's lien. The COMMUNITY ASSOCIATION shall have the right to bid in the foreclosure sale of any lien foreclosed by it for the payment of any ASSESSMENTS or monies owed to it, and if the COMMUNITY ASSOCIATION becomes the OWNER of any PROPERTY by reason of such foreclosure, it shall offer such PROPERTY for sale within a reasonable time and shall deduct from the proceeds of such sale all ASSESSMENTS or moneys due it. All payments received by the COMMUNITY ASSOCIATION on account of any

ASSESSMENTS or moneys owed to it by any OWNER or PARCEL ASSOCIATION shall be first applied to payments and expenses incurred by the COMMUNITY ASSOCIATION, then to interest, then to any unpaid ASSESSMENTS or moneys owed to the COMMUNITY ASSOCIATION in the inverse order that the same were due

8.1.4. Lien for ASSESSMENT and Moneys Owed to COMMUNITY ASSOCIATION. The COMMUNITY ASSOCIATION shall have a lien on all PROPERTY owned by any OWNER, for any unpaid ASSESSMENTS (including any ASSESSMENTS which are accelerated pursuant to this DECLARATION) or other moneys owed to the COMMUNITY ASSOCIATION by such OWNER, and for interest, reasonable attorneys' fees incurred by the COMMUNITY ASSOCIATION incident to the collection of the ASSESSMENTS and other moneys, or enforcement of the lien, and for all sums advanced and paid by the COMMUNITY ASSOCIATION for taxes and on account of superior mortgages, liens or encumbrances in order to protect and preserve the COMMUNITY ASSOCIATION's lien. The lien is effective from and after the recording of a claim of lien in the public records of the County in which the SUBJECT PROPERTY is located, stating the description of the PROPERTY, the name of the OWNER which owns the PROPERTY, the amount due, and the due dates. The lien is in effect until all sums secured by it have been fully paid. The claim of lien must be signed and acknowledged by an officer or agent of the COMMUNITY ASSOCIATION. Upon payment in full of all sums secured by the lien, the PERSON making the payment is entitled to a satisfaction of the lien.

8.1.5. Transfer of PROPERTY after ASSESSMENT. The COMMUNITY ASSOCIATION's lien shall not be affected by the sale or transfer of any PROPERTY, and in the event of any such sale or transfer, both the new OWNER and the prior OWNER shall be jointly and severally liable for all ASSESSMENTS, interest, and other costs and expenses owed to the COMMUNITY ASSOCIATION which are attributable to any PROPERTY purchased by or transferred to such new OWNER.

8.1.6. Subordination of the Lien to Mortgages. The lien of the COMMUNITY ASSOCIATION for ASSESSMENTS or other moneys shall be subordinate and inferior to the lien of any first mortgage recorded prior to the recording of a Claim of Lien by the COMMUNITY ASSOCIATION. The sale or transfer of any PROPERTY by the foreclosure of a first mortgage or by deed in lieu thereof, shall extinguish the lien of the COMMUNITY ASSOCIATION as to any ASSESSMENT, interest, expenses or other moneys owed to the COMMUNITY ASSOCIATION which became due prior to such sale or transfer, unless a Claim of Lien for same was recorded prior to the recording of the mortgage, and neither the mortgagee, nor any purchaser at a foreclosure sale, nor their grantees or successors, shall be responsible for said payments, but they shall be liable for any ASSESSMENTS due after such sale or transfer. If the COMMUNITY ASSOCIATION's lien or its rights to any lien for any such ASSESSMENTS, interest, expenses or other moneys owed to the COMMUNITY ASSOCIATION by any OWNER is extinguished as aforesaid, such sums shall thereafter be COMMON EXPENSES, collectible from all OWNERS including such acquirer, and its successors and assigns.

8.1.7. No Set-Offs. No OWNER shall have the right to set-off or reduce any ASSESSMENTS for COMMON EXPENSES by any claims that such OWNER may have or may

claim to have against the COMMUNITY ASSOCIATION or against DECLARANT or any PARCEL DEVELOPER.

8.2. Non-Monetary Defaults. In the event of a violation by any OWNER or PARCEL ASSOCIATION (other than the nonpayment of any ASSESSMENT or other moneys) of any of the provisions of this DECLARATION, or of the ARTICLES or BYLAWS, the COMMUNITY ASSOCIATION shall notify the OWNER or PARCEL ASSOCIATION of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after such written notice, or if the violation is not capable of being cured within such seven (7) day period, if the OWNER or PARCEL ASSOCIATION fails to commence and diligently proceed to completely cure as soon as practicable such violation within seven (7) days after written notice by the COMMUNITY ASSOCIATION, the COMMUNITY ASSOCIATION may, at its option:

8.2.1. Impose a fine as provided in Paragraph 8.3; and/or

8.2.2. Commence an action to enforce the performance on the part of the OWNER or PARCEL ASSOCIATION, or for such equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

8.2.3. Commence an action to recover damages; and/or

8.2.4. Take any and all action reasonably necessary to correct such failure, which action may include, but is not limited to, removing any building or improvement for which architectural approval has not been obtained, or performing any maintenance required to be performed by this DECLARATION.

8.2.5. Record a "notice of violation" in the public records of the county in which the SUBJECT PROPERTY is located, which shall describe the legal description of the applicable PROPERTY owned by the OWNER, the OWNER's name, and the nature of the violation, and shall be signed by an officer or agent of the COMMUNITY ASSOCIATION. If recorded, such notice of violation shall be released when the violation is cured and the applicable OWNER pays any costs or expenses due to the COMMUNITY ASSOCIATION in connection with the violation and the recording of the notice of violation.

All expenses incurred by the COMMUNITY ASSOCIATION in connection with the enforcement of this DECLARATION against any OWNER or PARCEL ASSOCIATION, including reasonable attorneys' fees whether or not incurred in legal proceedings, shall be assessed against the applicable OWNER or PARCEL ASSOCIATION, and shall be due upon written demand by the COMMUNITY ASSOCIATION. The COMMUNITY ASSOCIATION shall have a lien for any such ASSESSMENT and any interest, costs or expenses associated therewith, including attorneys' fees incurred in connection with such ASSESSMENT, and may take such action to collect such ASSESSMENT or foreclose said lien as in the case and in the manner of any other ASSESSMENT as provided above. Any such lien shall only be effective from and after the recording of a claim of lien in the public records of the County in which the SUBJECT PROPERTY is located.

8.3. Fines. The amount of any fine shall be determined by the BOARD, and shall not exceed \$50.00 for the first offense, and \$100.00 for a second or subsequent similar offense. Notwithstanding the foregoing, if any violation is of a continuing nature, the BOARD may impose a fine not to exceed TEN DOLLARS (\$ 10.00) per day for each day that the violation continues. Prior to imposing any fine, the OWNER or PARCEL ASSOCIATION shall be afforded an opportunity for a hearing after reasonable notice to the OWNER or PARCEL ASSOCIATION of not less than 14 days, which notice shall include (i) a statement of the date, time and place of the hearing, (ii) a statement of the provisions of the DECLARATION, BYLAWS or Rules and Regulations which have allegedly been violated, and (iii) a short and plain statement of the matters asserted by the COMMUNITY ASSOCIATION. The OWNER or PARCEL ASSOCIATION shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the COMMUNITY ASSOCIATION. At the hearing, the BOARD shall conduct a reasonable inquiry to determine whether the alleged violation in fact occurred, and if the BOARD so determines, it may impose such fine as it deems appropriate by written notice to the OWNER or PARCEL ASSOCIATION. If the OWNER or PARCEL ASSOCIATION fails to attend the hearing as set by the BOARD, the OWNER or PARCEL ASSOCIATION shall be deemed to have admitted the allegations contained in the notice to the OWNER or PARCEL ASSOCIATION. Any fine imposed by the BOARD shall be due and payable within ten (10) days after written notice of the imposition of the fine, or if a hearing is timely requested within ten (10) days after written notice of the BOARD'S decision at the hearing. Any fine levied against an OWNER shall be deemed an ASSESSMENT, and if not paid when due all of the provisions of this DECLARATION relating to the late payment of ASSESSMENTS shall be applicable. Notwithstanding the foregoing, the COMMUNITY ASSOCIATION shall not have the right to impose any fine against DECLARANT or against any other builder/developer of any portion of the SUBJECT PROPERTY.

8.4. No Waiver. The failure of the COMMUNITY ASSOCIATION to enforce any right, provision, covenant or condition which may be granted by this DECLARATION, the ARTICLES, or the BYLAWS, shall not constitute a waiver of the right of the COMMUNITY ASSOCIATION to enforce such right, provision, covenant or condition in the future.

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

8.6. Enforcement By or Against other Persons. In addition to the foregoing, this DECLARATION may be enforced by DECLARANT, or the COMMUNITY ASSOCIATION, by any procedure at law or in equity against any PERSON violating or attempting to violate any provision herein, to restrain such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein. The expense of any litigation to enforce this DECLARATION shall be borne by the PERSON against whom enforcement is sought, provided such proceeding results in a finding that such PERSON was in violation of this

DECLARATION. In addition to the foregoing, any PARCEL ASSOCIATION or OWNER shall have the right to bring an action to enforce this DECLARATION against any PERSON violating or attempting to violate any provision herein, to restrain such violation or to require compliance with the provisions contained herein, but no PARCEL ASSOCIATION or OWNER shall be entitled to recover damages or to enforce any lien created herein as a result of a violation or failure to comply with the provisions contained herein by any PERSON, and the prevailing party in any such action shall be entitled to recover its reasonable attorneys' fees.

8.7. Certificate as to Unpaid ASSESSMENTS or Default. Within 15 days after written request by any OWNER or INSTITUTIONAL LENDER holding or making a mortgage encumbering any PROPERTY, the COMMUNITY ASSOCIATION shall provide such OWNER or INSTITUTIONAL LENDER with a written certificate as to whether or not the OWNER, and any applicable PARCEL ASSOCIATION having jurisdiction over the OWNER's PROPERTY, is in default with respect to the payment of ASSESSMENTS or with respect to compliance with the terms and provisions of this DECLARATION. Any person who relies on such certificate in purchasing or making a mortgage encumbering any PROPERTY shall be protected thereby.

8.8. Enforcement of Obligations of COMMUNITY ASSOCIATION. DECLARANT, regardless of whether or not it is a member of the COMMUNITY ASSOCIATION, and any controlling governmental authority, shall have the right to enforce the obligations of the COMMUNITY ASSOCIATION to properly maintain and operate any property as required by this DECLARATION, and in the event the COMMUNITY ASSOCIATION defaults with respect to any of its obligations to operate or maintain any property, and does not commence and diligently proceed to cure such default as soon as is reasonably practical and in any event within 10 days after demand by DECLARANT or any controlling governmental authority, DECLARANT or such controlling governmental authority shall have the right to perform such maintenance and in that event all reasonable costs and expenses incurred by DECLARANT or such governmental authority, plus interest at the highest rate permitted by law, shall be paid by the COMMUNITY ASSOCIATION, plus any costs, expenses, and attorney's fees incurred in connection with the enforcement of the COMMUNITY ASSOCIATION's duties and obligations hereunder or the collection of any such sums. DECLARANT or the controlling governmental authority shall have the right to collect such sums from the OWNERS and in connection therewith shall have all enforcement rights granted to the COMMUNITY ASSOCIATION in connection with the collection of said moneys, including but not limited to all lien rights provided by this DECLARATION. In addition, the duties and obligations of the COMMUNITY ASSOCIATION may be enforced by any UNIT OWNER through appropriate legal proceedings.

8.9. DEDICATIONS. DECLARANT, each PARCEL DEVELOPER, and the COMMUNITY ASSOCIATION (with the consent of DECLARANT so long as DECLARANT owns any portion of the SUBJECT PROPERTY) shall have the right to dedicate, grant or convey any portion of the SUBJECT PROPERTY owned by them, or any interest or easement therein, to any governmental or quasi-governmental agency or private or public utility company. In addition DECLARANT, so long as it owns any portion of the SUBJECT PROPERTY, shall have the right to direct the COMMUNITY ASSOCIATION to likewise dedicate, grant or convey any COMMON AREA, or any interest or easement in any COMMON AREA, whereupon the COMMUNITY

ASSOCIATION shall execute such documents as will be necessary to effectuate such dedication. Any PROPERTY which is conveyed to any governmental or quasi-governmental agency or private or public utility company shall not be subject to the covenants and restrictions contained within this DECLARATION, unless the instrument so conveying such PROPERTY specifically provides that same is subject to this DECLARATION.

9. TERM OF DECLARATION. All of the foregoing covenants, conditions, reservations and restrictions shall run with the land and continue and remain in full force and effect at all times as against all OWNERS, their successors, heirs or assigns, regardless of how the OWNERS acquire title, for a period of fifty (50) years from the date of this DECLARATION, unless within such time, 100% of all the OWNERS vote to terminate this DECLARATION (as it may have been amended from time to time). After such fifty (50) year period, unless sooner terminated as provided above, these covenants, conditions, reservations and restrictions shall be automatically extended for successive periods of ten (10) years each, until not less than 2/3 of the total votes of all the OWNERS are cast to terminate this DECLARATION (as it may have been amended from time to time). Any termination of this DECLARATION shall be effective on the date an instrument of termination is recorded in the public records of the county in which the SUBJECT PROPERTY is located, which shall be executed by the president of the COMMUNITY ASSOCIATION and by all of the directors, who shall certify that the requisite number of OWNERS voted to terminate this DECLARATION as required herein, provided, however, that any such instrument, in order to be effective, must be approved in writing and signed by DECLARANT so long as DECLARANT owns any PROPERTY, or holds any mortgage encumbering any PROPERTY other than a UNIT. Notwithstanding anything contained herein to the contrary, this DECLARATION may not be terminated unless the instrument of termination is joined in by the South Florida Water Management District, or any successor controlling governmental authorities.

10. AMENDMENT.

10.1. This DECLARATION may be amended as follows:

10.1.1. Upon the approval of not less than a 2/3 vote of the total votes of all the OWNERS, except that if any provision of this DECLARATION requires more than a 2/3 vote of the total vote of all the OWNERS to approve any action, such provision may not be amended to require a lesser vote, or deleted, without the number of votes required to approve such action.

10.1.2. In addition, so long as DECLARANT owns any PROPERTY this DECLARATION may be amended from time to time, by DECLARANT and without the consent of the COMMUNITY ASSOCIATION, or any OWNER, and notwithstanding anything else contained in this DECLARATION, no amendment may be made by the OWNERS without the written joinder of DECLARANT. Such right of DECLARANT to amend this DECLARATION shall specifically include, without limitation, (i) the right to add any property owned by DECLARANT to, or delete any property from, the SUBJECT PROPERTY, provided that any such amendment shall require the joinder of the owners of such property or any portion thereof if the owners are different than DECLARANT, and (ii) the right to make any amendment required by any INSTITUTIONAL

LENDER so that such lender will make, insure or guarantee mortgage loans encumbering the UNITS, or required by any governmental authority.

10.1.3. After DECLARANT no longer owns any PROPERTY this DECLARATION may be amended upon the unanimous consent of the PARCEL OWNERS and without the consent of the COMMUNITY ASSOCIATION, or any other OWNERS, if such amendment is made to conform to the requirements of any INSTITUTIONAL LENDER so that such lender will make, insure or guarantee mortgage loans encumbering the UNITS, or is required by any governmental authority. Furthermore after DECLARANT no longer owns any PROPERTY, no amendment may be made by the OWNERS without the written joinder of any PARCEL DEVELOPER owning more than 5 LOTS.

10.2. In order to be effective, any amendment to this DECLARATION must first be recorded in the public records of the county in which the SUBJECT PROPERTY is located, and in the case of an amendment made by the OWNERS, such amendment shall contain a certification by the President and Secretary of the COMMUNITY ASSOCIATION that the amendment was duly adopted.

10.3. No amendment shall discriminate against any OWNER, or class or group of OWNERS, unless the OWNERS so affected approve the amendment. No amendment shall change the number of votes of any OWNER or increase any OWNER's proportionate share of the COMMON EXPENSES, unless the OWNERS of the PROPERTY affected by such amendment join in the execution of the amendment. No amendment may prejudice or impair the priorities of INSTITUTIONAL LENDERS granted hereunder unless all INSTITUTIONAL LENDERS join in the execution of the amendment. No amendment 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, DECLARANT, unless DECLARANT joins in the execution of the amendment.

10.4. Notwithstanding anything contained herein to the contrary, any amendment to this DECLARATION which would adversely affect the surface water management system, including the water management portions of the COMMON AREAS, must have the prior approval of the South Florida Water Management District.

11. RIGHTS OF INSTITUTIONAL LENDERS.

11.1. Notice of Action. Upon written notice to the COMMUNITY ASSOCIATION by any INSTITUTIONAL LENDER holding, insuring or guaranteeing a mortgage encumbering any PROPERTY or UNIT, identifying the name and address of the INSTITUTIONAL LENDER and the PROPERTY or UNIT encumbered by such mortgage, any such INSTITUTIONAL LENDER will be entitled to timely written notice of:

11.1.1. Any condemnation or casualty loss that affects either a material portion of the SUBJECT PROPERTY or the PROPERTY or UNIT securing its mortgage.

11.1.2. Any 60-day default in the payment of ASSESSMENTS or charges owed to the COMMUNITY ASSOCIATION or in the performance of any obligation hereunder by the OWNER of the PROPERTY or UNIT on which it holds the mortgage.

11.1.3. A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the COMMUNITY ASSOCIATION.

11.1.4. Any proposed action that requires the consent of a specified percentage of mortgage holders.

11.2. Consent of INSTITUTIONAL LENDERS. Whenever the consent or approval of any, all or a specified percentage or portion of the holder(s) of any mortgage(s) encumbering any PROPERTY or UNIT is required by this DECLARATION, the ARTICLES, the BYLAWS, or any applicable statute or law, to any amendment of the DECLARATION, the ARTICLES, or the BYLAWS, or to any action of the COMMUNITY ASSOCIATION, or to any other matter relating to the SUBJECT PROPERTY, the COMMUNITY ASSOCIATION may request such consent or approval of such holder(s) by written request sent certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by such holders). Any holder receiving such request shall be required to consent to or disapprove the matter for which the consent or approval is requested, in writing, by certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by the COMMUNITY ASSOCIATION), which response must be received by the COMMUNITY ASSOCIATION within thirty (30) days after the holder receives such request, and if such response is not timely received by the COMMUNITY ASSOCIATION, the holder shall be deemed to have consented to and approved the matter for which such approval or consent was requested. Such consent or approval given or deemed to have been given, where required, may be evidenced by an affidavit signed by all of the directors of the COMMUNITY ASSOCIATION, which affidavit, where necessary may be recorded in the public records of the county where the SUBJECT PROPERTY is located, and which affidavit shall be conclusive evidence that the applicable consent or approval was given as to the matters therein contained. The foregoing shall not apply where an INSTITUTIONAL LENDER is otherwise required to specifically join in an amendment to this DECLARATION.

11.3. Payment of Taxes and Insurance. Any INSTITUTIONAL LENDER may pay any taxes or assessments owed to any governmental authority by the COMMUNITY ASSOCIATION which are in default, or any overdue insurance premiums required to be purchased by the COMMUNITY ASSOCIATION pursuant to this DECLARATION, or may secure new insurance upon the lapse of a policy, and shall be owed immediate reimbursement therefor from the COMMUNITY ASSOCIATION plus interest at the highest rate permitted by law and any costs of collection, including attorneys' fees.

12. MISCELLANEOUS.

12.1. Damage or Destruction. In the event any existing UNITS are damaged or destroyed, such damaged or destroyed UNITS shall continue to be deemed UNITS for purposes of assessments, voting and use rights, unless and until all the PROPERTY owned in conjunction with the UNITS

is developed with a different number of UNITS than existed prior to such damage or destruction, and the COMMUNITY ASSOCIATION is so notified in writing. Thereafter, the number of assessment units assigned to such PROPERTY will be changed to equal the number of UNITS then existing within such PROPERTY. Notwithstanding the foregoing, in the event any PROPERTY is submitted to the condominium form of ownership, such PROPERTY shall be deemed to contain the number of UNITS provided in the respective declaration of condominium, as amended from time to time, unless and until the declaration of condominium is amended to provide for a different number of UNITS within the condominium, and a copy of the amended declaration of condominium is delivered to the COMMUNITY ASSOCIATION.

12.2. Conflict With ARTICLES or BYLAWS. In the event of any conflict between the ARTICLES and the BYLAWS and this DECLARATION, this DECLARATION, the ARTICLES, and the BYLAWS, in that order, shall control.

12.3. PARCEL ASSOCIATION. Nothing contained herein shall be deemed to restrict or limit the right of DECLARANT, and PARCEL DEVELOPER, or any other OWNER of all or any portion of the SUBJECT PROPERTY to declare additional restrictions with respect to such PROPERTY, or to create any PARCEL ASSOCIATION to enforce such additional restrictions and assess the OWNERS subject to such additional restrictions for any purpose.

12.4. Authority of COMMUNITY ASSOCIATION and Delegation. Nothing contained in this DECLARATION shall be deemed to prohibit the BOARD from delegating to any one of its members, or to any officer, or to any committee or any other person, any power or right granted to the BOARD by this DECLARATION including, but not limited to, the right to exercise architectural control and to approve any deviation from any use restriction, and the BOARD is expressly authorized to so delegate any power or right granted by this DECLARATION.

12.5. Severability. The invalidation in whole or in part of any of these covenants, conditions, reservations and restrictions, or any section, subsection, sentence, clause, phrase, word or other provision of this DECLARATION shall not affect the validity of the remaining portions which shall remain in full force and effect.

12.6. Validity. In the event any court shall hereafter determine that any provisions as originally drafted herein violate the rule against perpetuities, the period specified in this DECLARATION shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rules of law.

12.7. Assignment of DECLARANT's Rights. Any or all of the rights, privileges, or options provided to or reserved by DECLARANT in this DECLARATION, the ARTICLES, or the BYLAWS, may be assigned by DECLARANT, in whole or in part, as to all or any portion of the SUBJECT PROPERTY, to any person or entity pursuant to an assignment recorded in the public records of the county in which the SUBJECT PROPERTY is located. Any partial assignee of any of the rights of DECLARANT shall not be deemed the DECLARANT, and shall have no other rights, privileges or options other than as are specifically assigned. No assignee of DECLARANT

shall have any liability for any acts of DECLARANT or any prior DECLARANT unless such assignee is assigned and agrees to assume such liability.

12.8. Performance of COMMUNITY ASSOCIATION's Duties by DECLARANT. DECLARANT shall have the right from time to time, at its sole discretion, to perform at DECLARANT's expense the duties and obligations required hereunder to be performed by the COMMUNITY ASSOCIATION, and in connection therewith to reduce the budget of the COMMUNITY ASSOCIATION and the ASSESSMENTS for COMMON EXPENSES payable by the OWNERS, provided however that any such performance on the part of DECLARANT may be discontinued by DECLARANT at any time, and any such performance shall not be deemed to constitute a continuing obligation on the part of DECLARANT.

12.9. Property Owned by DECLARANT. For purposes of this DECLARATION, any property owned and any mortgage held by any subsidiary of DECLARANT, or the parent corporation of DECLARANT, or any subsidiary of such parent, shall be deemed owned or held by DECLARANT.

12.10. Inapplicability of Condominium Act. It is acknowledged that the COMMUNITY ASSOCIATION is not intended to be a condominium association, and is not intended to and shall not be governed by the provisions of Florida Statutes, Chapter 718.

12.11. Actions Against DECLARANT. In the event the COMMUNITY ASSOCIATION or any OWNER desires to make any claim against DECLARANT, whether for money damages or otherwise, the COMMUNITY ASSOCIATION or the OWNER, as the case may be, shall give DECLARANT written notice of such claim, which notice shall state the nature of the claim, the amount of the claim, and shall request DECLARANT to determine whether it elects to arbitrate such claim pursuant to this paragraph. DECLARANT shall have the right to require such claim to be submitted to binding arbitration in accordance with the rules of the American Arbitration Association then pertaining by written notice delivered to the COMMUNITY ASSOCIATION or the OWNER, as applicable, within 30 days after receipt of the foregoing notice, and if DECLARANT so elects, then such claim must be submitted to binding arbitration by the COMMUNITY ASSOCIATION or the OWNER. The result of such arbitration shall be specifically enforceable under the laws of the State of Florida. Any award or decision rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with the applicable laws of the State of Florida. In any event, the COMMUNITY ASSOCIATION shall not commence any arbitration or legal proceedings on its behalf or on behalf of the OWNERS against DECLARANT, or spend any funds in connection with any such proceedings, without obtaining 75% of the total votes of all the votes of all of the OWNERS. In connection with the foregoing, no PARCEL ASSOCIATION shall consent to the foregoing actions unless such consent is approved by 75% of the total votes of all the votes of all members of the PARCEL ASSOCIATION obtained at a special meeting of the PARCEL ASSOCIATION called expressly for the purpose of approving such action.

12.12. Sale and Development Easement. As long as DECLARANT or any PARCEL DEVELOPER owns any PROPERTY, DECLARANT or such PARCEL DEVELOPER reserves and shall have an easement over, upon, across and under the SUBJECT PROPERTY as may be

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reasonably required in connection with the development, construction, sale, leasing, and promotion of the SUBJECT PROPERTY, or any portion thereof, or any other property, by DECLARANT or the PARCEL DEVELOPER.

12.13. FHA/VA Approval. If any mortgage encumbering any UNIT is guaranteed or insured by the Federal Housing Administration or by the Veterans Administration, then upon written demand to the COMMUNITY ASSOCIATION by either such agency, the following action, if made by DECLARANT or if made prior to the completion of 75% of the UNITS which may be built within the SUBJECT PROPERTY, must be approved by either such agency: (i) any annexation of additional property; (ii) any mortgage, transfer or dedication of any COMMON AREA; (iii) any amendment to this DECLARATION, the ARTICLES or the BYLAWS, if such amendment materially and adversely affects the UNIT OWNERS or materially and adversely affects the general scheme of development created by this DECLARATION, provided however such approval shall specifically not be required where the amendment is made to add any property specifically identified in this DECLARATION, or to correct errors or omissions, or is required to comply with the requirements of any INSTITUTIONAL LENDER, or is required by any governmental authority; or (iv) any merger, consolidation, or dissolution of the COMMUNITY ASSOCIATION. Such approval shall be deemed given if either agency fails to deliver written notice of its disapproval of any such action to DECLARANT or to the COMMUNITY ASSOCIATION within 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 may be conclusively evidenced by a certificate of DECLARANT or the COMMUNITY ASSOCIATION that the approval was given or deemed given.

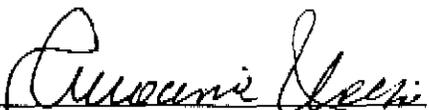
IN WITNESS WHEREOF, DECLARANT has executed this DECLARATION this 3rd day of March, 1999.

Signed, Sealed and Delivered

Shoma Development Corp., a Florida corporation

In the Presence of:

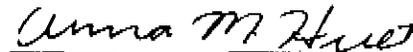
By:



PRINT NAME OF WITNESS BELOW:

A. MARIA URIBE

Name: Masoud Shojaee
Title: President



PRINT NAME OF WITNESS BELOW

ANNA M. MARTINEZ-HUET

STATE OF FLORIDA)
) ss:
COUNTY OF)

The foregoing instrument was acknowledged before me this 3rd day of March, 1999, by Masoud Shojaee, as President of Shoma Development Corp., a Florida corporation, on behalf of the corporation. He/she is personally known to me or has produced drivers license (type of identification) as identification.

Mirta Abreu
NOTARY PUBLIC, STATE OF FLORIDA

(Print, Type or Stamp Commissioned Name of Notary Public)

OFFICIAL NOTARY SEAL
MIRTA ABREU
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC760043
MY COMMISSION EXP. AUG. 10, 2002

JOINDER AND CONSENT OF MORTGAGEE

Ocean Bank, being the owner and holder of the mortgage lien imposed by that certain Mortgage dated June 17, 1997 and filed for record in Official Records Book 26583 at Page 0312, of the Public Records of Broward County, Florida, as modified, encumbering all or portions of the real property described in the foregoing Master Declaration for Nautica, hereby consents to and joins in the filing of the Declaration.

Signed, sealed and delivered
in the presence of:

Ocean Bank *WAE*

[Signature]

NELEIDA HERNANDEZ
[Signature]

Julia Y Lopez

By: *[Signature]*

GILBERTO BARRERA Vice President

(CORPORATE SEAL)

STATE OF FLORIDA)
) ss:
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this 3rd day of March, 1999 by Gilberto Barrera, S.L.P. of Ocean bank, a Florida corporation, on behalf of the corporation. He/she is personally known to me or has produced B666-646-31-144-C (type of identification) as identification.

[Signature]

NOTARY PUBLIC, STATE OF FLORIDA

OFFICIAL NOTARY SEAL
R.G. EXPOSITO
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC 33701
(Print, Type or Stamp Commissioned Name of Notary Public)

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JOINDER AND CONSENT OF MORTGAGEE

NationsBank, N.A. being the owner and holder of the mortgage lien imposed by that certain Mortgage dated October 22, 1998 and filed for record in Official Records Book 28938 at Page 1939, of the Public Records of Broward County, Florida, encumbering all or portions of the real property described in the foregoing Master Declaration for Nautica, hereby consents to and joins in the filing of the Master Declaration of Nautica.

Signed, sealed and delivered
in the presence of:

NationsBank, N.A.

Elia L. Melero
ELIA L. MELERO

By: [Signature]
John C. Nichols Vice President

Elizabeth C. Yuskaitis -
Elizabeth C. Yuskaitis

(CORPORATE SEAL)

STATE OF FLORIDA)
) ss:
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this 9th day of March, 1999 by John C. Nichols, Vice President of NationsBank, N.A., a ~~national banking assoc. corporation~~, on behalf of the corporation. He/she is personally known to me or has produced n/a (type of identification) as identification.

Elizabeth C. Yuskaitis
NOTARY PUBLIC, STATE OF FLORIDA

Elizabeth C. Yuskaitis
(Print, Type or Stamp Commissioned Name of Notary Public)

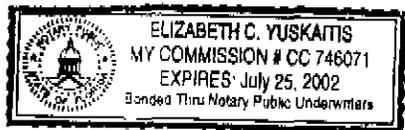


EXHIBIT "A"

LEGAL DESCRIPTION

All of NAUTICA, according to the Plat thereof, recorded in Plat Book 164 Page 36 of the Public Records of Broward County, Florida.

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EXHIBIT "B"

LEGAL DESCRIPTION OF THE CONSERVATION EASEMENT

Tract C-1 of NAUTICA, according to the Plat thereof, recorded in Plat Book 164
Page 36 of the Public Records of Broward County, Florida.

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EXHIBIT "C"

**ARTICLES OF INCORPORATION
OF NAUTICA COMMUNITY ASSOCIATION, INC.**

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ARTICLES OF INCORPORATION
OF
NAUTICA COMMUNITY ASSOCIATION, INC.

PREAMBLE:

SHOMA DEVELOPMENT CORP., a Florida corporation, hereinafter referred to as "DECLARANT" owns certain property in Broward County, Florida. DECLARANT intends to record a Master Declaration for Nautica (the "DECLARATION") which will affect the property. This Association is being formed to administer the DECLARATION and to perform, among other things, the duties and exercise the powers pursuant to the DECLARATION, as and when the DECLARATION is recorded in the Public Records of Broward County, Florida, with these Articles attached as an Exhibit. All of the definitions contained in the DECLARATION shall apply to these Articles, and to the Bylaws of the COMMUNITY ASSOCIATION. Until such time as the DECLARATION is so recorded, the incorporator shall be the member of the COMMUNITY ASSOCIATION.

ARTICLE I - NAME AND ADDRESS

The name of the corporation is: NAUTICA COMMUNITY ASSOCIATION, INC. (hereinafter referred to as the "COMMUNITY ASSOCIATION"). The initial address of the principal office of the COMMUNITY ASSOCIATION and the initial mailing address of the COMMUNITY ASSOCIATION is 1321 S.W. 107 Avenue, Suite 210A, Miami, Florida 33174.

ARTICLE II - PURPOSE

The purposes for which the COMMUNITY ASSOCIATION is organized are as follows:

1. To operate as a corporation not-for-profit pursuant to Chapter 617 of the Florida Statutes.
2. To administer, enforce and carry out the terms and provisions of the DECLARATION, as same may be amended from time to time.
3. To administer, enforce and carry out the terms and provisions of any other declaration of covenants and restrictions, or similar document, submitting property to the jurisdiction of, or assigning responsibilities, rights or duties to the COMMUNITY ASSOCIATION, and accepted by the BOARD.

4. To promote the health, safety, welfare, comfort, and social and economic welfare of the OWNERS and residents of the SUBJECT PROPERTY, as authorized by the DECLARATION, by these ARTICLES, and by the BYLAWS.

ARTICLE III - POWERS

The COMMUNITY ASSOCIATION shall have the following powers:

1. All of the common law and statutory powers of a corporation not-for-profit under the laws of Florida which are not in conflict with the terms of these ARTICLES.

2. All of the powers, express or implied, granted to the COMMUNITY ASSOCIATION by the DECLARATION or which are reasonably necessary in order for the COMMUNITY ASSOCIATION to administer, enforce, carry out and perform all of the acts, functions, rights and duties provided in, or contemplated by, the DECLARATION.

3. To make, establish and enforce rules and regulations governing the use and maintenance of the SUBJECT PROPERTY.

4. To make and collect ASSESSMENTS against the OWNERS to defray the costs, expenses, reserves and losses incurred or to be incurred by the COMMUNITY ASSOCIATION and to use the proceeds thereof in the exercise of the COMMUNITY ASSOCIATION's powers and duties.

5. To own, purchase, sell, mortgage, lease, administer, manage, operate, maintain, improve, repair and/or replace real and personal property.

6. To purchase insurance for the protection of the COMMUNITY ASSOCIATION, its officers, directors, the OWNERS, and such other parties as the COMMUNITY ASSOCIATION may determine to be in the best interests of the COMMUNITY ASSOCIATION.

7. To operate, maintain, repair, and improve all COMMON AREAS, and such other portions of the SUBJECT PROPERTY as may be determined by the BOARD from time to time.

8. To exercise architectural control over all buildings, structures and improvements to be placed or constructed upon any portion of the SUBJECT PROPERTY pursuant to the DECLARATION.

9. To provide, purchase, acquire, replace, improve, maintain and/or repair such buildings, structures, street lights and other structures, landscaping, paving and equipment, both real and personal, related to the health, safety and social welfare of the OWNERS and residents of the SUBJECT PROPERTY as the BOARD in its discretion determines necessary or appropriate.

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10. To employ personnel necessary to perform the obligations, services and duties required of or to be performed by the COMMUNITY ASSOCIATION and/or to contract with others for the performance of such obligations, services and/or duties.

11. To operate and maintain the surface water management and drainage system for the SUBJECT PROPERTY as permitted by the Southwest Florida Water Management District, including all lakes, retention areas, culverts, and related appurtenances.

12. To sue and be sued.

ARTICLE IV - MEMBERS

1. **MEMBERS.**

1.1 **OWNERS.** Each OWNER shall be a member of the COMMUNITY ASSOCIATION. Such memberships shall be initially established upon the recording of these ARTICLES and the DECLARATION among the public records of the county in which the SUBJECT PROPERTY is located. Notwithstanding the foregoing, no governmental authority or utility company shall be deemed a member unless one or more UNITS actually exist upon the PROPERTY owned by such governmental authority or utility company, in which event the governmental authority or utility company will be a member only with respect to the PROPERTY owned in conjunction with such UNIT(s).

1.2 **DECLARANT AND PARCEL DEVELOPERS.** DECLARANT and each PARCEL DEVELOPER shall be a member of the COMMUNITY ASSOCIATION so long as they own any PROPERTY.

2. **Transfer of Membership.** In the case of an OWNER, transfer of membership in the COMMUNITY ASSOCIATION shall be established by the recording in the Public Records of the county in which the SUBJECT PROPERTY is located, of a deed or other instrument establishing a transfer of record title to any PROPERTY for which membership has already been established as hereinabove provided, the OWNER designated by such instrument of conveyance thereby becoming a member, and the prior OWNER's membership thereby being terminated. In the event of death of an OWNER, his membership shall be automatically transferred to his heirs or successors in interest. Notwithstanding the foregoing, the COMMUNITY ASSOCIATION shall not be obligated to recognize such a transfer of membership until such time as the COMMUNITY ASSOCIATION receives a true copy of the deed or other instrument establishing the transfer of ownership of the PROPERTY, and it shall be the responsibility and obligation of the former and new OWNER of the PROPERTY to provide such true copy of said instrument to the COMMUNITY ASSOCIATION.

3. The share of an OWNER in the funds and assets of the COMMUNITY ASSOCIATION cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the PROPERTY associated with the membership of the OWNER, nor may a

membership be separately assigned, hypothecated or transferred in any manner except as an appurtenance to such PROPERTY.

4. OWNERS' Voting Rights. The total number of OWNERS' votes shall be equal to the total number of UNITS and PLANNED UNITS within the SUBJECT PROPERTY from time to time. On all matters upon which the membership shall be entitled to vote, there shall be one (1) vote for each UNIT and PLANNED UNIT.

4.1 Each OWNER shall have the number of votes equal to the number of UNITS and PLANNED UNITS within the PROPERTY associated with the membership of such OWNER at the time of such vote.

4.2 Notwithstanding the foregoing, DECLARANT shall have three votes for each UNIT and each PLANNED UNIT contained with the PROPERTY owned by DECLARANT.

5. The BYLAWS shall provide for an annual meeting of the members of the COMMUNITY ASSOCIATION and may make provision for special meetings of the members.

ARTICLE V - DIRECTORS

1. The affairs of the COMMUNITY ASSOCIATION shall be managed by a BOARD consisting of not less than three (3) directors, and which shall always be an odd number. The number of directors shall be determined in accordance with the BYLAWS. In the absence of such determination, there shall be three (3) directors so long as DECLARANT has the right to appoint any director, and thereafter the number of directors shall be equal to the number of PARCELS (plus one if there is an even number of PARCELS).

2. The directors of the COMMUNITY ASSOCIATION shall be elected by the OWNERS, except that DECLARANT and the PARCEL DEVELOPERS shall have the right to appoint the directors of the COMMUNITY ASSOCIATION as follows:

2.1 DECLARANT shall have the right to appoint all of the directors of the COMMUNITY ASSOCIATION so long as DECLARANT owns any LOT or any PROPERTY which is planned to contain a UNIT.

2.2 Thereafter, so long as there is a PARCEL DEVELOPER of any PARCEL, the PARCEL DEVELOPER of such PARCEL shall have the right to appoint one director for the PARCEL, and all other directors including any directors elected "at large" shall be elected by the OWNERS within the PARCELS for which there is no PARCEL DEVELOPER.

3. All of the duties and powers of the COMMUNITY ASSOCIATION existing under Chapter 617 of the Florida Statutes, the DECLARATION, these ARTICLES and the BYLAWS shall

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be exercised exclusively by the BOARD, its agents, contractors or employees, subject to approval by the OWNERS only when specifically required.

4. Directors may be removed and vacancies on the BOARD shall be filled in the manner provided by the BYLAWS, however, any director appointed by DECLARANT or any PARCEL DEVELOPER may only be removed by DECLARANT or the PARCEL DEVELOPER so long as DECLARANT or the PARCEL DEVELOPER has the right to appoint the director, and any vacancy on the BOARD shall be appointed by DECLARANT or a PARCEL DEVELOPER if, at the time such vacancy is to be filled, the number of remaining directors appointed by DECLARANT or the PARCEL DEVELOPER is less than the maximum number of directors which may, at that time, be appointed by DECLARANT or the PARCEL DEVELOPER as set forth above.

5. The names and addresses of the directors who shall hold office until their successors are elected or appointed, or until removed, are as follows:

Masoud Shojaee
Maria Lamas de Shojaee
Tania M. Martin
1321 SW 107 Avenue, Suite 210A
Miami, Florida 33174

ARTICLE VI - OFFICERS

The officers of the COMMUNITY ASSOCIATION shall be a President, Vice President, Secretary, Treasurer and such other officers as the BOARD may from time to time by resolution create. The officers shall serve at the pleasure of the BOARD, and the BYLAWS may provide for the removal from office of officers, for filling vacancies, and for the duties of the officers. The names of the officers who shall serve until their successors are designated by the BOARD are as follows:

President Masoud Shojaee
Vice President Maria Lamas de Shojaee
Vice President/Secretary/Treasurer Tania M. Martin

ARTICLE VII - INDEMNIFICATION

1. The COMMUNITY ASSOCIATION shall indemnify any PERSON who was or is a party or is threatened to be made a party, to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, employee, officer or agent of the COMMUNITY ASSOCIATION, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed

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to, the best interest of the COMMUNITY ASSOCIATION; and, with respect to any criminal action or proceeding, if he had no reasonable cause to believe his conduct was unlawful; except, that no indemnification shall be made in respect to any claim, issue or matter as to which such PERSON shall have been adjudged to be liable for gross negligence or willful misfeasance or malfeasance in the performance of his duty to the COMMUNITY ASSOCIATION unless and only to the extent that the court in which such action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in view of all the circumstances of the case, such PERSON is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, in and of itself, create a presumption that the PERSON did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the COMMUNITY ASSOCIATION; and with respect to any criminal action or proceeding, that he had no reasonable cause to believe that his conduct was unlawful.

2. To the extent that a director, officer, employee or agent of the COMMUNITY ASSOCIATION has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Paragraph 1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.

3. Any indemnification under Paragraph 1 above (unless ordered by a court) shall be made by the COMMUNITY ASSOCIATION only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper under the circumstances because he has met the applicable standard of conduct set forth in Paragraph 1 above. Such determination shall be made (a) by the BOARD by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in written opinion, or (c) by a majority vote of the OWNERS.

4. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the COMMUNITY ASSOCIATION in advance of the final disposition of such action, suit or proceeding as authorized by the BOARD in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the COMMUNITY ASSOCIATION as authorized in this Article.

5. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the laws of the State of Florida, any Bylaw, agreement, vote of OWNERS or otherwise; and as to action taken in an official capacity while holding office, shall continue as to a PERSON who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a PERSON.

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

ARTICLE VIII - BYLAWS

The first BYLAWS shall be adopted by the BOARD, and may be altered, amended or rescinded in the manner provided by the BYLAWS.

ARTICLE IX - AMENDMENTS

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

1. A majority of the BOARD shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the OWNERS, which may be the annual or a special meeting.

2. Written notice setting forth the proposed amendment or a summary of the changes to be affected thereby shall be given to each OWNER entitled to vote thereon within the time and in the manner provided in the BYLAWS for the giving of notice of a meeting of the OWNERS. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

3. At such meeting, a vote of the OWNERS entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of a majority of the votes of the entire membership of the COMMUNITY ASSOCIATION.

4. Any number of amendments may be submitted to the OWNERS and voted upon by them at any one meeting.

5. In addition to the above, so long as DECLARANT appoints a majority of the directors of the COMMUNITY ASSOCIATION, DECLARANT shall be entitled to unilaterally amend these ARTICLES and the BYLAWS. Furthermore, no amendment shall make any changes which would in any way affect any of the rights, privileges, power or options herein provided in favor of, or reserved to, DECLARANT, unless DECLARANT joins in the execution of the amendment.

6. Upon the approval of an amendment to these ARTICLES, Articles of Amendment shall be executed and delivered to the Department of State as provided by law, and a copy certified

by the Department of State shall be recorded in the public records of the county in which the SUBJECT PROPERTY is located.

7. If any mortgage encumbering any UNIT is guaranteed or insured by the Federal Housing Administration or by the Veterans Administration, then the following action made by DECLARANT, or made by the OWNERS, prior to the completion of 75% of all of the UNITS which may be built within the SUBJECT PROPERTY, must be approved by either such agency: any annexation of additional properties; any merger, consolidation, or dissolution of the COMMUNITY ASSOCIATION; any mortgaging of any COMMON AREA; and any amendment to these ARTICLES or the BYLAWS, if such amendment materially and adversely affects the OWNERS or materially and adversely affects the general scheme of development created by the DECLARATION, provided however such approval shall specifically not be required where the amendment is made to correct errors or omissions, or is required to comply with the requirements of any INSTITUTIONAL LENDER, or is required by any governmental authority. Such approval shall be deemed given if either agency fails to deliver written notice of its disapproval of any amendment to DECLARANT or to the COMMUNITY ASSOCIATION within 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 a certificate of DECLARANT or the COMMUNITY ASSOCIATION that the approval was given or deemed given.

ARTICLE X - TERM

The COMMUNITY ASSOCIATION shall have perpetual existence.

ARTICLE XI - INCORPORATOR

The name and street address of the incorporator is: Richard L. Schanerman, Esquire, Akerman, Senterfitt & Eidson, P.A., One Southeast Third Avenue, 28th Florida, Miami, Florida 33131.

ARTICLE XII - INITIAL REGISTERED OFFICE ADDRESS AND NAME OF INITIAL REGISTERED AGENT

The initial registered office of the COMMUNITY ASSOCIATION shall be at One Southeast Third Avenue, 28th Floor, Miami, Florida 33131. The initial registered agent of the COMMUNITY ASSOCIATION at that address is American Information Services, Inc.

ARTICLE XIII - DISSOLUTION

The COMMUNITY ASSOCIATION may be dissolved as provided by law, provided that any such dissolution shall require the affirmative vote of 80% of all of the OWNERS, and shall also require the consent of the South Florida Water Management District, or any successor governmental authorities. In the event of dissolution or final liquidation of the COMMUNITY ASSOCIATION,

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the assets, both real and personal of the COMMUNITY ASSOCIATION, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable to the same as those to which they were required to be devoted by the COMMUNITY ASSOCIATION. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization, to be devoted to purposes as nearly as practicable to the same as those to which they were required to be devoted by the COMMUNITY ASSOCIATION. No such disposition of COMMUNITY ASSOCIATION properties shall be effective to divest or diminish any right or title of any OWNER vested under the DECLARATION unless made in accordance with the provisions of such DECLARATION.

IN WITNESS WHEREOF, the incorporator has executed these ARTICLES.

WITNESSES:

[Signature]
Miss [Name]
[Signature]
Mercy Garces

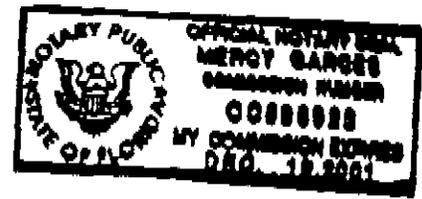
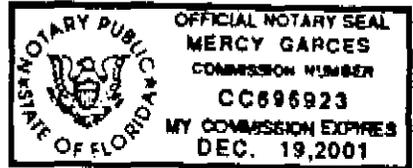
[Signature]
Richard L. Schanerman

STATE OF FLORIDA)
) SS:
COUNTY OF DADE)

The foregoing instrument was acknowledged before me this 2 day of FEBRUARY 1998, by Richard L. Schanerman, as Incorporator. He/she is personally known to me or has produced _____ (type of identification) as identification.

[Signature]
NOTARY PUBLIC, STATE OF FLORIDA

Mercy Garces
(Print, Type or Stamp Commissioned Name of Notary Public)



**ARTICLES OF AMENDMENT TO THE
ARTICLES OF INCORPORATION OF
NAUTICA COMMUNITY ASSOCIATION, INC.,
a not-for-profit Florida corporation**

Pursuant to the Florida Not for Profit Corporation Act, Article IX Section 5 of the Articles of Incorporation of **NAUTICA COMMUNITY ASSOCIATION, INC.**, a Florida not-for-profit corporation, hereinafter referred to as the "Corporation", is amended to read as follows:

Article IV Section 4 of the Articles of Incorporation of Nautica Community Association, Inc. is deleted in its entirety and amended to read as follows:

4. OWNERS' VOTING RIGHTS.

4.1 Each Owner of a Townhouse Unit shall have a total of .886 vote for each Townhouse Unit owned by that Owner. If more than one Owner owns a Townhouse Unit the total vote shall equal .886 for such Townhouse Unit irrespective of the number of Owners of that Unit. Each Owner of a Unit other than a Townhouse Unit shall have a total of one vote for each Unit. If more than one Owner owns a Unit other than a Townhouse Unit the total vote shall equal one vote for such Unit irrespective of the Number of Owners of that Unit.

4.2 Notwithstanding the foregoing, Declarant shall have three votes for each Unit and each Planned Unit owned by Declarant.

In accordance with Section 617.0123(1) of the Florida Not for Profit Corporation Act, this Amendment shall be effective upon its filing with the Florida Department of State.

The foregoing Amendment to the Articles of Incorporation of the Corporation was proposed and approved, in accordance with Article IV Section 4 of the Articles of Association, by the Declarant who is also the sole member of the Association.

IN WITNESS WHEREOF, the undersigned Declarant being the owner of all of the Units and sole member of the Corporation has executed these Articles of Amendment this 28th day of February, 1999.

DECLARANT:

Shoma Development Corp, a Florida corporation

By: _____

Masoud Shojaee, President

Prepared by
Richard L. Schanerman, Esq.
One S.E. 3rd Avenue, 28th Floor
Miami, FL 33131
(305) 374 5600
Florida Bar No.275964

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EXHIBIT "D"
BYLAWS OF COMMUNITY ASSOCIATION

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BYLAWS
OF
NAUTICA COMMUNITY ASSOCIATION, INC.,
a Florida corporation not-for-profit

1. GENERAL.

1.1 Identity. These are the BYLAWS OF NAUTICA COMMUNITY ASSOCIATION, INC., hereinafter referred to as the "COMMUNITY ASSOCIATION," a corporation not-for-profit formed under the laws of the State of Florida. The COMMUNITY ASSOCIATION has been organized for the purposes stated in the Articles of Incorporation (the "Articles"), and shall have all of the powers provided in these BYLAWS, the Articles of Incorporation, the Master Declaration for NAUTICA (hereinafter referred to as the "DECLARATION"), and any other statute or law of the State of Florida, or any other power incident to any of the above powers.

1.2 Principal Office. The principal office of the COMMUNITY ASSOCIATION shall be at such place as the BOARD may determine from time to time.

1.3 Fiscal Year. The fiscal year of the COMMUNITY ASSOCIATION shall be the calendar year.

1.4 Seal. The seal of the COMMUNITY ASSOCIATION shall have inscribed upon it the name of the COMMUNITY ASSOCIATION, the year of its incorporation and the words "Corporation Not-for-Profit." Said seed 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 COMMUNITY ASSOCIATION.

1.5 Inspection of Books and Records. The records of the COMMUNITY ASSOCIATION shall be open to inspection by the OWNERS, and all holders, insurers, or guarantors of any first mortgage encumbering any PROPERTY, upon request, during normal business hours or under other reasonable circumstances. Such records of the COMMUNITY ASSOCIATION shall include current copies of the DECLARATION, ARTICLES, BYLAWS, any Rules and Regulations of the COMMUNITY ASSOCIATION, and any amendments thereto, any contracts entered into by the COMMUNITY ASSOCIATION, and the books, records and financial statements of the COMMUNITY ASSOCIATION. The COMMUNITY ASSOCIATION shall be required to make available to prospective purchasers of any PROPERTY or UNIT current copies of the DECLARATION, ARTICLES and BYLAWS, and the most recent annual financial statement of the COMMUNITY ASSOCIATION.

1.6 Definitions. Unless the context otherwise requires, all terms used in these BYLAWS shall have the same meaning as are attributed to them in the DECLARATION and the ARTICLES.

2. **MEMBERSHIP IN GENERAL.**

2.1 **Qualification.** The qualification of members, the manner of their admission to membership and the termination of such membership shall be as set forth in the ARTICLES.

2.2 **Changes in Members.** Change of membership in the COMMUNITY ASSOCIATION shall be as provided in the ARTICLES.

2.3 **Member Register.** The secretary of the COMMUNITY ASSOCIATION shall maintain a register in the office of the COMMUNITY ASSOCIATION showing the names and addresses of the OWNERS. Upon request from the COMMUNITY ASSOCIATION, each PARCEL ASSOCIATION shall supply the COMMUNITY ASSOCIATION with a current list of the names and addresses of the OWNERS of UNITS or PROPERTY subject to the jurisdiction of the PARCEL ASSOCIATION. Each OWNER shall at all times advise the secretary of any change of address of the OWNER, of any change of ownership of the OWNER'S UNIT(S) or PROPERTY, and of any change in the UNITS and PLANNED UNITS within the OWNER'S PROPERTY. The COMMUNITY ASSOCIATION shall not be responsible for reflecting any changes, until notified of such changes in writing. Any mortgagee of any PROPERTY may register by notifying the COMMUNITY ASSOCIATION in writing of its mortgage. In the event the COMMUNITY ASSOCIATION files a claim of lien which affects any PROPERTY encumbered by the mortgage of a registered mortgagee, a copy of the claim of lien shall be mailed to the registered mortgagee.

3. **MEMBERSHIP VOTING.**

3.1 **Voting Rights.** The vote or percentage of a vote allocated to each UNIT is as set forth in the ARTICLES.

3.2 **Majority Vote and Quorum Requirements.** The acts approved by a majority of the votes cast in person or by proxy at a meeting of the members at which a quorum is present shall be binding upon all OWNERS for all purposes, except where otherwise provided by law, in the DECLARATION, the ARTICLES or in these BYLAWS. Unless otherwise so provided or required by law, at any regular or special meeting, the presence in person or by proxy of persons entitled to cast a 25% of the votes of the entire membership at the time of such vote shall constitute a quorum.

3.3 **Determination as to Voting Rights.**

3.3.1 **OWNERS.** If the PROPERTY associated with the membership of an OWNER is owned by more than one individual or by an entity, the votes for the UNITS and PLANNED UNITS within the PROPERTY of the OWNER may be cast at any meeting by any co-OWNER of the PROPERTY, but if when the vote is to be cast, a dispute arises between the co-OWNERS as to how the vote will be cast, they shall lose the right to cast the votes of the OWNER on the matter being voted upon, but their vote shall continue to be counted for purposes of determining the existence of a quorum. For purposes of this Paragraph, the principals or partners

of any entity (other than a corporation) shall be deemed co-owners, and the directors and officers of a corporation shall be deemed co-owners.

3.4 Proxies. Every OWNER entitled to vote at a meeting of the OWNERS, or to express consent or dissent without a meeting, may authorize another person to act on the OWNER's behalf by a limited proxy signed by such OWNER. OWNER's may not vote by general proxy. Any such proxy shall be delivered to the Secretary of the COMMUNITY ASSOCIATION, or the person acting as secretary at the meeting, at or prior to the time designated in the order of business for so delivering such proxies. Any proxy shall be effective only for the specific meeting for which originally given and any lawfully 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 is given. Every proxy shall be revocable at any time at the pleasure of the OWNER executing it.

4. MEMBERSHIP MEETINGS.

4.1 Who May Attend. Any person entitled to cast the vote(s) of an OWNER, and in the event any UNIT or PROPERTY is owned by more than one PERSON, all co-owners of the UNIT or PROPERTY, as described in Paragraph 3.3.1, may attend any meeting of the members. However, the votes of any OWNER shall be cast in accordance with the provisions of Article 3 above. Any PERSON not expressly authorized to attend a meeting of the OWNERS, as set forth above, may be excluded from any meeting of the OWNERS by the presiding officer of the meeting. INSTITUTIONAL LENDERS have the right to attend all meetings of the OWNERS.

4.2 Place. All meetings of the OWNERS shall be held at the principal office of the COMMUNITY ASSOCIATION or at such other place and at such time as shall be designated by the BOARD and stated in the notice of meeting.

4.3 Notices. Written notice stating the place, day and hour of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each OWNER not less than 10 nor more than 60 days before the date of the meeting, unless

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UNIT without naming the OWNER, unless the OWNER of the UNIT notifies the COMMUNITY ASSOCIATION that notices to the OWNER are to be sent to another address.

4.4 Waiver of Notice. Whenever any notice is required to be given to any OWNER under the provisions of the ARTICLES or these BYLAWS, or as 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 an OWNER at a meeting shall constitute a waiver of notice of such meeting, except when the OWNER objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

4.5 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 third Monday in March of each year, or at such other time in the months of March or April of each year as shall be selected by the BOARD and as is contained in the notice of such meeting. If the BOARD fails to call such meeting by the end of March of any year, then within thirty (30) days after the written request of any OWNER, or any Officer or director of the COMMUNITY ASSOCIATION, the Secretary shall call an annual meeting. During the period when DECLARANT appoints a majority of the directors, no annual meetings will be required.

4.6 Special Meetings. Special meetings of the OWNERS may be requested at any time by written notice to the Secretary by any director, the President, or by written petition signed by at least 25 OWNER(S), or as otherwise provided by law. Such request shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice of meeting. Notice of any special meeting shall be given by the Secretary, or other officer of the COMMUNITY ASSOCIATION, to all of the OWNERS within thirty (30) days after same is duly requested, and the meeting shall be held within forty-five (45) days after same is duly requested.

4.7 Adjournments. Any meeting may be adjourned or continued by a majority of the votes present at the meeting in person or by proxy, regardless of a quorum, or if no OWNER entitled to vote is present at a meeting, then any officer of the COMMUNITY ASSOCIATION, may adjourn the meeting from time to time. If any meeting is adjourned or continued to another time or place, it shall not be necessary to give any notice of the adjourned meeting, if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and any business may be transacted at the adjourned meeting that might have been transacted at the original meeting. If the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, notice of the adjourned meeting may be given to OWNERS not present at the original meeting, without giving notice to the OWNERS which were present at such meeting.

4.8 Organization. At each meeting of the OWNERS, the President, the Vice President, or any person chosen by a majority of the OWNERS present, in that order, shall act as chairman of the meeting. The Secretary, or in his absence or inability to act, any person appointed by the chairman of the meeting shall act as Secretary of the meeting.

4.9 Order of Business. The order of business at the annual meetings of the OWNERS shall be:

- 4.9.1 Determination of chairman of the meeting;
- 4.9.2 4.9.2. Calling of the roll and certifying of proxies;
- 4.9.3 Proof of notice of meeting or waiver of notice;
- 4.9.4 Reading and disposal of any unapproved minutes;
- 4.9.5 Election of inspectors of election;
- 4.9.6 Election of directors;
- 4.9.7 Reports of directors, officers or committees;
- 4.9.8 Unfinished business;
- 4.9.9 New business; and
- 4.9.10 Adjournment.

4.10 Minutes. The minutes of all meetings of the OWNERS shall be kept in a book available for inspection by the OWNERS or their authorized representatives, and the members of the BOARD, at any reasonable time. The COMMUNITY ASSOCIATION shall retain these minutes for a period of not less than 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 OWNERS may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the OWNERS 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 OWNERS entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization by written consent, notice shall be given to those OWNERS who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. If the PROPERTY for which membership is established in the COMMUNITY ASSOCIATION is owned by more than one person or by an entity, the consent for such PROPERTY need only be signed by one person who would be entitled to cast the vote(s) for the PROPERTY as a co-owner pursuant to Paragraph 3.3.1 of these BYLAWS.

5. BOARD.

5.1 Number of Directors.

5.1.1 The affairs of the COMMUNITY ASSOCIATION shall be managed by a BOARD comprised of not less than three directors. So long as DECLARANT is entitled to appoint any director pursuant to the ARTICLES, the number of directors will be determined, and may be changed from time to time, by DECLARANT by written notice to the BOARD. So long as any PARCEL DEVELOPER has the right to appoint any director, the number of directors shall be equal to the number of PARCELS (plus one if there are an even number of PARCELS), unless the PARCEL DEVELOPERS unanimously agree to the contrary. Thereafter, the number of directors shall be equal to at least the number of PARCELS (plus one if there are an even number of PARCELS), and in any event the number of directors shall always be an odd number.

5.1.2 After DECLARANT and the PARCEL DEVELOPERS are no longer entitled to appoint any directors, the number of directors may be changed by vote of the BOARD.

5.2 Election of Directors by Members. Election of directors to be elected by the OWNERS other than the PARCEL DEVELOPERS shall be conducted in the following manner:

5.2.1 At any time after DECLARANT or any PARCEL DEVELOPER no longer has the right to appoint one or more directors from a PARCEL a special meeting of the OWNERS may be called to elect new directors. In the absence of such a meeting, the directors appointed by DECLARANT or the PARCEL DEVELOPER may continue to serve until the next annual meeting of the OWNERS. In the event such a special meeting is called and held, and directors are elected by the OWNERS, at such special meeting the OWNERS may elect to not hold the next annual meeting of the OWNERS if such next annual meeting is less than six (6) months after the date of the special meeting. Upon such election, the next annual meeting shall not be held.

5.2.2 Except as provided above, the OWNERS shall elect directors at the annual OWNERS' meetings, unless a special meeting of the OWNERS is called in order to fill a vacancy on the BOARD.

5.2.3 Procedure for Electing Directors.

5.2.3.1 The election of directors by the OWNERS shall be by written ballot or voting machine. Proxies shall in no event be used in electing directors, either in general elections or elections to fill vacancies caused by recall, resignation or otherwise, unless otherwise provided by law.

5.2.3.2 Not less than 60 days before a scheduled election, the COMMUNITY ASSOCIATION shall mail or deliver, whether by separate COMMUNITY ASSOCIATION mailing or included in another COMMUNITY ASSOCIATION mailing or delivery including regularly published newsletters, to each OWNER entitled to vote, a first notice of the date of the election. The notice shall also provide for a date for a BOARD meeting to be held not less than 40 days before the scheduled election, at which candidates for the BOARD will be nominated. Any person desiring to be a candidate for the BOARD may submit a written nomination to the BOARD at or prior to the meeting, which written nominations must be signed by at least 10 OWNERS and the person nominated, and if such nomination is timely submitted the person

nominated shall be entitled to be a candidate. At the meeting of the BOARD any OWNER may nominate himself or may nominate another person, if he has permission in writing to nominate the other person or if the nominee is present and accepts the nomination, and any nomination at the meeting must be seconded by another OWNER (who may be a director) to be valid. Notwithstanding the foregoing, the BOARD shall not be required to accept more than three nominees for each director to be elected.

5.2.3.3 Not less than 30 days before the election, the COMMUNITY ASSOCIATION shall mail or deliver a second notice of the election to all OWNERS entitled to vote therein, together with a ballot which shall list all candidates. The ballot shall indicate the PARCEL where the director resides or owns a UNIT. Upon request of a candidate, the COMMUNITY ASSOCIATION shall include an information sheet, no larger than 8½ inches by 11 inches, containing typing or information on one side only, which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing of the ballot, with the costs of mailing and copying to be born by the COMMUNITY ASSOCIATION. However, the COMMUNITY ASSOCIATION has no liability for the contents of the information sheets prepared by the candidates. The ballot may include other matters to be voted upon by the OWNERS at the discretion of the BOARD.

5.2.3.4 Each OWNER shall cast his ballot by checking the names of not more than the number of directors to be elected. The ballot may be mailed or delivered to the COMMUNITY ASSOCIATION prior to the election. Each ballot shall be signed by the OWNER casting the ballot and shall contain the address of the OWNER, unless secret ballots are required by the BOARD or by law. If secret ballots are required the BOARD shall adopt a reasonable method for the OWNERS to be able to mail or deliver their ballots to the COMMUNITY ASSOCIATION prior to the meeting and which will ensure that no ballots are improperly duplicated and that no OWNER casts more than one ballot. Any such procedure provided by law, or contained in the Florida Condominium Act for elections in condominium associations, shall be deemed reasonable but shall not be required unless required by law applicable to the COMMUNITY ASSOCIATION. Notwithstanding the foregoing, secret ballots will not be required unless required by law or unless the requirement for secret ballots and the method of casting the ballots are approved by a majority of the directors at or prior to the board meeting to nominate the candidates.

5.2.3.5 Elections shall be decided by a plurality of those ballots cast. There shall be at least one director elected from each PARCEL (a person who resides in or owns a UNIT in a PARCEL will be deemed "from" the PARCEL), unless no person from a PARCEL is nominated or is willing to serve. Accordingly, where a director is to be elected from a PARCEL, the person from the PARCEL who receives more votes than anyone else from the PARCEL will be the director elected from the PARCEL. Where there are any directors to be elected at large (i.e. if there are more directors than PARCELS) the remaining candidate(s) who receive the most votes will be elected at large. Unless otherwise provided by law, there shall be no quorum requirement. No OWNER shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid. An OWNER who needs assistance in casting the ballot for reasons stated in Florida Statutes, Section 101.051, may obtain assistance in casting the ballot. Any OWNER

violating this provision may be fined by the COMMUNITY ASSOCIATION as provided in the DECLARATION.

5.2.3.6 The regular election shall occur on the date of the annual meeting of the OWNERS. Notwithstanding the provisions of this subparagraph, an election and balloting are not required unless more candidates file notices of intent to run or are nominated than vacancies exist on the BOARD.

5.2.3.7 NOTWITHSTANDING THE FOREGOING, THE ELECTION OF DIRECTORS BY THE OWNERS SHALL BE DONE IN CONFORMANCE WITH ANY APPLICABLE MANDATORY STATUTORY REQUIREMENTS HEREAFTER ADOPTED, AS SAME MAY BE AMENDED FROM TIME TO TIME, AND SAME SHALL CONTROL OVER ANY CONFLICTING PROVISIONS OF THESE BYLAWS.

5.3 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 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.

5.4 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. The BOARD shall notify all OWNERS as to scheduled dates of the BOARD's regular meetings, but will not be required to send noticed of each meeting to the OWNERS. The BOARD shall place notices of regular meetings at conspicuous places on the SUBJECT PROPERTY, including all guardhouses, as reasonably determined by the BOARD at least 48 hours before any regular meeting, except in the case of an emergency.

5.5 Special Meetings. Special meetings of the BOARD may be called by any director, or by the President, at any time. The BOARD shall place notices of special meetings at conspicuous places on the SUBJECT PROPERTY, including all guardhouses, as reasonably determined by the BOARD at least 48 hours before any special meeting, except in the case of an emergency.

5.6 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 24 hours before the time at which such meeting is to be held, or by first class mail, postage prepaid, 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 notice of such meeting and a waiver of any and all objections to the place, the time or the manner in which the meeting has been called or convened, except when a director or states, at the beginning of the meeting, an objection to the transaction of any business because the meeting 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.

5.7 Attendance at BOARD Meetings. All meetings of the BOARD shall be open to all OWNERS and INSTITUTIONAL LENDERS. A director may appear at a BOARD meeting by telephone conference, but in that event a telephone speaker shall be attached so that any discussion may be heard by the directors and any OWNERS present as in an open meeting.

5.8 Quorum and Manner of Acting. A majority of the BOARD determined in the manner provided in these BYLAWS shall constitute a quorum for the transaction of any business at a meeting of the directors. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the BOARD, unless the act of a greater number of directors is required by statute, the DECLARATION, the ARTICLES or by these BYLAWS.

5.9 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 adjourned 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 adjourned meeting are announced at the time of the adjournment, to the other directors. Any business that might have been transacted at the meeting as originally called may be transacted at any adjourned meeting without further notice.

5.10 Presiding Officer. The presiding officer of the directors' meetings shall be the Chairman of the BOARD if such an officer is elected; and if none, the President of the COMMUNITY ASSOCIATION shall preside if the President is a director. In the absence of the presiding officer, the directors shall designate one of their members to preside.

5.11 Order of Business. The order of business at a directors' meeting shall be:

- 5.11.1 Calling of roll;
- 5.11.2 Proof of due notice of meeting;
- 5.11.3 Reading and disposal of any unapproved minutes;
- 5.11.4 Reports of officers and committees;
- 5.11.5 Election of officers;
- 5.11.6 Unfinished business;
- 5.11.7 New business, and
- 5.11.8 Adjournment.

5.12 Minutes of Meetings. The minutes of all meetings of the BOARD shall be kept in a book available for inspection by the OWNERS, or their authorized representatives, and the directors at any reasonable time.

5.13 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.

5.14 Resignation. Any director of the COMMUNITY ASSOCIATION may resign at any time by giving written notice of his resignation to the BOARD or Chairman of the BOARD or the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time when such resignation is to become effective is not specified therein, immediately upon its receipt; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.15 Removal of Directors. Directors may be removed as follows:

5.15.1 Any director other than a director appointed by DECLARANT may be removed by majority vote of the remaining directors, if such director has been absent for the last three consecutive directors' meetings, and/or adjournments and continuances of such meetings.

5.15.2 Any director other than a director appointed by DECLARANT may be removed with or without cause by OWNERS having a majority of the votes of the entire membership at a special meeting of the OWNERS called by OWNERS having not less than 5% of the votes of the entire membership expressly for that purpose. The vacancy on the BOARD caused by any such removal may be filled by the OWNERS at such meeting or, if the OWNERS shall fail to fill such vacancy, by the BOARD as in the case of any other vacancy on the BOARD, subject to the requirements of Paragraph 5.2.5.

5.16 Vacancies. Subject to the requirements of Paragraph 5.2.5, vacancies in the BOARD may be filled by a majority vote of the directors then in office, though less than a quorum, or by a sole remaining director, and the director so chosen shall hold office until the next annual election and until their successors are duly elected and shall have qualified, unless sooner displaced. If there are no directors in office, then a special election of the OWNERS shall be called to elect the directors.

5.17 Directors Appointed by DECLARANT or the PARCEL DEVELOPERS. Notwithstanding anything contained herein to the contrary, DECLARANT and the PARCEL DEVELOPERS shall have the right to appoint the maximum number of directors in accordance with the privileges granted to them pursuant to the ARTICLES and these BYLAWS. All directors appointed by DECLARANT or any PARCEL DEVELOPER shall serve at their pleasure, and DECLARANT and the PARCEL DEVELOPERS shall have the absolute right, at any time, and in its sole discretion, to remove any director appointed by them, and to replace such director with another person to serve on the BOARD. Replacement of any director appointed by DECLARANT or any PARCEL DEVELOPER shall be made by written notice to the COMMUNITY ASSOCIATION which shall specify the name of the person designated as successor director. The removal of any director and the designation of his successor by DECLARANT or any PARCEL

DEVELOPER shall become effective immediately upon delivery of such written notice. DECLARANT and any PARCEL DEVELOPER may waive its right to appoint one or more directors which it has the right to appoint at any time upon written notice to the COMMUNITY ASSOCIATION, and thereafter such director(s) shall be elected by the OWNERS.

5.18 Compensation. The directors shall not be entitled to any compensation for serving as directors unless the OWNERS approve such compensation, provided however the COMMUNITY ASSOCIATION may reimburse any director for expenses incurred on behalf of the COMMUNITY ASSOCIATION without approval by the OWNERS.

5.19 Powers and Duties. The directors shall have the right to exercise all of the powers and duties of the COMMUNITY ASSOCIATION, express or implied, existing under these BYLAWS, the ARTICLES, the DECLARATION, or as otherwise provided by statute or law. Such powers and duties of the directors shall include, without limitation except as limited elsewhere herein), the following:

5.19.1 The operation, care, upkeep and maintenance of the COMMON AREAS, and any other portion of the SUBJECT PROPERTY determined to be maintained by the BOARD.

5.19.2 The determination of the expenses required for the operation of the COMMUNITY ASSOCIATION.

5.19.3 The collection of ASSESSMENTS for COMMON EXPENSES from the OWNERS.

5.19.4 The employment and dismissal of personnel.

5.19.5 The adoption and amendment of rules and regulations covering the details of the operation and use of PROPERTY owned and/or maintained by the COMMUNITY ASSOCIATION.

5.19.6 Maintaining bank accounts on behalf of the COMMUNITY ASSOCIATION and designating signatories required therefor.

5.19.7 Obtaining and reviewing insurance for PROPERTY owned and/or maintained by the COMMUNITY ASSOCIATION.

5.19.8 The making of repairs, additions and improvements to, or alterations of, PROPERTY owned and/or maintained by the COMMUNITY ASSOCIATION.

5.19.9 Borrowing money on behalf of the COMMUNITY ASSOCIATION; provided, however, that (i) a 2/3 vote of the total number of votes cast by the OWNERS, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these BYLAWS, shall be required for the borrowing of any sum in excess of \$25,000.00; and (ii) no lien

to secure repayment of any sum borrowed may be created on any PROPERTY without the consent of the OWNER of such PROPERTY.

5.19.10 Contracting for the management and maintenance of PROPERTY owned and/or maintained by the COMMUNITY ASSOCIATION authorizing a management agent or company to assist the COMMUNITY ASSOCIATION in carrying out its powers and duties by performing such functions as the submission of proposals, collection of ASSESSMENTS, preparation of records, enforcement of rules, and maintenance, repair and replacement of the COMMON AREAS with funds as shall be made available by the COMMUNITY ASSOCIATION for such purposes. The COMMUNITY ASSOCIATION and its officers shall, however, retain at all times the powers and duties granted by all COMMUNITY ASSOCIATION documents and the DECLARATION, including, but not limited to, the making of ASSESSMENTS, promulgation of rules, and execution of contracts on behalf of the COMMUNITY ASSOCIATION.

5.19.11 Exercising all powers specifically set forth in the DECLARATION, the ARTICLES, these BYLAWS, and as otherwise provided by statute or law, and all powers incidental thereto or implied therefrom.

5.19.12 Entering into and upon any portion of the SUBJECT PROPERTY, including UNITS, when necessary to maintain, care and preserve any PROPERTY in the event the respective PARCEL ASSOCIATION or OWNER fails to do so.

5.19.13 Collecting delinquent ASSESSMENTS by suit or otherwise, abating nuisances, and enjoining or seeking damages from the OWNERS for violations of these BYLAWS and the terms and conditions of the DECLARATION or of the Rules and Regulations of the COMMUNITY ASSOCIATION.

5.19.14 Acquiring and entering into agreements whereby the COMMUNITY ASSOCIATION acquires leaseholds, memberships, and other possessory or use interests in lands or facilities, whether or not contiguous to the lands operated by the COMMUNITY ASSOCIATION, intended to provide for the enjoyment, recreation, or other use and benefit of the OWNERS and declaring expenses in connection therewith to be COMMON EXPENSES; all in such form and in such manner as may be deemed by the BOARD to be in the best interest of the COMMUNITY ASSOCIATION, and the participation in the acquisition of any interest in lands or facilities for the foregoing purposes may be direct or indirect, meaning, without limiting the generality of the foregoing, by direct ownership of land or acquisition of stock in a corporation owning land.

6. OFFICERS.

6.1 Members and Qualifications. The officers of the COMMUNITY ASSOCIATION shall include a President, a Vice President, a Treasurer and a Secretary, all of whom shall be elected by the directors of the COMMUNITY ASSOCIATION and may be pre-emptively removed from office with or without cause by vote of the directors at any meeting by concurrence of a majority of the directors. Any person may hold two or more offices except that the President shall not also be the Secretary. The BOARD may, from time to time, elect such other officers and designate their

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powers and duties as the BOARD shall find to be appropriate to manage the affairs of the COMMUNITY ASSOCIATION from time to time. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall have resigned, or until he shall have been removed, as provided in these BYLAWS.

6.2 Resignations. Any officer of the COMMUNITY ASSOCIATION may resign at any time by giving written notice of his resignation to any director, the President or the Secretary. Any such resignation shall take effect at the time specified therein, or if there is no time specified therein, immediately upon its receipt; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make such resignation effective.

6.3 Vacancies. A vacancy in any office, whether arising from death, resignation, removal or any other cause may be filled for the unexpired portion of the term of the office which shall be vacant in the manner prescribed in these BYLAWS for the regular election or appointment of such office.

6.4 The President. The President shall be the chief executive officer of the COMMUNITY ASSOCIATION. He shall have all of 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 OWNERS from time to time, as he may in his discretion deem appropriate to assist in the conduct of the affairs of the COMMUNITY ASSOCIATION.

6.5 The Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also assist the President generally and exercise such other powers and perform such other duties as may be prescribed by the BOARD.

6.6 The Secretary. The Secretary shall prepare and keep the minutes of all proceedings of the directors and the OWNERS. He shall attend to the giving and serving of all notices to the OWNERS and directors and other notices required by law. He shall have custody of the seal of the COMMUNITY ASSOCIATION and affix the same to instruments requiring a seal when duly executed. He shall keep the records of the COMMUNITY ASSOCIATION, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association, and as may be required by the BOARD or the President.

6.7 The Treasurer. The Treasurer shall have custody of all property of the COMMUNITY ASSOCIATION, including funds, securities, and evidences of indebtedness. He shall keep books of account for the COMMUNITY ASSOCIATION in accordance with good accounting practices, which, together with substantiating papers, 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 office of treasurer. He shall collect all ASSESSMENTS and shall report promptly to the BOARD the status of collections.

6.8 Compensation. The officers of the COMMUNITY ASSOCIATION shall not be entitled to compensation unless the BOARD specifically votes to compensate them. However,

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neither this provision, nor the provision that directors will not be compensated unless otherwise determined by the OWNERS, shall preclude the BOARD from employing a director or an officer as an employee of the COMMUNITY ASSOCIATION and compensating such employee, nor shall they preclude the COMMUNITY ASSOCIATION from contracting with a director for the management of PROPERTY subject to the jurisdiction of the COMMUNITY ASSOCIATION, or for the provision of services to the COMMUNITY ASSOCIATION, and in either such event to pay such director a reasonable fee for such management or provision of services.

7. FINANCES AND ASSESSMENTS.

7.1 Adoption of the Budget.

7.1.1 Not less than sixty days prior to the commencement of any calendar year of the COMMUNITY ASSOCIATION, the BOARD shall adopt a budget for such calendar year, necessary to defray the COMMON EXPENSES of the COMMUNITY ASSOCIATION for such calendar year. The COMMON EXPENSES of the COMMUNITY ASSOCIATION shall include all expenses of any kind or nature whatsoever incurred, or to be incurred, by the COMMUNITY ASSOCIATION for the operation of the PROPERTY owned and/or operated by the COMMUNITY ASSOCIATION, and for the proper operation of the COMMUNITY ASSOCIATION itself, including, but not limited to, the expenses of the operation, maintenance, repair, or replacement of the COMMON AREAS; costs of carrying out the powers and duties of the COMMUNITY ASSOCIATION; all insurance premiums and expenses, including fire insurance and extended coverage; reasonable reserves for purchases, deferred maintenance, replacements, betterments, and unknown contingencies; and all other expenses designated as COMMON EXPENSES by these BYLAWS, the DECLARATION, the ARTICLES, or any other applicable statute or law of the State of Florida. If pursuant to any agreement entered into by the COMMUNITY ASSOCIATION, any expense of the COMMUNITY ASSOCIATION is to be shared with any PERSON(S), then the annual budget of the COMMUNITY ASSOCIATION shall contain a separate classification for such expense(s). In the event the BOARD fails to adopt an annual budget for any year, the prior year's budget shall remain in effect until a new budget is adopted or the existing budget is amended or revised.

7.1.2 If, after the adoption of any budget, it shall appear that the adopted budget is insufficient to provide adequate funds to defray the COMMON EXPENSES of the COMMUNITY ASSOCIATION for the fiscal year in which the adopted budget applies to, the BOARD may adopt an amended budget to provide such funds. All of the above provisions shall apply to the adoption of an amended budget.

7.2 Assessments and Assessment Roll.

7.2.1 As soon as practicable after the adoption of a budget, or an amended budget, the BOARD shall fix and determine the amount and frequency of the ASSESSMENTS for COMMON EXPENSES, pursuant to the DECLARATION, the ARTICLES and these BYLAWS. Such ASSESSMENTS shall be due not more frequently than monthly, and shall each be in an amount no less than required to provide funds in advance for payment of all of the anticipated

current operating expenses and for all of the unpaid operating expenses previously incurred. Any periodic ASSESSMENTS for COMMON EXPENSES, whether quarterly, monthly or otherwise, shall be equal unless the BOARD determines unequal ASSESSMENTS are required to provide funds in advance for the expenses of the COMMUNITY ASSOCIATION. As soon as practicable after the determination of the ASSESSMENTS for COMMON EXPENSES, the COMMUNITY ASSOCIATION shall notify each OWNER, in writing, of the amount, frequency and due date of such OWNER's ASSESSMENTS, provided, however, that no ASSESSMENT shall be due in less than (10) days from the date of such notification.

7.2.2 In the event the expenditure of funds by the COMMUNITY ASSOCIATION is required that cannot be paid from the ASSESSMENTS for COMMON EXPENSES, the BOARD may make special ASSESSMENTS, which shall be levied in the same manner as hereinbefore provided for ASSESSMENTS for COMMON EXPENSES and shall be payable in the manner determined by the BOARD. Each OWNER's share of any special ASSESSMENT shall be in the same proportion as the OWNER's share of the ASSESSMENTS for COMMON EXPENSES.

7.2.3 The COMMUNITY ASSOCIATION shall maintain an ASSESSMENT roll for each OWNER, designating the name and current mailing address of the OWNER, the amount of each ASSESSMENT payable by 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.

7.3 Depositories. The funds of the COMMUNITY 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. Fidelity bonds as required by the DECLARATION shall be required of all signatories on any accounts of the COMMUNITY ASSOCIATION.

7.4 Application of Payments and Commingling of Funds. All sums collected by the COMMUNITY ASSOCIATION from ASSESSMENTS may be commingled in a single fund or divided into more than one fund, as determined by the BOARD.

7.5 Accounting Records and Reports. The COMMUNITY ASSOCIATION shall maintain accounting records according to good accounting practices. The records shall be open to inspection by OWNERS and all INSTITUTIONAL LENDERS, other 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 OWNERS referred to above. The BOARD may, and upon the vote of a majority of the OWNERS shall, conduct a review of the accounts of the COMMUNITY ASSOCIATION by a certified public accountant, and if such a review is made, a copy of the report shall be made available to each OWNER and INSTITUTIONAL LENDER, upon written request to the COMMUNITY ASSOCIATION.

7.6 PARCEL EXPENSES and ASSESSMENTS. The provisions of this paragraph 7 shall be equally applicable with respect to PARCEL EXPENSES and PARCEL ASSESSMENTS, and separate budgets, ASSESSMENTS, Assessment Rolls, accounts, and books and records shall be established for same.

8. PARLIAMENTARY RULES. Roberts' Rules of Order (latest edition) shall govern the conduct of the COMMUNITY ASSOCIATION meetings when not in conflict with the DECLARATION, the ARTICLES or these BYLAWS.

9. AMENDMENTS. Except as otherwise provided, these BYLAWS may be amended in the following manner:

9.1 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.

9.2 Initiation. A resolution to amend these BYLAWS may be proposed by any director, or by a petition signed by at least 25 OWNERS.

9.3 Adoption of Amendments.

9.3.1 A resolution for the adoption of the proposed amendment shall be adopted either: (a) by a majority of all of the directors of the COMMUNITY ASSOCIATION, and by a majority vote of the total number of votes cast by OWNERS at a duly called meeting of OWNERS; or (b) by a 2/3 vote of the total number of votes of all of the OWNERS. Any amendment approved by the OWNERS may provide that the BOARD may not further amend, modify or repeal such amendment.

9.3.2 Notwithstanding the foregoing, so long as DECLARANT owns any portion of the SUBJECT PROPERTY, DECLARANT shall have the right to unilaterally amend these BYLAWS without the joinder or approval of any directors or any OWNER, and no amendment to these BYLAWS may be made without the written consent of DECLARANT. Thereafter, so long as there is at least one PARCEL DEVELOPER, the PARCEL DEVELOPERS will have the right to amend these BYLAWS by unanimous consent without the joinder or approval of any directors or any other OWNERS, and no amendment to these BYLAWS may be made without the written consent of the PARCEL DEVELOPERS.

9.4 No amendment shall make any changes in the qualification for membership nor in the voting rights or property rights of OWNERS without approval of 2/3 of the votes of the total number of votes of all of the OWNERS. No amendment shall be made that is in conflict with the DECLARATION, the ARTICLES or these BYLAWS. So long as DECLARANT or any PARCEL DEVELOPER owns any PROPERTY, or holds any mortgage encumbering any PROPERTY other than a UNIT, no amendment 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, DECLARANT or any PARCEL DEVELOPER, unless DECLARANT or any PARCEL DEVELOPER so affected shall join in the execution of the amendment.

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9.5 Execution and Recording. No modification of, or amendment to, these BYLAWS shall be valid unless recorded in the public records of the county in which the SUBJECT PROPERTY is located.

9.6 Any amendment made by DECLARANT, and any amendment made by the OWNERS prior to the completion of seventy-five percent (75%) of all of the UNITS which may be built within the SUBJECT PROPERTY, must be approved by the Federal Housing Administration or by the Veterans Administration if any mortgage encumbering any UNIT is guaranteed or insured by either such agency, if such amendment materially and adversely affects the OWNERS, provided however such approval shall specifically not be required where the amendment is made to correct errors or omissions or is required to comply with the requirements of any INSTITUTIONAL LENDER, or is required by any governmental authority. Such approval shall be deemed given if either agency fails to deliver written notice of its disapproval of any amendment to DECLARANT or to the COMMUNITY ASSOCIATION within 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 a certificate of DECLARANT or the COMMUNITY ASSOCIATION that the approval was given or deemed given.

10. RULES AND REGULATIONS. The BOARD may, from time to time, adopt, or amend previously adopted, Rules and Regulations concerning the use of the COMMON AREAS and concerning the use, operation and maintenance of other portions of the SUBJECT PROPERTY in order to further implement and carry out the intent of the DECLARATION, the ARTICLES, and these BYLAWS. The BOARD shall make available to any OWNER, upon request, a copy of the Rules and Regulations adopted from time to time by the BOARD.

11. MISCELLANEOUS.

11.1 Tenses and Genders. The use of any gender or of any tense in these BYLAWS shall refer to all genders or to all tenses, wherever the context so requires.

11.2 Partial Invalidity. Should any of the provisions hercof be void or become unenforceable at law or in equity, the remaining provisions shall, nevertheless, be and remain in full force and effect.

11.3 Conflicts. In the event of any conflict, any applicable Florida statute, the DECLARATION, the ARTICLES, these BYLAWS, and the Rules and Regulations of the COMMUNITY ASSOCIATION shall govern, in that order.

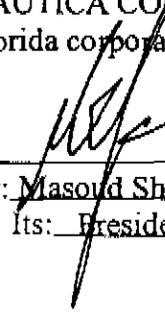
11.4 Captions. Captions are inserted herein only as a matter of convenience and for reference, and in no way are intended to or shall define, limit or describe the scope of these BYLAWS or the intent of any provisions hereof.

11.5 Waiver of Objections. The failure of the BOARD or any officers of the COMMUNITY ASSOCIATION to comply with any terms and provisions of the DECLARATION,

the ARTICLES, or these BYLAWS which relate to time limitations shall not, in and of itself, invalidate the act done or performed. Any such defect shall be waived if it is not objected to by a OWNER within thirty (30) days after the OWNER is notified, or becomes aware, of the defect. Furthermore, if such defect occurs at a general or special meeting, the defect shall be waived as to all OWNERS who received notice of the meeting and failed to object to such defect at the meeting.

The foregoing was adopted as the BYLAWS of the COMMUNITY ASSOCIATION at the First Meeting of the BOARD on the 3rd day of March, 1999.

NAUTICA COMMUNITY ASSOCIATION, INC., a
Florida corporation not-for-profit



By: Masoud Shojaee
Its: President _____

RECORDED IN THE OFFICIAL RECORDS BOOK
OF BROWARD COUNTY, FLORIDA
COUNTY ADMINISTRATOR