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EXHIBIT "A" A-1

Not a certified copy

DECLARATION OF COVENANTS

FOR

THE SHORES AT BOCA RATON

THIS DECLARATION is made this 8th day of November, 1994, by KENCO COMMUNITIES AT LAKES OF BOCA, INC., a Florida general corporation which declares hereby that "The Properties" described in Article II of this Declaration are and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE I

DEFINITIONS AND INTERPRETATION

The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to THE SHORES AT BOCA RATON HOMEOWNERS' ASSOCIATION, INC. a Florida corporation not for profit.

(b) "Builder" shall mean and refer to any party, other than the Declarant, constructing a Unit on a Lot owned by such party; provided, however, that a party constructing a Unit on Lot owned by another party shall be deemed a "Builder" only for purposes of Article X, Sections 3 and 4 hereof.

(c) "Common Areas" shall mean and refer to all real property including any fixtures or improvements thereon owned, leased or the use of which has been granted to the Association by Declarant as well as all property designated as Common Areas in any future recorded supplemental declaration or any portion of a plat or replat of the Properties dedicated to or reserved for the Association; together with the landscaping and any improvements thereon, including, without limitation, all private roadways and pedestrian walkway areas, structures, recreational facilities, gatehouse, open space, walkways and golf cart pathways, sprinkler systems and street lights, if any, but excluding any public utility installations thereon, and all portions of any Community Systems (as defined below) not made Common Areas pursuant to Article IV, Section 8 hereof, and any other property of Declarant not intended to be made Common Areas.

(d) "Community Systems" shall mean and refer to any and all cable television, telecommunication, alarm/monitoring or other lines, conduits, wires, amplifiers, towers, antennae equipment, materials, installations and fixtures (including those based on, containing or serving future technological advances not now known) installed by Declarant or pursuant to any grant of easement or authority by Declarant within The Properties and serving more than one Lot/Unit.

(e) "Declarant" shall mean and refer to Kenco Communities at Lakes of Boca, Inc., a Florida general corporation, its successors and such of its assigns as to which the rights of Declarant hereunder are specifically assigned. Declarant may assign all or a portion of its rights hereunder, or all or a portion of such rights in connection with appropriate portions of The Properties. In the event of such a partial assignment, the assignee shall not be deemed the Declarant, but may exercise such rights of Declarant specifically assigned to it. Any such assignment may be made on a nonexclusive basis.

(f) "Landscaping and Pedestrian Areas" shall mean and refer to strips of land of varying widths abutting the roads within, or adjacent to, The Properties or portions or all of their entire length, notwithstanding that any such strips of land may be located upon Lots. The Declarant may establish a physical boundary between the Landscaping and Pedestrian Areas referred to above and the other portions of an affected Lot, if any, but in the absence of such physical boundary, the Declarant shall have the absolute right to determine the actual boundary and such determination shall be binding on all affected associations and the Owners. The fact that certain of such Landscaping and Pedestrian Areas are not legally described shall not affect their character as provided herein. No Owner shall alter any Landscaping and Pedestrian Area or make any use of same contrary to its purposes.

(g) "Limited Common Areas" shall mean and refer to such portions of the Common Areas, if any, which are intended for the exclusive use (subject to the Declaration and the rights, if any, of the Association), of the Owners of specific Lots, and shall specifically include portions of road rights of way from the edge of the paved road to the boundary line (whether front, side or rear) of the applicable Lot and the mailbox structure and sidewalks therein, if any, not located on a Lot but used by Owners of specific Lots to the exclusion of others. Unless otherwise provided specifically to the contrary, reference to the Common Areas shall include the Limited Common Areas.

(h) "Lot" shall mean and refer to any Lot on any plat of all or a portion of The Properties, which plat is designated by Declarant hereby or by any other recorded instrument to be subject to these covenants and restrictions, any Lot shown upon any resubdivision of any such plat, any individual unit in a condominium or cooperative project, and any other property hereafter declared as a Lot by Declarant and thereby made subject to this Declaration; provided, however, that no portion of any Community System shall be deemed to be part of a Lot unless and until same is made such pursuant to Article IV, Section 8 hereof, if at all.

(i) "Member" shall mean and refer to all those Owners who are Members of the Association as provided in Article III hereof and specifically include the Declarant.

(j) "Visitors and Guests" shall mean and refer to a person described in Article VIII, Section 3 hereof.

(k) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon The Properties, including Builders and Declarant.

(l) "The Properties" shall mean and refer to all existing properties, and additions thereto, as are now or hereafter made subject to this Declaration, except those which are withdrawn from the provisions hereof in accordance with the procedures hereinafter set forth.

(m) "Unit" shall mean and refer to the individual residential structure constructed on a Lot or an individual condominium or cooperative unit; provided, however, that no portion of any Community System, even if installed in a Unit, shall be deemed to be a part of a Unit unless and until same is made such pursuant to Article IV, Section 8 hereof, if at all.

Section 1. Interpretation. The provisions of this Declaration as well as those of the Articles, By-Laws and any rules and regulations of the Association shall be interpreted by the

Board of Directors. Any such interpretation of the Board which is rendered in good faith shall be final, binding and conclusive if the Board receives a written opinion of legal counsel to the Association, or the counsel having drafted this Declaration or other applicable document, that the interpretation is not unreasonable, which opinion may be rendered before or after the interpretation is adopted by the Board. Notwithstanding any rule of law to the contrary, the provisions of this Declaration and the Articles, By-Laws and the Rules and Regulations of the Association shall be liberally construed so as to effectuate the purposes herein expressed with respect to the efficient operation of the Association and The Properties, the preservation of the value of the Lots and Units and the protection of Declarant's and Builders' rights, benefits and privileges herein contemplated.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

Section 1. Legal Description. The real property which, is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Palm Beach County, Florida, and is more particularly described in Exhibit "A" attached hereto and made a part hereof, all of which real property (and all improvements thereto), together with additions thereto, but less any withdrawals therefrom, is herein referred to collectively as "The Properties".

Section 2. Supplements. Declarant may subject land not included in the Properties under the provisions hereof by recorded supplemental declarations (which shall not require the consent of then existing Owners, the Association or any mortgagee other than that, if any, of the land intended to be added to the Properties) and thereby add to The Properties. To the extent that such additional real property shall be made a part of The Properties, reference herein to The Properties shall be deemed to be reference to all of such additional property where such reference is intended to include property other than that legally described above. Nothing herein, however, shall obligate Declarant to add to The Properties, to develop any such future portions under a common scheme, nor to prohibit Declarant (or the applicable Declarant-affiliated Owner) from rezoning and changing plans with respect to such future portions. All Owners, by acceptance of a deed to or other conveyance of their Lots, shall be deemed to have automatically consented to any such rezoning, change, addition or deletion thereafter made by Declarant (or the applicable Declarant-affiliated Owner) and shall evidence such consent in writing if requested to do so by Declarant at any time (provided, however, that the refusal to give such written consent shall not obviate the general and automatic effect of this provision).

In furtherance of the plan of development of The Properties as a community of distinct Neighborhoods, a supplemental declaration may vary the terms of this Declaration by addition, deletion or modification so as to reflect any unique characteristics of a particular neighborhood identified therein; provided, however, that no such variance shall be directly contrary to the uniform scheme of development of The Properties.

Section 3. Withdrawal. Declarant reserves the right to amend this Declaration at any time, without prior notice and without the consent of any person or entity except the office of the County Attorney of Palm Beach County, Florida, for the purpose of removing certain portions of The Properties then owned by Declarant or its affiliates or the Association from the provisions of this Declaration to the extent included originally in error or as a result of any changes whatsoever in the plans for The Properties desired to be effected by Declarant; provided, however, that such withdrawal is not unequivocally contrary to Declarant's overall,

Declarant's uniform scheme of development for the Shores. Any withdrawal of land not owned by Declarant shall require the written consent or joinder of the then-owner(s) and mortgagee(s) of such land.

ARTICLE III ORB 8502 Pg 485

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity who is a record Owner of a fee interest in any Lot shall be a Member of the Association. Notwithstanding anything else to the contrary set forth in this Article, any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member of the Association.

Section 2. Voting Rights. The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all those Owners as defined in Section 1 with the exception of the Declarant (as long as the Class B Membership shall exist, and thereafter, the Declarant shall be a Class A Member to the extent it would otherwise qualify). Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership by Section 1.

Class B. The Class B Member shall be Declarant. The Class B Member shall be entitled to one (1) vote, plus two (2) votes for each vote entitled to be cast in the aggregate at any time and from time to time by the Class A Members. The Class B Membership shall cease and terminate after the last Lot within The Properties has been sold and conveyed by Declarant (or its affiliates) or any Builder, or sooner at the election of Declarant (whereupon the Class A Members shall be obligated to elect the Association's Board of Directors and assume control of the Association).

Section 3. General Matters. When reference is made herein, or in the Articles, By-Laws, Rules and Regulations, management contracts or otherwise, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members represented at a duly constituted meeting of their Voting Members voting for them (i.e., one for which proper notice has been given and at which a quorum exists) and not of the Members themselves or of their Lots.

Section 4. Notification. Notwithstanding anything contained herein, every person or entity who is a Member of the Association shall notify the Association in writing at the time they become a record owner of a fee interest in any Lot and shall accompany such notice with a copy of the deed or other instrument conveying such fee interest. An Owner shall not be entitled to vote until the Owner gives such notification to the Association, but the Owner shall be liable for assessments.

ARTICLE IV

COMMON AREAS; CERTAIN EASEMENTS;
COMMUNITY SYSTEMS; PUBLIC ROADS;
PROPERTY SERVING THE PROPERTIES

Section 1. Members' Easements. Except for Limited Common Areas as herein specified, each Member, and each Visitor and Guest, shall have a non-exclusive permanent and perpetual easement over and upon the Common Areas for the intended use and enjoyment thereof in common with all other such Members, Visitor and Guest, their agents and invitees, but in such manner as may be regulated by the Association.

Without limiting the generality of the foregoing, such rights of use and enjoyment are hereby made subject to the following:

(a) The right and duty of the Association to levy assessments against each Lot for the purpose of maintaining the Common Areas and any facilities located thereon in compliance with the provisions of this Declaration and with the restrictions on the plats of portions of The Properties from time to time recorded.

(b) The right of the Association to suspend the Member's (and his Visitor and Guest) right to use the Common Areas recreational facilities (if any) for any period during which any assessment against his Lot remains unpaid for more than thirty (30) days; and for a period not to exceed sixty (60) days for any infraction of this Declaration or the Association's lawfully adopted rules and regulations.

(c) The right of the Association to charge reasonable admission and other fees for the use of recreational facilities (if any) situated on the Common Areas.

(d) The right of the Association to adopt at any time and from time to time and enforce rules and regulations governing the use of the Common Areas and all facilities at any time situated thereon, including the right to fine Members as hereinafter provided. Any rule and/or regulation so adopted by the Association shall apply until rescinded or modified as if originally set forth at length in this Declaration.

(e) The right to the use and enjoyment of the Common Areas and facilities thereon shall extend to all Visitor and Guest, subject to regulation from time to time by the Association as set forth in its lawfully adopted and published rules and regulations.

(f) The right of Declarant to permit such persons as Declarant shall designate to use the Common Areas and all recreational facilities located thereon (if any).

(g) The right of Declarant and the Association to have, grant and use general ("blanket") and specific easements over, under and through the Common Areas.

(h) The right of the Association, by a 2/3rds affirmative vote of the entire membership, to dedicate or convey portions of the Common Areas to any other association having similar functions, or any public or quasi-public agency, community development district or similar entity under such terms as the Association deems appropriate and to create or contract with the other association, community development and special taxing districts for lighting, roads, recreational or other services, monitoring, or communications and other similar purposes deemed appropriate by the Association (to which such dedication or contract all Owners, by the acceptance of the deeds, to their Lots, shall be deemed to have consented, no consent of any other party, except Declarant, being necessary).

WITH RESPECT TO THE USE OF THE COMMON AREAS AND THE PROPERTIES GENERALLY, ALL PERSONS ARE REFERRED TO ARTICLE XV, SECTIONS 10, 11 AND 12, AND ARTICLE XVI, HEREOF, WHICH SHALL AT ALL TIMES APPLY THERETO.

Section 2. Easements Appurtenant. The easements provided in Section 1 shall be appurtenant to and shall pass with the title to each Lot, but shall not be deemed to grant or convey any ownership interest in the Common Areas subject thereto.

Section 3. Maintenance. The Association shall at all times maintain in good repair and manage, operate and insure, and shall replace as often as necessary, the Common Areas and, to the extent not otherwise provided for, the paving, drainage structures, lakes and other surface water management area, landscaping, improvements and other structures (except public utilities and Community Systems, to the extent same have not been made Common Areas and except those Limited Common Areas to be maintained by Owners), including without limitation, buildings, swimming pools, tennis courts, and the like, situated on the Common Areas, if any, all such work to be done as ordered by the Board of Directors of the Association. Without limiting the generality of the foregoing, the Association shall assume all of Declarant's and its affiliates' responsibilities to Palm Beach County and its governmental and quasi-governmental subdivisions and similar entities of any kind with respect to the Common Areas and shall indemnify and hold Declarant and its affiliates harmless with respect thereto in the event of the Association's failure to fulfill those responsibilities.

The Association shall maintain all littoral zone planting surrounding any lakes on the Property (whether or not same are located on Common Areas), planted in accordance with the requirements of the County and shall monitor and shall replace (if necessary) and maintain same, all in accordance with the requirements of the County.

In addition to maintaining the Common Areas, the Association shall be responsible for maintaining all Landscaping and Pedestrian Areas to the same standard as that applicable to all other portions of The Properties and an easement over all such Landscaping and Pedestrian Areas is hereby granted and declared for such purposes.

All work pursuant to this Section and all expenses incurred or allocated to the Association pursuant to this Declaration shall be paid for by the Association through assessments (either general or special) imposed in accordance herewith.

No Owner may waive or otherwise escape liability for assessments by non-use (whether voluntary or involuntary) of the Common Areas or abandonment of the right to use the Common Areas.

The Association may maintain lakes and water bodies which are not located on The Properties.

Section 4. Utility and Community Systems Easements. Use of the Common Areas for utilities, as well as use of the other utility easements as shown on relevant plats, shall be in accordance with the applicable provisions of this Declaration and said plats. Declarant and its affiliates and its and their designees shall have a perpetual easement over, upon and under the Common Areas and the unimproved portions of the Lots for the installation, operation, maintenance, repair, replacement, alteration and expansion of Community Systems and other utilities.

Section 5. Public Easements. Fire, police, health and sanitation, park maintenance and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas in the performance of their respective duties.

Section 6. Ownership. The Common Areas are hereby dedicated non-exclusively to the joint and several use, in common, of Declarant and the Owners of all Lots that may from time to time constitute part of The Properties and all Visitors and Guests and Declarant's tenants, guests and invitees, all as provided and regulated herein or otherwise by the Association, subject to Article II, Section 3 hereof. The Common Areas (or appropriate portions thereof) shall, upon the later of completion of the improvements thereon or the date when the last Lot within The

Properties has been conveyed to a purchaser (or at any time and from time to time sooner at the sole election of Declarant), be conveyed by quit claim deed to the Association, which shall be deemed to have automatically accepted such conveyance.

THE ASSOCIATION SHALL ACCEPT "WHERE IS, AS IS" THE CONVEYANCE OF THE COMMON AREAS WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IN FACT OR BY LAW, WITH RESPECT THERETO, OR WITH RESPECT TO THE IMPROVEMENTS AND REPAIRS TO BE COMPLETED AFTER THE CONVEYANCE, INCLUDING, WITHOUT LIMITATION, REPRESENTATIONS OR WARRANTIES OF MERCHANTABILITY OR FITNESS FOR THE ORDINARY OR ANY PARTICULAR PURPOSE, AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES REGARDING FUTURE REPAIRS OR REGARDING THE CONDITION, CONSTRUCTION, ACCURACY, COMPLETENESS, DESIGN, ADEQUACY OF THE SIZE OR CAPACITY IN RELATION TO THE UTILIZATION, DATE OF COMPLETION OR THE FUTURE ECONOMIC PERFORMANCE OR OPERATIONS OF, OR THE MATERIALS WHICH HAS BEEN OR WILL BE USED IN SUCH PROPERTY OR REPAIRS, EXCEPT AS SET FORTH HEREIN. BY ACCEPTANCE OF AN INTEREST IN ANY OF THE COMMON AREAS, THE ASSOCIATION RELEASE DECLARANT FROM ANY CLAIMS AND WARRANT THAT NO CLAIM SHALL BE MADE BY THE ASSOCIATION RELATING TO THE CONDITION, OR COMPLETENESS OF THE COMMON AREAS OR FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING THEREFROM.

Beginning from the date this Declaration is recorded, the Association shall be responsible for the maintenance, insurance and administration of such Common Areas (whether or not then conveyed or to be conveyed to the Association),

Declarant and its affiliates shall have the right from time to time to enter upon the Common Areas and other portions of The Properties (including, without limitation, Lots) for the purpose of the installation, construction, reconstruction, repair, replacement, operation, expansion and/or alteration of any improvements, structures, buildings or facilities (including, without limitation, swimming pools and tennis courts) on the Common Areas or elsewhere on The Properties that Declarant and its affiliates or designee elect to effect, and to use, without charge, the Common Areas and other portions of The Properties for sales, displays and signs or for any other purpose during the period of construction and sale of any portion thereof or of other portions of adjacent or nearby communities. Without limiting the generality of the foregoing, Declarant and its affiliates shall have the specific right to maintain upon any portion of The Properties sales, administrative, construction or other offices and appropriate exclusive and non-exclusive easements of access and use are expressly reserved unto Declarant and its affiliates, and its and their successors, assigns, employees and contractors, for this purpose. Any obligation (which shall not be deemed to be created hereby) to complete portions of the Common Areas shall, at all times, be subject and subordinate to these rights and easements and to the above-referenced activities. Accordingly, Declarant shall not be liable for delays in such completion to the extent resulting from the need to complete any of the above-referenced activities prior to such completion.

Section 7. Community Systems. Declarant shall have the right, but not the obligation, to charge user fee for the use of the Community System and to convey, transfer, sell or assign all or any portion of the Community Systems located within The Properties, or all or any portion of the rights, duties or obligations with respect thereto to the Association or any other person or entity (including an Owner, as to any portion of a Community System located on/in his Lot/Unit). Without limiting the generality of Article I, Section (e) hereof, if and when any of the aforesaid entities receives such a conveyance, sale, transfer or assignment, such entity shall automatically be deemed vested with such rights of Declarant with regard thereto as are assigned by Declarant in connection therewith; provided, however, that if the Association is the applicable entity, then any Community Systems or portions thereof shall be deemed Common Areas hereunder and the

Association's rights, duties and obligations with respect thereto shall be the same as those applicable to other Common Areas unless otherwise provided by Declarant. Any conveyance, transfer, sale or assignment made by Declarant pursuant to this Section (i) may be made with or without consideration, (ii) shall not require the consent or approval of the Association or any Owner and (iii) if made to the Association, shall be deemed to have been automatically accepted (with all rights, duties, obligations and liabilities with respect thereto being deemed to have been automatically assumed).

In recognition of the intended increased effectiveness and potentially decreased installation and maintenance costs and user fees arising from the connection of all Units in The Properties to the applicable Community Systems, each Owner and occupant of a Unit shall by virtue of the acceptance of the deed or other right of occupancy thereof, be deemed to have consented to and ratified any and all agreements to which the Association is a party which is based upon (in terms of pricing structure or otherwise) a requirement that all Units be so connected. The foregoing shall not, however, prohibit the Association or Community Systems provider from making exceptions to any such 100% use requirement in its reasonable discretion.

WITH RESPECT TO COMMUNITY SYSTEMS, ALL PERSONS ARE REFERRED TO ARTICLE XV, SECTION 10 HEREOF, WHICH SHALL AT ALL TIMES APPLY TO THIS SECTION.

Section 8. Easement for Encroachments. There is hereby declared an easement in favor of each Lot for any portion of the improvements on the Lot or any Community Systems which extend into Common Areas in a manner which does not unreasonably interfere with the use and maintenance thereof. Additionally, the Board of Directors may, on behalf of the Association, grant additional easements for improvements extending from Lots or Community Systems into Common Areas to an extent which, in the opinion of the Board of Directors, is beyond the scope of the foregoing sentence; providing, however, that any such easements shall be conditioned upon the Owner of the Lot agreeing to indemnify the Association for any loss or damage arising from the existence of the improvements on the Common Areas.

Section 9. Public Roads. Roadways included in the Palm Beach County Thoroughfare Plan or Five-Year Road Program include Yamato road and the extension of University Parkway. Yamato Road right-of-way will be dedicated for its ultimate 120 foot width. University Parkway is planned to be adjacent to the west boundary line of the Shores of Boca Raton, PUD. University Parkway right-of-way will be dedicated for its ultimate 240 foot width. A sketch of the Properties depicting the right-of-ways is attached and marked Exhibit "D".

Section 10. Property Serving the Properties. Property not included within the Properties will serve the Properties. The Association shall pay for a portion of the cost of maintaining such Property pursuant to a written agreement entered into with the Lakes At Boca Raton Homeowners', Inc. Such property shall include signage at Yamato Road and State Road 7. The Association may enter into other agreements to maintain or to pay for the cost of maintaining property serving the Properties but not included within the Properties. All costs and expenses under such agreements which are the obligation of the Association shall be payable to the Association by assessments against the Owners.

ARTICLE V

COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. Except as provided elsewhere herein, Declarant (and each party joining in any supplemental declaration), for all Lots

now or hereafter located within The Properties, hereby covenants and agrees, and each Owner of any Lot by acceptance of a deed therefor or other conveyance thereof, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association annual assessments and charges for the operation of, and for payment of expenses allocated or assessed to or through the Association, of and for the maintenance, management, operation and insurance of the Common Areas, property serving the Properties and any applicable Community Systems as provided elsewhere herein, including such reasonable reserves as the Association may deem necessary, capital improvement assessments, as provided in Section 5 hereof, special assessments as provided in Section 4 hereof, assessments for capital payments as provided in Section 11 hereof, and all other charges and assessments hereinafter referred to or lawfully imposed by or on the Association, all such assessments to be fixed, established and collected from time to time as herein provided. In addition, special assessments may be levied against particular Owners and Lots for fines, expenses incurred against particular Lots and/or Owners to the exclusion of others and other charges against specific Lots or Owners as contemplated in this Declaration. The annual, special and other assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who is the Owner of such property at the time when the assessment fell due and all subsequent Owners until paid, except as provided in Section 8 of this Article.

Assessments shall not commence for a Lot and a Lot shall not be subject to Assessments until a Certificate of Occupancy or partial Certificate of Occupancy is issued by Palm Beach County for a Unit located on such Lot.

Reference herein to assessments shall be understood to include reference to any and all of said charges whether or not specifically mentioned.

Section 2. Rates of Assessments. Regular general Assessments shall be assessed against all Lots subject to assessment on an equal basis.

Section 3. Purpose of Assessments. The regular assessments levied by the Association shall be used for the purposes expressed in Section 1 of this Article and for such other purposes as the Association shall have within its powers and from time to time elect to undertake.

Section 4. Special Assessments. In addition to the regular and capital improvement assessments which are or may be levied hereunder, the Association (through the Board of Directors) shall have the right to levy special assessments against an Owner(s) to the exclusion of other Owners for (i) the repair or replacement of damage to any portion of the Common Areas (including, without limitation, improvements and landscaping thereon) caused by the misuse, negligence or other action or inaction of an Owner or his Member's Permittee(s), (ii) the costs of work performed by the Association in accordance with Article VI of this Declaration (together with any surcharges collectible thereunder) or (iii) fund deficits or reserve requirements. Any such special assessment shall be subject to all of the applicable provisions of this Article including, without limitation, lien filing and foreclosure procedures and late charges and interest. Any special assessment levied hereunder shall be due within the time specified by the Board of Directors in the action imposing such assessment or may be of an ongoing nature, as provided in Article VI, hereof. The Association may use the capital payments made by Owners at the initial

closing of Units in lieu of, or together with a special assessments.

Section 5. Capital Improvements. Funds which, in the aggregate, exceed the lesser of \$50,000.00 or 10% of the total amount of the current operating budget of the Association in any one fiscal year which are necessary for the addition of capital improvements (as distinguished from repairs and maintenance, including repairs and replacement per Article XI hereof) relating to the Common Areas and which have not previously been collected as reserves or capital payments (for permissible expenses) or are not otherwise available to the Association (other than by borrowing) shall be levied by the Association as assessments only upon approval of a majority of the Board of Directors of the Association and upon approval by a majority favorable vote of the Members of the Association. The costs of any of the aforesaid work which are less than the above-specified threshold amount shall be collected as general or special assessments upon approval of a majority of the Association's Board of Directors.

Section 6. Date of Commencement of Annual Assessments; Due Dates. The annual regular assessments provided for in this Article shall commence on the first day of the month next following the recordation of these covenants and shall be applicable through December 31 of such year. Each subsequent annual assessment shall be imposed for the year beginning January 1 and ending December 31.

The annual assessments shall be payable in advance in monthly installments, or in annual, semi- or quarter-annual installments if so determined by the Board of Directors of the Association (absent which determination they shall be payable monthly).

The assessment amount (and applicable installments) may be changed at any time by said Board from that originally stipulated or from any other assessment that is in the future adopted. The original assessment for any year shall be levied for the calendar year (to be reconsidered and amended, if necessary, at any appropriate time during the year), but the amount of any revised assessment to be levied during any period shorter than a full calendar year shall be in proportion to the number of months (or other appropriate installments) remaining in such calendar year.

The due date of any special assessment or capital improvement assessment shall be fixed in the Board resolution authorizing such assessment.

Assessments for capital payments shall be subject to the provisions of Section 11 hereof.

Section 7. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against the Lots subject to the Association's jurisdiction for each assessment period, to the extent practicable, at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Written notice of the assessment shall thereupon be sent to every Owner subject thereto twenty (20) days prior to payment of the first installment thereof, except as to special assessments. In the event no such notice of the assessments for a new assessment period is given, the amount payable shall continue to be the same as the amount payable for the previous period, until changed in the manner provided for herein.

The Association, through the action of its Board of Directors, shall have the power, but not the obligation, to enter into an agreement or agreements from time to time with one or more persons,

firms or corporations (including affiliates of Declarant) for management services, including the administration of budgets and assessments as herein provided. The Association shall have all other powers provided in its Articles of Incorporation and By-Laws.

Assessments for capital payments shall be subject to the provisions of Section 11 hereof.

Section 8. Effect of Non-Payment of Assessment; the Personal Obligation; the Lien; Remedies of the Association. If the assessments (or installments) provided for herein are not paid on the date(s) when due (being the date(s) specified herein or pursuant hereto), then such assessments (or installments) shall become delinquent and shall, together with late charges, interest and the cost of collection, including but not limited to reasonable attorneys fees, thereof as hereinafter provided, thereupon become a continuing lien on the Lot which shall bind such property in the hands of the then Owner, his heirs, personal representatives, successors and assigns. Except as provided in Section 9 of this Article to the contrary, the personal obligation of Owner to pay such assessment shall pass to his successors in title and recourse may be had against either or both.

If any installment of an assessment is not paid within fifteen (15) days after the due date, at the option of the Association, a late charge not greater than the amount of such unpaid installment may be imposed (provided that only one late charge may be imposed on any one unpaid installment and if such installment is not paid thereafter, it and the late charge shall accrue interest as provided herein but shall not be subject to additional late charges; provided further, however, that each other installment thereafter coming due shall be subject to one late charge each as aforesaid) or the next twelve (12) months' worth of installments may be accelerated and become immediately due and payable in full and all such sums shall bear interest from the dates when due until paid at the highest lawful rate (or, if there is no highest lawful rate, 18% per annum) and the Association may bring an action at law against the Owner(s) personally obligated to pay the same or the Association may record a claim of lien (as evidence of its lien rights as hereinabove provided for) against the Lot on which the assessments and late charges are unpaid, and may foreclose the lien against the Lot on which the assessments and late charges are unpaid, or may pursue one or more of such remedies at the same time or successively, and attorneys' fees and costs actually incurred in preparing and filing the claim of lien and the complaint, if any, and prosecuting same, in such action shall be added to the amount of such assessments, late charges and interest secured by the lien, and in the event a judgment is obtained, such judgment shall include all such sums as above provided and attorneys' fees actually incurred together with the costs of the action, through all applicable appellate levels.

In the case of an acceleration of the next twelve (12) months' of installments, each installment so accelerated shall be deemed, initially, equal to the amount of the then most current delinquent installment, provided that if any such installment so accelerated would have been greater in amount by reason of a subsequent increase in the applicable budget, the Owner of the Lot whose installments were so accelerated shall continue to be liable for the balance due by reason of such increase and special assessments against such Lot shall be levied by the Association for such purpose.

In addition to the rights of collection of assessments stated in this Section, any and all persons acquiring title to or an interest in a Lot as to which the assessment is delinquent, including without limitation persons acquiring title by operation of law and by judicial sales, shall not be entitled to the occupancy of such Lot or the enjoyment of the Common Areas until such time as all unpaid and delinquent assessments due and owing

from the selling Owner have been fully paid; provided, however, that the provisions of this sentence shall not be applicable to the mortgagees and purchasers contemplated by Section 8 of this Article.

All assessments, late charges, interest, penalties, fines, attorney's fees and other sums provided for herein shall accrue to the benefit of the Association.

Section 9. Subordination of the Lien. The lien of the assessments provided for in this Article shall be subordinate to real property tax liens and the lien of any first mortgage; provided, however, that any such mortgage lender when in possession or any receiver, and in the event of a foreclosure, any purchaser at a foreclosure sale, and any such mortgage lender acquiring a deed in lieu of foreclosure, and all persons claiming by, through or under such purchaser or mortgage lender, shall hold title subject to the liability and lien of any assessment coming due after such foreclosure (or conveyance in lieu of foreclosure). Any unpaid assessment which cannot be collected as a lien against any Lot by reason of the provisions of this Section shall be deemed to be an assessment divided equally among, payable by and a lien against all Lots subject to assessment by the Association, including the Lots as to which the foreclosure (or conveyance in lieu of foreclosure) took place.

Section 10. Declarant's Assessments. Notwithstanding anything herein to the contrary, Declarant shall have the option, in its sole discretion, to (i) pay assessments on the Lots owned by it, (ii) pay assessments only on certain designated Lots (e.g., those under construction or those containing a Unit for which a certificate of occupancy has been issued) or (iii) not pay assessments on any Lots and in lieu thereof fund any resulting deficit in the Association's operating expenses not produced by assessments receivable from Owners other than Declarant and any other income receivable by the Association. The deficit to be paid under option (iii), above, shall be the difference between (a) actual operating expenses of the Association (exclusive of capital improvement costs and reserves) and (b) the sum of all monies receivable by the Association (including, without limitation, assessments, interest, late charges, fines and incidental income) and any surplus carried forward from the preceding year(s). Declarant may from time to time change the option under which Declarant is making payments to the Association by written notice to such effect to the Association. If Declarant at any time elects option (ii), above, it shall not be deemed to have necessarily elected option (i) or (iii) as to the Lots which are not designated under option (ii). When all Lots within the Properties are sold and conveyed to purchasers, neither Declarant nor its affiliates shall have further liability of any kind to the Association for the payment of assessments, deficits or contributions.

Section 11. Assessment for Capital Payments. A capital payment shall be paid by each Owner, other than Declarant, to the Association in addition to any other assessment at the time such Owner acquires its fee interest in the Lot. The capital payment shall be deposited by the Association into a capital payment account which the Association may use to pay extraordinary expenses which may be incurred by the Association during the period of time that the Properties are being developed, to make purchases for and improvements to the Common Areas and to purchase initial and future equipment and supplies. The capital payment account may furthermore be used to acquire property for the use of the Owners or for the Association. In addition, the capital payment account may be used to make any deposits required by utility companies or to prepay insurance premiums upon Common Areas or otherwise required in and about the operation of the Association. The capital payment assessment is in addition to the regular assessments, special assessments and capital improvement assessments. The amount of capital payments shall be established

by the Association, in its sole discretion from time to time, and shall be paid, at the time of conveyance of title to the Owner.

Section 12. Association Funds. The portion of all regular assessments collected by the Association for reserves for future expenses, and the entire amount of all special and capital assessments, shall be held by the Association and may be invested in interest bearing accounts or in certificates of deposit or other like instruments or accounts available at banks or savings and loan institutions, the deposits of which are insured by an agency of the United States.

ARTICLE VI

MAINTENANCE OF UNITS, LOTS AND LIMITED COMMON AREAS

Section 1. Exteriors of Units. The Owner of a Lot shall maintain all exterior surfaces and roofs, facias and soffits of the structures (including the Unit) and other improvements located on the Lot (including driveway, mailboxes, fences and sidewalk surfaces) and all landscaping on the Lot, in a neat, orderly and attractive manner. The aforesaid maintenance shall include maintaining screens (including screen enclosures), windows and doors (including the wood and hardware of garage doors and sliding glass doors). The minimum (though not sole) standard for the foregoing shall be consistency with the general appearance of The Properties as initially constructed and otherwise improved (taking into account, however, normal weathering and fading of exterior finishes, but not to the point of unsightliness). The Owner shall clean, repaint or restain, as appropriate, the exterior portions of each Unit (with the same colors as initially used on the Unit), including exterior surfaces of garage doors, as often as is necessary to comply with the foregoing standards.

Section 2. Lots. The Owner shall maintain and irrigate the trees, shrubbery, grass and other landscaping on each Lot in a neat, orderly and attractive manner and consistent with the general appearance of The Properties as a whole. All irrigation systems shall use an appropriate rust (iron) inhibitor filter system to prevent stains. The minimum (though not sole) standard for the foregoing shall be the general appearance of The Properties as initially landscaped (such standard being subject to being raised by virtue of the natural and orderly growth and maturation of applicable landscaping, as properly trimmed and maintained).

Section 3. Hedges. Declarant may plant a row of hedges on or next to the side boundary line of certain of the Lots. The Owner(s) of the Lots on which such hedge is planted shall maintain such hedge as set forth in Article VI, Section 2, above and shall, in addition thereto, keep such hedge trimmed at a height of five (5) feet.

Section 4. Right of Entry. In addition to such other remedies as may be available under this Declaration, in the event that an Owner fails to maintain a Unit or Lot, the Association shall have the right to enter upon the Lot in question and perform such duties; provided, however, that such entry shall be during reasonable hours and only after five (5) days' prior written notice. The Owner having failed to perform its maintenance duties shall be liable to the Association for the costs of performing such remedial work and shall pay an additional administrative charge of Twenty-Five Dollars (\$25.00), all such sums being payable upon demand and to be secured by the lien provided for in Article V hereof.

Section 5. Limited Common Areas. Each Owner shall maintain, in accordance with the standards set forth in this Article, the Limited Common Areas located between (i) the street-side boundary line(s) of the Owner's Lot (i.e., where applicable, the edge of the

common sidewalk closest to the Unit) and the edge of the street's pavement and (ii) the projections of the side boundary lines of the Lot to such pavement's edge.

Without limiting the generality of the foregoing, each Owner shall be responsible for the maintenance of any portion of his driveway located in his respective Limited Common Areas as well as any mailbox, sidewalk, grass or other plant material located therein; provided, however, that if the Board of Directors of the Association so elects, the Association may perform all or any portion of such maintenance obligations, on an ongoing or isolated basis, for purposes such as achieving an economy of scale or providing for uniform appearance.

ARTICLE VII

CERTAIN USE RESTRICTIONS

Section 1. Applicability. The provisions of this Article VII shall be applicable to all of The Properties but shall not be applicable to Declarant or any of its designees or Lots or other property owned by Declarant or its designees.

Section 2. Land Use and Building Type. No Lot shall be used except for residential purposes, except as provided below. No building constructed on a Lot shall be used except for residential purposes, or as a related garage, if applicable. No building shall be erected, altered, placed or permitted to remain on any Lot other than one Unit. Temporary uses by Declarant and its affiliates for model homes, sales displays, parking lots, sales offices and other offices, or any one or combination of such uses, shall be permitted until the permanent cessation of such uses takes place. No changes may be made in buildings erected by Declarant or its affiliates (except if such changes are made by Declarant) without the consent of the Architectural Control Board.

The use of a portion of a Unit for business or business-related purposes shall not be deemed in violation of the foregoing restrictions as long as (i) such use is not visible from the exterior of the Unit with respect to any special equipment, alterations, or fixtures, (ii) such business practice is not of such a nature as customers, vendors, or others will come to the Unit in connection therewith, and (iii) such use is in accordance with all zoning and other land use restrictions applicable to The Properties.

Section 3. Opening Blank Walls; Removing Fences. Without limiting the generality of Section 11 of this Article, no Owner shall make or permit any opening to be made in any blank wall (except as such opening is initially installed) or masonry wall, fence or landscaped hedge. Further, no such building wall or masonry wall or fence, if any, shall be demolished or removed without the prior written consent of Declarant (so long as it owns any portion of The Properties) and the Architectural Control Board. Declarant shall have the right, but not be obligated, to assign all or any portion of its rights and privileges under this Section to the Association.

Section 4. Easements. Easements for the installation and maintenance of utilities and Community Systems are reserved as shown on the recorded plats covering The Properties and/or as provided herein. The area of each Lot covered by an easement and all improvements in such area shall be maintained continuously by the Association to the extent provided herein, except for installations for which a public authority or utility company is responsible. In the event that the Association must repair storm drains located in the easement it shall repair or replace any and all landscaping, structures and improvements which are located in the easement and which have to be moved or which are damaged in making

such repairs or in performing such maintenance. The appropriate water and sewer authority, electric utility company, telephone company, the Association, and Declarant and its affiliates, and their respective successors and assigns, shall have a perpetual easement for the installation and maintenance, all underground, of water lines, sanitary sewers, storm drains, and electric, telephone and Community System lines, cables and conduits, under and through the utility easements as shown on the plats granted by Declarant.

Section 5. Nuisances. Nothing shall be done or maintained on any lot which may be or become an annoyance or nuisance to the occupants of other Lots. Any activity on a Lot which interferes with television, cable or radio reception on another Lot shall be deemed a nuisance and a prohibited activity. In the event of a dispute or question as to what may be or become a nuisance, such dispute or question shall be submitted to the Board of Directors, which shall render a decision in writing, which decision shall be dispositive of such dispute or question. ALL PERSONS ARE REFERRED TO ARTICLE XV SECTION 11 HEREOF WITH RESPECT TO CERTAIN ACTIVITIES OF DECLARANT.

Section 6. Temporary Structures; Gas Tanks; Other Outdoor Equipment. Except as may be approved or used by Declarant during construction and/or sales periods, no structure of a temporary character, or trailer, mobile home or recreational vehicle, shall be permitted on any Lots within The Properties at any time or used at any time as a residence, either temporarily or permanently. No gas tank, gas container or gas cylinder shall be permitted to be placed on or about the outside of any Unit or on or about any ancillary building, except for gas tanks which are used for swimming pool heaters which are screened from view, one (1) gas cylinder (not to exceed 20 lbs. capacity) connected to a barbecue grill and/or such other tank as is designed and used for household purposes and approved by the Architectural Control Board. Any outdoor equipment such as, but not limited to, pool pumps and water softening devices shall be completely screened from the view of anyone not standing on the Lot by the use of landscaping or other means (in any event, as approved by the Architectural Control Board); provided, however, that the use of such screening shall not obviate the requirement that the installation of any such equipment nevertheless be approved by the Architectural Control Board.

Section 7. Signs. No sign of any kind shall be displayed to the public view on any Lot except for the following:

- (a) Signage approval by Declarant for its sales and marketing purposes.
- (b) The exclusive sales agent for the Declarant may place one professional sign advertising the Unit for sale.

Section 8. Oil and Mining Operation. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in The Properties, nor on dedicated areas, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in The Properties. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any portion of the land subject to these restrictions. ALL PERSONS ARE REFERRED TO ARTICLE XV SECTION 11 WITH RESPECT TO CERTAIN ACTIVITIES OF Declarant.

Section 9. Pets, Livestock and Poultry. No animals, reptiles, wildlife, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except no more than two (2) household pets may be kept, provided they are not kept, bred or maintained for any commercial purpose, and provided that they do not become a nuisance or annoyance to any neighbor by reason of barking or otherwise. No dogs or other pets shall be permitted to have excretions on any Common Areas, except areas designated by the Association, if any,

and Owners shall be responsible to clean-up any such excretions. For purposes hereof, "household pets" shall mean dogs, cats and other animals expressly permitted by the Association, if any. ALL PETS SHALL BE KEPT ON A LEASH WHEN NOT IN THE APPLICABLE UNIT OR FULLY ENCLOSED IN REAR YARD. Pets shall also be subject to all applicable rules and regulations. Nothing contained herein shall prohibit the keeping of fish or domestic (household-type) birds, as long as the latter are kept indoors and do not become a source of annoyance to neighbors.

Section 10. Visibility at Intersections. No obstruction to visibility at street intersections or Common Areas intersections shall be permitted; provided that the Association shall not be liable in any manner to any person or entity, including Owners and Members Permittees, for any damages, injuries or deaths arising from any violation of this Section.

Section 11. Architectural Control. No building or other structure or improvement of any nature (including, but not limited to, pools, screen enclosures, patios or patio extensions, hedges, other landscaping, exterior lighting, mailboxes, exterior paint or finish, awnings, shutters, hurricane protection, permanent basketball hoops (temporary basketball hoops are permitted but may only be used between the hours of 9:00 a.m. and dusk and must be stored in the Unit at all other times), swing sets or play apparatus, decorative plaques or accessories, birdhouses, other pet houses, swales, asphaltting, sidewalk/driveway surfaces or treatments or other improvements or changes of any kind, even if not permanently affixed to the land or to other improvements) shall be erected, placed or altered on any Lot until the construction plans and specifications and a plan showing the location of the structure and landscaping or of the materials as may be required by the Architectural Control Board (which shall be a committee appointed by the Board of Directors of the Association, absent such appointment the Board to serve in such capacity) have been approved, if at all, in writing by the Architectural Control Board and all necessary governmental permits are obtained. Fences, walls and similar improvements shall be governed by Section 15 of this Article. Conversions of garages to living space or other uses are permitted when in the opinion of the Architectural Review Board same are not readily apparent from the exteriors of applicable Units. Each building, wall, fence (if any) or other structure or improvement of any nature, together with landscaping, shall be erected, placed or altered upon the premises only in accordance with the plans and specifications and plot plan so approved and applicable governmental permits and requirements. Refusal of approval of plans, specifications and location plans, or any of them, may be based on any grounds, including purely aesthetic ones, which in the sole and uncontrolled discretion of said Architectural Control Board are deemed sufficient. Any change in the exterior appearance of any building, wall, fence or other structure or improvements, and any change in the appearance of landscaping, shall be deemed an alteration requiring approval. The Architectural Control Board shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this paragraph. A majority of the Board may take any action the Board is empowered to take, may designate a representative to act for the Board and may employ personnel and consultants to act for it. In the event of death, disability or resignation of any member of the Board, the remaining members shall have full authority to designate a successor. The members of the Board shall not be entitled to any compensation for services performed pursuant to this covenant, unless engaged by the Association in a professional capacity. The Architectural Control Board shall act on submissions to it within forty-five (45) days after receipt of the same (and all further documentation required by it) or else the request shall be deemed approved.

The Architectural Control Board shall not unreasonably withhold its approval of the installation of hurricane shutters or

a similar equipment; provided, however, that the Board of Directors of the Association is expressly authorized to adopt reasonable rules and regulations governing when such shutters are kept in a closed position.

No request for approval shall be valid or require any action unless and until all assessments on the applicable Lot (and any interest and late charges thereon) have been paid in full.

In light of the fact that the types, styles and locations of Units may differ among the different areas of the Properties, in approving or disapproving requests submitted to it hereunder the Architectural Control Board may vary its standards among such areas to reflect such differing characteristics. Accordingly, the fact that the Architectural Control Board may approve or disapprove a request pertaining to a Lot in one area shall not serve as precedent for a similar request from an Owner in another area where the latter has relevant characteristics differing from the former.

In the event that any new improvement or landscaping is added to a Unit/Lot, or any existing improvement on a Lot is altered, in violation of this Section, the Association shall have the right (and an easement and license) to enter upon the applicable Lot and remove or otherwise remedy the applicable violation after giving the Owner of the Lot at least ten (10) days' prior written notice of, and opportunity to cure, the violation in question. The costs of such remedial work and a surcharge of a minimum of \$25.00 (but in no event more than thirty-five percent (35%) of the aforesaid costs) shall be a special assessment against the Lot, which assessment shall be payable upon demand and secured by the lien for assessments provided for in this Declaration.

Members of the Architectural Control Board serve at the pleasure of the Board and may be removed and replaced by the Board.

The approval of any proposed improvements or alterations by the Architectural Control Board shall not constitute a warranty or approval as to, and neither the Association nor any member or representative of the Architectural Control Board or the Board of Directors shall be liable for, the safety, soundness, workmanship, materials or usefulness for any purpose of any such improvement or alteration nor as to its compliance with governmental or industry codes or standards. By submitting a request for the approval of any improvement or alteration, the requesting Owner shall be deemed to have automatically agreed to hold harmless and indemnify the aforesaid members and representatives, and the Association generally, from and for any loss, claim or damages connected with the aforesaid aspects of the improvements or alterations.

The Architectural Control Board may, but shall not be required to, require that any request for its approval be accompanied by the written consent of the Owners of the Lots (up to five (5)) adjoining or nearby the Lot/Unit proposed to be altered or further improved as described in the request.

Without limiting the generality of Section 1 hereof, the foregoing provisions shall not be applicable to Declarant or its affiliates or designees or to Builders (to the extent provided in Article X hereof).

Section 12. Commercial Vehicles, Trucks, Trailers, Campers and Boats. No trucks (other than those of a type, if any, expressly permitted by the Association) or commercial vehicles, or campers, or vans having less than fifty percent (50%) of available standard window space used as windows, or mobile homes, or motorhomes, or house trailers or trailers of every other description, or recreational vehicles, or boats, boat trailers, horse trailers or horse vans, shall be permitted to be parked or to be stored at any place on The Properties, nor in dedicated areas,

except in (i) enclosed garages or (ii) spaces for some or all of the above specifically designated by Declarant or the Association, if any. For purposes of this Section, "commercial vehicles" shall mean those which are not designed and used for customary, personal/family purposes. The absence of commercial-type lettering or graphics on a vehicle shall not be dispositive as to whether it is a commercial vehicle. The prohibitions on parking contained in this Section shall not apply to temporary parking of trucks and commercial vehicles, such as for construction use or providing pick-up and delivery and other commercial services, nor to passenger-type vans with windows for personal use which are in acceptable condition in the sole opinion of the Board (which favorable opinion may be changed at any time), nor to any vehicles of Declarant or its affiliates. All determinations by the Association shall be final.

All Owners and other occupants of Units are advised to consult with the Association prior to purchasing, or bringing onto The Properties, any type of vehicle other than a passenger car inasmuch as such other type of vehicle may not be permitted to be kept within The Properties.

Subject to applicable laws and ordinances, any vehicle parked in violation of these or other restrictions contained herein or in the rules and regulations now or hereafter adopted may be towed by the Association at the sole expense of the owner of such vehicle if such vehicle remains in violation for a period of 24 hours from the time a notice of violation is placed on the vehicle. The Association shall not be liable to the owner of such vehicle for trespass, conversion or otherwise, nor guilty of any criminal act, by reason of such towing and once the notice is posted, neither its removal, nor failure of the owner to receive it for any other reason, shall be grounds for relief of any kind. For purposes of this paragraph, "vehicle" shall also mean campers, mobile homes and trailers. An affidavit of the person posting the aforesaid notice stating that it was properly posted shall be conclusive evidence of proper posting.

Section 13. Parking on Common Areas and Lots/Garages. No vehicles of any type shall be parked on any portion of the Common Areas (including roadways) except to the extent, if at all, a portion(s) of the Common Areas is specifically designated for such purposes.

In the event that a party keeps a boat on a trailer (or some, if any, other vehicle or trailer) in the party's garage, the other space shall still be used for vehicular parking. Garage doors shall be kept closed at all times except when in actual use and during reasonably limited periods when the garage is being cleaned or other activities are being conducted therefrom which reasonably require the doors to be left open.

No parking shall be permitted on any portion of a Lot except its driveway and garage.

Section 14. Garbage and Trash Disposal. No garbage, refuse, trash or rubbish (including materials for recycling) shall be placed outside of a Unit except as permitted by the Association. The requirements from time to time of the applicable governmental authority or other company or association for disposal or collection of waste shall be followed. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. Containers must be rigid plastic, no less than 20 gallons or more than 32 gallons in capacity, and well sealed. Such containers may not be placed out for collection sooner than 24 hours prior to scheduled collection and must be removed within 12 hours of collection. In the event that an Owner or occupant of a Lot keeps containers for recyclable materials thereon, same shall be deemed to be refuse containers for the purposes of this Section.

Section 15. Fences, Walls and Hedges. No fence, wall or other structure shall be erected on any Lot, and no hedge shall be planted, except as originally installed by Declarant or its affiliates or approved by the Architectural Control Board. In considering any request for the approval of a fence or wall or a hedge or other landscaping, the Architectural Control Board shall give due consideration to the possibility of same obstructing the view from any adjoining Lot or Common Areas and may condition its approval on the hedge or other landscaping being kept to a specific height. All persons are advised that many fences and walls may be prohibited altogether or, if approved, may be subject to stringent standards and requirements.

Section 16. No Drying. No clothing, laundry or wash shall be aired or dried on any portion of The Properties except on a portion of a Lot which is completely screened from the view of all persons other than those on the Lot itself.

Section 17. Lakefront Property. As to all portions of The Properties which have a boundary contiguous to any lake or other body of water, the following additional restrictions and requirements shall be applicable:

(a) No boat of any type shall be used in any lake on the Property.

(b) No boathouse, dock, wharf or other structure of any kind shall be erected, placed, altered or maintained on the shores of the lake unless erected by Declarant or its affiliates.

(c) No boat, boat trailer or vehicular parking or use of lake slope or shore areas shall be permitted.

(d) No solid or liquid waste, litter or other materials may be discharged into/onto or thrown into/onto any lake or other body of water or the banks thereof.

(e) Each applicable Owner shall maintain his Lot to the line, of adjoining the Lot, of the water in the adjacent lake or other water body, as such line may change from time to time by virtue of changes in water levels.

(f) No landscaping (other than that initially installed or approved by Declarant), fences, structures or other improvements (regardless of whether or not same are permanently attached to the land or to other improvements) shall be placed within any lake maintenance or similar easements around lakes or other bodies of water.

(g) Any boats kept on a Lot shall be kept in the Unit.

WITH RESPECT TO WATER LEVELS AND QUALITY AND OTHER WATER-BODY-RELATED MATTERS, ALL PERSONS ARE REFERRED TO ARTICLE XV, SECTION 12 HEREOF.

Section 18. Use of Lakes for Irrigation. Except as installed by Declarant or approved by the ACC, no irrigation or other water system shall be connected to any lake or other water body within The Properties for the purpose of using the water therefrom for irrigation or other uses.

Section 19. No Fishing in Lakes. There shall be no fishing in any lake or other water body within the Properties.

Section 20. Disturbance of Littoral Zone Plantings. No person shall disturb any of the littoral zone planting and any person disturbing same shall be responsible for the expense of replacing or repairing such littoral zone plant, and same may be specially assessed against any Unit owned by such person.

Section 21. Unit Air Conditioners and Reflective Materials. No air conditioning units may be mounted through windows or walls. No building shall have any aluminum foil placed in any window or glass door or any reflective substance or other materials (except standard window treatments) placed on any glass, except such as may be approved by the Architectural Control Board for energy conservation purposes.

Section 22. Exterior Antennas. No exterior antennas, satellite dishes or similar equipment shall be permitted on any Lot or improvement thereon, except that Declarant and its affiliates shall have the right to install and maintain Community systems and the Association may permit antennae designed to appear as a patio umbrella or other item which would otherwise be permitted within The Properties. Or the Association may approve antennas which are screened from the front back and all sides of the house in which the Association determines are suitable.

Section 23. Renewable Resource Devices. Nothing in this Declaration shall be deemed to prohibit the installation of energy devices based on renewable resources (e.g., solar collector panels); provided, however, that same shall be installed only in accordance with the reasonable standards adopted from time to time by the Architectural Control Board and with such Board's approval. Such standards shall be reasonably calculated to maintain the aesthetic integrity of The Properties without making the cost of the aforesaid devices prohibitively expensive.

Section 24. Driveway and Sidewalk Surfaces. No Owner shall install on a Lot, and the Architectural Control Board shall not approve, any sidewalk or driveway which has a surface material and/or color which is different from the materials and colors originally used or approved by the Declarant. Further, no Owner shall change any existing sidewalk or driveway in a manner inconsistent with this Section.

Section 25. Artificial Vegetation. No artificial grass, plants or other artificial vegetation, or rocks or other landscape devices, shall be placed or maintained upon the exterior portion of any Lot, without the prior approval of the Architectural Control Board.

Section 26. Gatehouse Procedures; Roving Patrols. All Owners shall be responsible for complying with and ensuring that their Visitors and Guests and invitees comply with, all procedures adopted for controlling access to and upon The Properties, if any, through any gatehouse serving, if any, The Properties or any portion thereof as well as Common Areas, roadways and other portions of the Common Areas, as such procedures and restrictions may be adopted and amended from time to time.

All Owners and other occupants of Units are advised that any gatehouse staff and system, if any, as well as any roving patrol/ surveillance personnel, if any, serving The Properties are not law enforcement officers and are not intended to supplant same or to provide police protection or security such persons being engaged, if at all, only for the purpose of monitoring access to The Properties and observing activities therein which are readily apparent by such persons.

Section 27. Storage Sheds. Except for the Residence, no detached storage sheds or other building shall be permitted on the Lot.

Section 28. Variances. The Board of Directors of the Association shall have the right and power to grant variances from the provisions of this Article VII and from the Association's rules and regulations for good cause shown, as determined in the reasonable discretion of the Board. No variance granted as aforesaid shall alter, waive or impair the operation or effect of the

provisions of this Article VII in any instance in which such variance is not granted.

Section 29. Additional Rules and Regulations. Attached hereto as Schedule "A" are certain additional rules and regulations of the Association which are incorporated herein by this reference and which, as may the foregoing, may be modified, in whole or in part, at any time by the Board without the necessity of recording an amendment hereto or thereto in the public records. The Board of Directors may adopt rules and regulations applicable to a specific Neighborhood(s) in order to reflect any unique characteristics thereof.

ARTICLE VIII

RESALE, LEASE AND OCCUPANCY RESTRICTIONS

Section 1. Estoppel Certificate; Documents. No Owner, other than Declarant, may sell or convey his interest in Lot unless all sums due the Association are paid in full and an estoppel certificate in recordable form to such effect shall have been received by the Owner. If all such sums shall have been paid, the Association shall deliver such certificate within ten (10) days of a written request therefor. The Owner requesting the certificate may be required by the Association to pay to the Association a reasonable sum to cover the costs of examining records and preparing the certificate.

Owners shall be obligated to deliver the documents originally received from Declarant, containing this and other declarations and documents, to any grantee of such Owner.

Section 2. Leases. No portion of a Lot or Unit (other than an entire Lot and Unit) may be rented. All leases shall be in writing and shall provide (or be automatically deemed to provide) that the Association shall have the right to terminate the lease in the name of and as agent for the lessor upon default by tenant in observing any of the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association and its applicable rules and regulations or other applicable provisions of any agreement, document or instrument governing The Properties or administered by the Association.

Owners wishing to lease their Lots and Units may, if the Board of Directors so elects, be required to place in escrow with the Association a sum of up to \$500.00 which may be used by the Association to repair any damage to the Common Areas or other portions of The Properties resulting from acts or omissions of tenants (as determined in the sole discretion of the Association). The Association shall not be required to pay or remit any interest on any such escrowed funds. The Owner will be jointly and severally liable with the tenant to the Association for any amount in excess of such sum which is required by the Association to effect such repairs or to pay any claim for injury or damage to property caused by the negligence of the tenant. Any balance remaining in the escrow account, less an administrative charge not to exceed \$50.00 and exclusive of any interest retained by the Association, shall be returned to the Owner within ninety (90) days after the tenant vacates the Unit.

Section 3. Visitors and Guests. No Lot or Unit shall be occupied by any person other than the Owner(s) thereof or the applicable Visitors and Guests and in no event other than as a residence. For purposes of this Declaration, a Visitor and Guest shall be the following persons and such persons' families, provided that the Owner or other permitted occupant must reside with his/her family: (i) an individual Owner(s), (ii) an officer, director, stockholder or employee of a corporate owner, (iii) a partner in or employee of a partnership owner, (iv) a fiduciary or beneficiary of

an ownership in trust, or (v) occupants named or described in a lease or sublease, but only if approved in accordance with this Declaration. Under no circumstances may more than one family reside in a Unit at one time. In no event shall occupancy (except for temporary occupancy by guests) exceed three (3) persons per bedroom and one (1) person per den (as defined by the Association for the purpose of excluding from such definition living rooms, dining rooms, family rooms, country kitchens and the like). The Board of Director shall have the power to authorize occupancy of a Unit by persons in addition to those set forth above. The provisions of this Section shall not be applicable to Units used by Declarant for model homes, sales offices, management services or otherwise.

As used herein, "family" or words of similar import shall be deemed to include a spouse, children, parents, brothers, sisters, grandchildren and other persons permanently cohabiting the Unit as or together with the Owner or permitted occupant thereof. As used herein, "guest" or words of similar import shall include only those persons who have a principal residence other than the Unit. Unless otherwise determined by the Board of Directors of the Association, a person occupying a Unit for more than one (1) month shall not be deemed a guest but, rather, shall be deemed a lessee for purposes of this declaration (regardless of whether a lease exists or rent is paid) and shall be subject to the provisions of this Declaration which apply to leases and lessees. The purpose of this paragraph is to prohibit the circumvention of the provisions and intent of this Article and the Board of Directors of the Association shall enforce, and the Owners comply with, same with due regard for such purpose.

ARTICLE IX

ENFORCEMENT

Section 1. Compliance by Owners. Every Owner and Member's Visitor or Guest Permittee shall comply with the restrictions and covenants set forth herein and any and all rules and regulations which from time to time may be adopted by the Board of Directors of the Association.

Section 2. Enforcement. Failure of an Owner or his Member's Visitor or Guest to comply with such restrictions, covenants or rules and regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. The Association shall have the right to suspend the rights of use of Common Areas (except for legal access) of defaulting Owners. The offending Owner shall be responsible for all costs of enforcement including attorneys' fees actually incurred and court costs.

Section 3. Fines. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of the Board of Directors of the Association, a fine or fines may be imposed upon an Owner for failure of an Owner or his Visitors and Guests to comply with any covenant, restriction, rule or regulation, provided the following procedures are adhered to:

(a) Notice: The Association shall notify the Owner of the alleged infraction or infractions. Included in the notice shall be the date and time of a special meeting of the Board of Directors at which time the Owner shall present reasons why a fine(s) should not be imposed. At least six (6) days' notice of such meeting shall be given.

(b) Hearing: The alleged non-compliance shall be presented to the Board of Directors after which the Board of Directors shall hear reasons why a fine(s) should not be imposed. A written decision of the Board of Directors shall

be submitted to the Owner by not later than twenty-one (21) days after the Board of Director's meeting. The Owner shall have a right to be represented by counsel and to cross examine witnesses:

(c) Amounts: The Board of Directors (if its or such panel's findings are made against the Owner) may impose special assessments against the Lot owned by the Owner as follows:

(1) First non-compliance or violation: a fine not in excess of One Hundred Dollars (\$100.00).

(2) Second non-compliance or violation: a fine not in excess of Five Hundred Dollars (\$500.00).

(3) Third and subsequent non-compliance, or a violation or violations which are of a continuing nature after notice thereof (even if in the first instance): a fine not in excess of One Thousand Dollars (\$1,000.00).

(d) Payment of Fines: Fines shall be paid not later than five (5) days after notice of the imposition or assessment of the penalties.

(e) Collection of Fines: Fines shall be treated as an assessment subject to the provisions for the collection of assessments, and the lien securing same, as set forth herein.

(f) Application of Proceeds: All monies received from fines shall be allocated as directed by the Board of Directors.

(g) Non-exclusive Remedy: These fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; provided, however, any penalty paid by the offending Owner shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner.

ARTICLE X

PROVISOS AS TO BUILDERS

Section 1. Preamble. In light of the benefits accruing to the Declarant, Owners and the Association by virtue of the orderly and efficient development of The Properties not only by Declarant but also by independent Builders, this Article has been adopted to further such benefits as well as to cause this Declaration to accurately and reasonably reflect the operations and needs of Builders.

Section 2. Voting and Assessments. All Builders shall be Class A Members of the Association and shall have all rights, benefits, duties and obligations pertaining to such class of membership. A Builder shall have one (1) vote for each Lot owned by it and shall pay the same rate of assessment on each such Lot as would any other Class A Member/Owner; provided, however, that (i) in the event that a Builder owns a portion of The Properties which has not been platted or otherwise subdivided into Lots, such property shall, for purposes of this Declaration, be deemed to contain such number of Lots as is provided in the Supplemental Declaration subjecting the Builder's portion of The Properties to this Declaration (absent which the property to be deemed to contain the number of Lots permitted to be located thereon by applicable land use ordinances or approvals) and (ii) Declarant hereby reserves the right to vary the aforesaid rate of assessment payable by a Builder by so providing in a Supplemental Declaration,

regardless of whether or not the Builder's portion of The Properties has been subdivided into Lots as aforesaid.

Section 3. Architectural Control. For purposes of the exemption of Declarant and its designees as set forth in Article VII, Section 10 hereof, a Builder may be deemed a designee of Declarant, at Declarant's sole discretion, and therefore exempt from architectural review/approval requirements if, but only if, the Builder is subject to deed restrictions imposed by the Declarant which govern matters such as plan approval and construction activities. The foregoing exemption shall not, however, apply once the Builder has completed a Unit on a Lot and has received Declarant's final approval thereof, the purpose hereof being to require the Architectural Control Board's approval of any alterations of such construction once same are completed.

Section 4. Use Restrictions. In addition to the architectural control exemptions set forth in the immediately preceding Section, no Builder shall be deemed to be in violation of any of the other restrictions or requirements of Article VII of this Declaration by virtue of any activities which are normally and customarily associated with the construction of Units (or the development of land therefore) of the number, nature and type being constructed/developed by the Builder. Notwithstanding the foregoing, no Builder may make any installations which, once installed, would constitute a violation of Article VII of this Declaration. By way of example only, the privileges granted to Builders hereunder may not extend to permit the installation of prohibited gas tanks, obstructions of visibility at intersections, window-mounted air conditioning units, exterior antennas or artificial vegetation. Further, notwithstanding the foregoing, all Builders shall be subject to the sign restrictions set forth in Article VII, Section 6 of this Declaration (except for the required posting of building permits and similar documents) and to the provisions of Article VIII hereof.

ARTICLE XI

DAMAGE OR DESTRUCTION TO COMMON AREAS

Damage to or destruction of all or any portion of the Common Areas shall be addressed in the following manner, notwithstanding any provision in this Declaration to the contrary:

(a) In the event of damage to or destruction of the Common Areas, if the insurance proceeds are sufficient to effect total restoration, then the Association shall cause such portions of the Common Areas to be repaired and reconstructed substantially as it previously existed.

(b) If the insurance proceeds are within Five Hundred Thousand Dollars (\$500,000 . 00) or less of being sufficient to effect total restoration of the Common Areas, then the Association shall cause such portions of the Common Areas to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a capital special (and not capital improvement) assessment against each of the Owners in equal shares in accordance with the provisions of Article V of this Declaration.

(c) If the insurance proceeds are insufficient by more than Five Hundred Thousand Dollars (\$500,000.00) to effect total restoration of the Common Areas, then by written consent or vote of a majority of each class of the Members, they shall determine, subject to Article XIII hereof, whether (1) to rebuild and restore the Common Areas in substantially the same manner as they existed prior to damage and to raise the necessary funds over the insurance proceeds by levying capital

improvement assessments against all Members, (2) to rebuild and restore in a way which is less expensive than replacing the Common Areas in substantially the same manner as they existed prior to being damaged, or (3) subject to the approval of the Board, to not rebuild and to retain the available insurance proceeds.

(d) Each Member shall be liable to the Association for any damage to the Common Areas not fully covered by collected insurance which may be sustained by reason of the negligence or willful misconduct of any Member or his Visitors and Guests. Notwithstanding the foregoing, the Association reserves the right to charge such Member an assessment equal to the increase, if any, in the insurance premium directly attributable to the damage caused by such Member. In the case of joint ownership of a Unit, the liability of such Member shall be joint and several. The cost of correcting such damage shall be an assessment against the Member and may be collected as provided herein for the collection of assessments.

ARTICLE XII

INSURANCE

Section 1. Common Areas. The Association shall keep all improvements, facilities and fixtures located within the Common Areas insured against loss or damage by fire or other casualty for the full insurable replacement value thereof (with reasonable deductibles and normal exclusions for land, foundations, excavation costs and similar matters), and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property, whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance for and on behalf of itself and all Members. The insurance coverage with respect to the Common Areas shall be written in the name of, and the proceeds thereof shall be payable to, the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are common expenses included in the assessments made by the Association.

To the extent obtainable at reasonable rates, the insurance policy(ies) maintained by the Association shall contain provisions, or be accompanied by endorsements, for, agreed amount and inflation guard, demolition costs, contingent liability from operation of building laws and increased costs of construction.

All insurance policies, shall contain standard mortgagee clauses, if applicable.

The Association shall also maintain flood insurance on the insurable improvements on the Common Areas in an amount equal to the lesser of 100% of the replacement costs of all insurable improvements (if any) within the Common Areas or the maximum amount of coverage available under the National Flood Insurance Program, in either case if the insured improvements are located within an "A" flood zone.

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

Section 3. Waiver of Subrogation. As to each policy of insurance maintained by the Association which will not be voided or

impaired thereby, the Association hereby waives and releases all claims against the Board, the Members, Declarant and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

Section 4. Liability and Other Insurance. The Association shall have the power to and shall obtain comprehensive public liability insurance, including medical payments, malicious mischief and host party celebration, with coverage of at least \$1,000,000.00 (if available at reasonable rates and upon reasonable terms) for any single occurrence, insuring against liability for bodily injury, death and property damage arising from the activities of the Association or with respect to property under its jurisdiction, including, if obtainable, a cross liability endorsement insuring each Member against liability to each other Member and to the Association and vice versa and coverage for legal liability resulting from lawsuits related to employment contracts shall also be maintained. The Association may also obtain Worker's Compensation insurance and other liability insurance as it may deem desirable, insuring each Member and the Association and its Board of Directors and officers, from liability in connection with the Common Areas, the premiums for which shall be Common Expenses and included in the assessments made against the Members. The Association may also obtain such other insurance as the Board deems appropriate. All insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion.

The Board may also obtain such errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board or any management company engaged by the Association against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board or any committee thereof. At a minimum, however, there shall be blanket fidelity bonding of anyone (compensated or not) who handles or is responsible for funds held or administered by the Association, with the Association to be an obligee thereunder. Such bonding shall cover the maximum funds to be in the hands of the Association or management company during the time the bond is in force. In addition, the fidelity bond coverage must at least equal the sum of three (3) months' of regular assessments, plus all reserve funds.

Section 5. Blanket Insurance. The requirements of this Article may be met by way of the Association being an insured party under any coverage carried by the Declarant or under coverage obtained by the Association together with any other association(s) as long as such coverage is in accordance with the amounts and other standards dated in this Article.

Section 6. Premiums. The premiums for all insurance purchased by the Board in accordance with this Declaration shall be a common expense.

ARTICLE XIII

MORTGAGEE PROTECTION

The following provisions are added hereto (and to the extent these added provisions conflict with any other provisions of the Declaration, these added provisions shall control):

- (a) The Association shall be required to make available to all Owners and Mortgagees, and to insurers and guarantors of any first Mortgage, for inspection, upon request, during normal business hours or under other reasonable circumstances, current copies of this Declaration (with all amendments) and

the Articles, By-Laws and rules and regulations and the books and records of the Association. Furthermore, such persons shall be entitled, upon written request, to (i) receive a copy of the Association's financial statement for the immediately preceding fiscal year, (ii) receive notices of and attend the Association meetings, (iii) receive notice from the Association of an alleged default by an Owner in the performance of such Owner's obligations under this Declaration, the Articles of Incorporation or the By-Laws of the Association, which default is not cured within thirty (30) days after the Association learns of such default, and (iv) receive notice of any substantial damage or loss to the Common Areas.

(b) Any holder, insurer or guarantor of a Mortgage on a Unit shall have, if first requested in writing, the right to timely written notice of (i) any condemnation or casualty loss affecting a material portion of the Common Areas, (ii) a sixty (60) day delinquency in the payment of the Assessments on a mortgaged Lot; (iii) the occurrence of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, and (iv) any proposed action which requires the consent of a specified number of Mortgage holders.

(c) Unless at least $66\frac{2}{3}\%$ of first Mortgagees (based upon one vote for each Mortgage owned), and the Members holding at least two-thirds ($\frac{2}{3}$ rd) of the votes entitled to be cast by them, have given their prior written approval, neither the Association nor the Owners shall:

(1) by act or omission seek to sell or transfer the Common Areas and any improvements thereon which are owned by the Association, the granting of easements for utilities or for other such purposes consistent with the intended use of such property by the Association or the Declarant or the transfer of the Common Areas to another similar association of the Owners in accordance with the Articles of Incorporation of the Association or dedication of such property to the public shall not be deemed a transfer within the meaning of this clause);

(2) change the basic methods of determining the obligations, assessments, dues or other charges which may be levied against a Lot, except as provided herein with respect to future Lots;

(3) by act or omission, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of The Properties;

(4) fail to maintain fire and extended insurance on insurable portions of the Common Areas as provided herein; or

(5) use hazard insurance proceeds for losses to any Common Areas for other than the repair, replacement or reconstruction of the improvements.

ARTICLE XIV

SPECIAL COVENANTS

Section 1. Preamble. In recognition of the fact that certain special types of platting and/or construction require special types of covenants to accurately reflect the maintenance and use of the affected Lots and Units, the following provisions of this Article XIV shall apply in those cases where the below-described types of

improvements are constructed within The Properties, subject to variance per Article II, Section 2 of this Declaration. However, nothing herein shall necessarily suggest that Declarant or any Builder will or will not, in fact, construct such types of improvements nor shall anything herein contained be deemed an obligation to do so.

Section 2. Zero Lot Line Maintenance Easement. When any Lot (the "Servient Lot") abuts another Lot (the "Dominant Lot") on which the exterior wall of a Unit has been or can be constructed against or immediately contiguous to the interior property (perimeter) line shared by the Dominant Lot and the Servient Lot, then the Owner of the Dominant Lot shall have an easement over the Servient Lot, which easement shall be five (5') feet in width contiguous to the interior property line running from the front of the rear property line of the Servient Lot for the following purposes:

(a) For installation, maintenance, repair, replacement and the provision of utility services, equipment and fixtures to serve the Dominant Lot, including but not limited to, electricity, telephones, sewer, water, lighting, irrigation, drainage and Community Systems.

(b) Of support in and to all structural members, footings and foundations of the Unit or other improvements which are necessary for support of the Unit or other improvements on the Dominant Lot. Nothing in this Declaration shall be construed to require the Owner of the Servient Lot to erect, or permit the erection of, additional columns, bearing walls or other structures on its Lot for the support of the Dominant Lot.

(c) (iv) For overhanging troughs or gutters, down-spouts and the discharge therefrom of rainwater and the subsequent flow thereof over the easement area and the Common Areas.

An Owner of a Servient Lot shall do nothing on his Lot which interferes with or impairs the use of this easement.

Section 3. Party Walls. Each wall and fence, if any, built as part of the original construction of the Units or Lots within The Properties and placed on the dividing line between the Lots thereof and acting as a commonly shared wall or fence shall constitute a party wall, and each Owner shall own that portion of the wall and fence which stands on his own Lot, with a cross-easement of support in the other portion. If a wall or fence separating two (2) Units or Lots, and extensions of such wall or fence, shall lie entirely within the boundaries of one Lot, such wall or fence, together with its extensions, shall also be a party wall and the Owner of the adjacent Lot shall have perpetual easement to maintain the encroachment.

Easements are reserved in favor in all Lots over all other Lots and the Common Areas for overhangs or other encroachments resulting from original construction and reconstruction.

Anything to the contrary herein notwithstanding, where adjacent Units share only a portion of a wall (e.g., where a one-story Unit abuts a two-story Unit), only that portion of the wall actually shared by both Units shall be deemed a party wall. That portion of the wall lying above the one-story Unit and used exclusively as a wall for the second floor of the abutting two-story Unit shall not be deemed a party wall, but shall be maintained and repaired exclusively by the Owner of the two-story Unit even if lying in whole or in part on the abutting Lot on which the one-story Unit is constructed and over the roof and other portions of such abutting one-story Unit to permit the upper portion of the wall of the two-story Unit to be maintained and repaired by the Owners of the Lot on which such two-story Unit is constructed.

The costs of reasonable repair and maintenance of a party wall shall be shared equally by the Owners who make use of the wall.

If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore same, but shall not construct or extend same to any greater dimension than that existing prior to such fire or other casualty, without the prior written consent of the adjacent Lot Owner. The extension of a party wall used by only a two-story Unit abutting a one-story Unit shall be promptly and diligently repaired and/or replaced by the Owner of the two-story Unit at his sole cost and expense, even if lying in whole or in part on the abutting Lot. No part of any addition to the dimensions of said party wall or of any extension thereof already built that may be made by any of said Owners, or by those claiming under any of them, respectively, shall be placed upon the Lot of the other Owner, without the written consent of the latter first obtained, except in the case of the aforesaid wall of a two-story Unit. If the other Owner thereafter makes use of the party wall, he shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owner to call for a larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omissions.

Notwithstanding any other provision of this Section, should any Owner, by his negligent or willful act, causes that part of the party wall not previously exposed to be exposed to the elements such Owner shall bear the whole cost of furnishing the necessary protection against such elements.

The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title. Upon a conveyance of other transfer of title, the liability hereunder of the prior Owner shall cease.

In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision of a majority of all the arbitrators shall be final and conclusive of the question involved. If a panel cannot be designated pursuant hereto, the matter shall be arbitrated pursuant to the rules of the American Arbitration Association, or its successors in functions then obtaining. Any decision made pursuant to this Section shall be conclusive and may be entered in any court of competent jurisdiction in accordance with the Florida Arbitration Code.

Section 4. Condominiums and Cooperatives. In the event that any portion of The Properties is submitted to the condominium or cooperative form of ownership, then the following special provisions shall apply:

(a) For the purposes of complying with and enforcing the standards of maintenance contained herein, the condominium/cooperative building and any appurtenant facilities shall be treated as a Unit and any other portion of the condominium/cooperative shall be treated as an unimproved portion of the Lot, with the condominium/cooperative association to have the maintenance duties of an Owner as set forth herein. The condominium/cooperative association shall also be jointly and severally liable with its members for any violation of the use restrictions set forth in this Declaration or of rules and regulations of the Association.

(b) As distinguished from maintenance duties, assessments hereunder shall be levied against, and shall be secured by lien upon, each individual condominium or cooperative unit and shall be the direct obligation of the Owner thereof; provided, however, that this provision shall not prevent the Association from entering into

an agreement with a condominium or cooperative association pursuant to which either of the latter acts as a collection agent (although in no event shall assessments due under this Declaration be deemed a common expense of such condominium or cooperative association).

(c) With respect to the Architectural Control Board: (i) no condominium or cooperative association shall make any improvements or alterations on or to the property under its jurisdiction without first having secured the approval of the Architectural Control Board as provided herein and (ii) in the event that an individual Owner of a condominium or cooperative unit(s) desires to make alterations to the exterior thereof, a request for the approval thereof shall be submitted to the Architectural Control Board as required by this Declaration, but such request shall be accompanied by evidence that the condominium or cooperative association having jurisdiction thereover has already approved same, absent which approval the Architectural Control Board shall not consider the submission.

ARTICLE XV

GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind The Properties, and shall inure to the benefit of and be enforceable by the Association, the Architectural Control Board, Declarant (at all times) and the Owner of any land subject to this Declaration, and their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the then Owners of 75% of all the Lots subject hereto and of 100% of the mortgagees thereof has been recorded, agreeing to revoke said covenants and restrictions; provided, however, that no such agreement to revoke shall be effective unless made and recorded three (3) years in advance of the effective date of such revocation, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any signatures being obtained.

Section 2. Notice. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be accomplished by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the Lots to enforce any lien created by these covenants; and failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Severability. Invalidation of any one of these covenants or restrictions or any part, clause or word hereof, or the application thereof in specific circumstances, by judgment or court order shall not affect any other provisions or applications in other circumstances, all of which shall remain in full force and effect.

Section 5. Amendment. In addition to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges and liens of this Declaration may be amended, changed, deleted or added to at any time and from time to time upon the execution and recordation of an instrument

executed by Declarant alone, for so long as it or its affiliates holds title to any Lot affected by this Declaration; or alternatively after the Class B membership closes and terminates by approval of not less than 66-2/3% votes of the entire membership of the Association, provided, that so long as Declarant or its affiliates is the Owner of any Lot affected by this Declaration, Declarant's consent must be obtained if such amendment, in the sole opinion of the Declarant, affects its interest. In the event Kenco Communities at Lakes of Boca, Inc., a Florida general corporation, is not Declarant, no amount may nevertheless be made which, in its opinion, adversely affects its interest without its consent. The foregoing two (2) sentences may not be amended.

Section 6. Effective Date. This Declaration shall become effective upon its recordation in the Palm Beach County Public Records.

Section 7. Conflict. This Declaration shall take precedence over conflicting provisions in Schedule "A" hereto and in the Articles of Incorporation and By-Laws of the Association and said Articles shall take precedence over the By-Laws.

Section 8. Standards for Consent, Approval and Other Actions. Whenever this Declaration shall require the consent, approval, completion, substantial completion, or other action by the Declarant or its affiliates, the Association or the Architectural Control Board, such consent, approval or action may be withheld in the sole and unfettered discretion of the party requested to give such consent or approval or take such action, and all matters required to be completed or substantially completed by the Declarant or its affiliates or the Association shall be deemed so completed or substantially completed when such matters have been completed or substantially completed in the reasonable opinion of the Declarant or Association, as appropriate.

Section 9. Easements. Should the intended creation of any easement provided for in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to have been so created shall nevertheless be considered as having been granted directly to the Association as agent for such intended grantees for the purpose of allowing the original party or parties to whom the easements were originally intended to have been granted the benefit of such easement and the Owners designate hereby the Declarant and the Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such Owners' behalf as may hereafter be required or deemed necessary for the purpose of later creating such easement as it was intended to have been created herein. Formal language of grant or reservation with respect to such easements, as appropriate, is hereby incorporated in the easement provisions hereof to the extent not so recited in some or all of such provisions.

Section 10. Notices and Disclaimers as to Community Systems. Declarant, the Association, or their successors, assigns or franchisees and any applicable cable telecommunications system operator (an "Operator"), may enter into contracts for the provision of security services through any Community Systems. Declarant, THE ASSOCIATION, OPERATORS AND THEIR FRANCHISEES, AND ANY OPERATOR, DO NOT GUARANTEE OR WARRANT, EXPRESSLY OR IMPLIEDLY, THE MERCHANTABILITY OR FITNESS FOR USE OF ANY SUCH SECURITY SYSTEM OR SERVICES, OR THAT ANY SYSTEM OR SERVICES WILL PREVENT INTRUSIONS, FIRES OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SUCH OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SYSTEM OR SERVICES ARE DESIGNED TO MONITOR SAME; AND EVERY OWNER OR OCCUPANT OF PROPERTY SERVICED BY THE COMMUNITY SYSTEMS ACKNOWLEDGES THAT DECLARANT, THE ASSOCIATION OR ANY SUCCESSOR, ASSIGN OR FRANCHISEE OF THE DECLARANT OR ANY OF THE OTHER AFORESAID ENTITIES AND ANY OPERATOR, ARE NOT INSURERS OF THE OWNER OR OCCUPANT'S PROPERTY OR

OF THE PROPERTY OF OTHERS LOCATED ON THE PREMISES AND WILL NOT BE RESPONSIBLE OR LIABLE FOR LOSSES, INJURIES OR DEATHS RESULTING FROM SUCH OCCURRENCES. It is extremely difficult and impractical to determine the actual damages, if any, which may proximately result from a failure on the part of a security service provider to perform any of its obligations with respect to security services and, therefore, every owner or occupant of property receiving security services through the Community Systems agrees that Declarant, the Association or any successor, assign or franchisee thereof and any Operator assumes no liability for loss or damage to property or for personal injury or death to persons due to any reason, including, without limitation, failure in transmission of an alarm, interruption of security service or failure to respond to an alarm because of (a) any failure of the Owner's security system, (b) any defective or damaged equipment, device, line or circuit, (c) negligence, active or otherwise, of the security service provider or its officers, agents or employees, or (d) fire, flood, riot, war, act of God or other similar causes which are beyond the control of the security service provider. Every owner or occupant of property obtaining security services through the Community Systems further agrees for himself, his grantees, tenants, guests, invitees, licensees, and family members that if any loss or damage should result from a failure of performance or operation, or from defective performance or operation, or from improper installation, monitoring or servicing of the system, or from negligence, active or otherwise, of the security service provider or its officers, agents, or employees, the liability, if any, of Declarant, the Association, any franchisee of the foregoing and the Operator or their successors or assigns, for loss, damage, injury or death sustained shall be limited to a sum not exceeding Two Hundred Fifty and No/100 (\$250.00) U.S. Dollars, which limitation shall apply irrespective of the cause or origin of the loss or damage and notwithstanding that the loss or damage results directly or indirectly from negligent performance, active or otherwise, or non-performance by an officer, agent or employee of Declarant, the Association or any franchisee, successor or design of any of same or any Operator. Further, in no event will Declarant, the Association, any Operator or any of their franchisees, successors or assigns, be liable for consequential damages, wrongful death, personal injury or commercial loss.

In recognition of the fact that interruptions in cable television, other Community Systems and the front entry gate system, services will occur from time to time, no person or entity described above shall in any manner be liable, and no user of any Community System shall be entitled to any refund, rebate, discount or offset in applicable fees, for any interruption in Community Systems services, regardless of whether or not same is caused by reasons within the control of the then-provider(s) of such services.

Section 11. Blasting and Other Activities. ALL OWNERS, OCCUPANTS AND USERS OF THE PROPERTIES ARE HEREBY PLACED ON NOTICE THAT DECLARANT AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES WILL BE, FROM TIME TO TIME, CONDUCTING BLASTING, EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO THE PROPERTIES. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF THE PROPERTIES, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (i) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (ii) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO THE PROPERTIES WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS), (iii) DECLARANT AND THE OTHER AFORESAID RELATED PARTIES SHALL NOT BE LIABLE FOR ANY AND ALL LOSSES, DAMAGES

(COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, (iv) ANY PURCHASE OR USE OF ANY PORTION OF THE PROPERTIES HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING AND (v) THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DECLARANT TO SELL, CONVEY, LEASE AND/OR ALLOW THE USE OF THE APPLICABLE PORTION OF THE PROPERTIES.

Section 12. Notices and Disclaimers as to Water Bodies. NEITHER DECLARANT, THE ASSOCIATION NOR ANY OF THEIR OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, USE, WATER QUALITY OR WATER LEVEL OF/IN ANY LAKE, POND, CANAL, CREEK, STREAM OR OTHER WATER BODY WITHIN OR NEAR THE PROPERTIES, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, NONE OF THE LISTED PARTIES SHALL BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH OCCURRING IN, OR OTHERWISE RELATED TO, ANY WATER BODY, ALL PERSONS USING SAME DOING SO AT THEIR OWN RISK. THE USE OF WATER BODIES AND LAKES SHALL NOT BE THE RESPONSIBILITY OF THE LISTED PARTIES.

ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTIES LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID WATER BODIES OR USING ANY WATER BODY SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO RELEASE THE LISTED PARTIES FROM ALL CLAIMS FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY HABITATE OR ENTER INTO WATER BODIES WITHIN OR NEARBY THE PROPERTIES AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT OR INSURE AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

Section 13. Certain Reserved Rights of Declarant with Respect to Community Systems. Without limiting the generality of any other applicable provisions of this Declaration, and without such provisions limiting the generality hereof, Declarant hereby reserves and retains to itself:

- (a) the title to any Community Systems and a perpetual easement for the placement and location thereof;
- (b) the right to connect, from time to time, the Community Systems to such receiving or intermediary transmission source(s) as Declarant may in its sole discretion deem appropriate including, without limitation, companies licensed to provide CATV service in Palm Beach County, Florida, for which service Declarant shall have the right to charge any users a reasonable fee (which shall not exceed any maximum allowable charge provided for in the Ordinances of Palm Beach County); and
- (c) the right to offer from time to time monitoring/alarm services through the Community Systems.

Neither the Association nor any officer, director, employee, committee member or agent (including any management company) thereof shall be liable for any damage to property, personal injury or death arising from or connected with any act or omission of any of the foregoing during the course of performing any duty or exercising any right privilege (including, without limitation, performing maintenance work which is the duty of the Association or exercising any remedial maintenance or alteration rights under this Declaration) required or authorized to be done by the Association,

or any of the other aforesaid parties, under this Declaration or otherwise as required or permitted by law.

Section 14. Covenants Running With The Land. Anything to the contrary herein notwithstanding and without limiting the generality (and subject to the limitations) of Section 1 hereof, it is the intention of all parties affected hereby (and their respective heirs, personal representatives, successors and assigns) that these covenants and restrictions shall run with the land and with title to the properties. Without limiting the generality of Section 4 hereof, if any provision or application of this Declaration would prevent this Declaration from running with the land as aforesaid, such provision and/or application shall be judicially modified, if at all possible, to come as close as possible to the intent of such provision or application and then be enforced in a manner which will allow these covenants and restrictions to so run with the land; but if such provision and/or application cannot be so modified, such provision and/or application shall be unenforceable and considered null and void in order that the paramount goal of the parties (that these covenants and restrictions run with the land as aforesaid) be achieved.

ARTICLE XVI

DISCLAIMER OF LIABILITY OF ASSOCIATION

NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BY-LAWS, ANY RULES OR REGULATIONS OF THE ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING OR BINDING THE ASSOCIATION (COLLECTIVELY, THE "ASSOCIATION DOCUMENTS"), NEITHER THE ASSOCIATION NOR THE LISTED PARTIES SHALL BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF THE PROPERTIES INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

(a) IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY THE ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF THE PROPERTIES HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF THE PROPERTIES AND THE VALUE THEREOF;

(b) NEITHER THE ASSOCIATION NOR THE LISTED PARTIES ARE EMPOWERED, NOR HAVE THEY BEEN CREATED, TO ACT AS ENTITIES WHICH ENFORCE OR ENSURE THE COMPLIANCE WITH THE LAWS OF THE UNITED STATES; STATE OF FLORIDA, PALM BEACH COUNTY AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTIOUS ACTIVITIES; AND

(c) ANY PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

(d) NEITHER THE ASSOCIATION NOR THE LISTED PARTIES SHALL BE RESPONSIBLE FOR OR LIABLE FOR THE USE OR SAFETY OF LAKES OR WATER BODIES, AS MORE FULLY SET FORTH IN ARTICLE XV, SECTION 12 HEREOF.

(e) NEITHER THE ASSOCIATION NOR THE LISTED PARTIES SHALL BE RESPONSIBLE FOR MAINTENANCE, NOR HAVE ANY LIABILITY FOR THE

FLORIDA POWER AND LIGHT ELECTRICAL TRANSMISSION POWER LINES ON OR OFF THE PROPERTIES.

EACH OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS LOT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE PROPERTIES (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USES) SHALL BE BOUND BY THIS ARTICLE AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED IN THIS ARTICLE.

AS USED IN THIS ARTICLE, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES), SUBCONTRACTORS, SUCCESSORS AND ASSIGNS. THE PROVISIONS OF THIS ARTICLE SHALL ALSO INURE TO THE BENEFIT OF DECLARANT, WHICH SHALL BE FULLY PROTECTED HEREBY.

ARTICLE XVII

RIGHTS OF DECLARANT

Section 1. Sales Office. For so long as the Declarant, or its nominee(s), owns any property in the Property or affected by this Declaration or maintains a sales office, the Declarant, or its nominee(s), shall have the right to take such action reasonably necessary to transact any business necessary to consummate the development and sale of the Property and/or other properties owned by Declarant. This right shall include, but not be limited to, the right to maintain models, sales offices and parking associated therewith, have signs on any portion of the Properties, including Common Areas, employees in the models and offices, use of the Common Areas and to show property. The sales office and signs and all items pertaining to development and sales remain the property of the Declarant, or its nominees.

Section 2. Modification. The development and marking of the Property will continue as deemed appropriate in Declarant's sole discretion, and nothing in this Declaration, or otherwise, shall be construed to limit or restrict such development and marketing. It may be necessary or convenient for the development of the Property to, as an example and not a limitation, amend any flat and/or Master Plan, modify the boundary lines of the Common Areas, grant easements, dedications, agreements, licenses, restrictions, reservations, covenants, rights-of-way, and to take such other actions which Declarant, its nominees, or its agents, affiliates, or assignees may deem necessary or appropriate. The Association and Owners shall, at the request of the Declarant, execute and deliver any and all documents and instruments which Declarant deems necessary or convenient, in its sole and absolute discretion, to accomplish the same.

Section 3. School Assignment Agreement. Declarant has entered into a School Assignment Agreement dated March 3, 1993 (the "Agreement") with the School Board of Palm Beach County, Florida (the "School"), which provides, among other things, for the assignment of students living in the Properties to the nearest available school pursuant to School policy. Failure to comply with the Agreement may result in the expiration of school attendance boundary exemptions.

Section 4. Promotional Events. Declarant and its nominees shall have the right to hold marketing and promotional events within the Property and/or on the Common Areas, without any charge for use. Declarant or its nominees, agents, affiliates, or assignees shall have the right to market the Property in advertisements and other media by making reference to the Property,

including, but not limited to, pictures of drawings of the Property, Common Area, and Units constructed in the Property.

Section 5. Use by Prospective Purchasers. The Declarant and its nominees shall have the right, without charge, to use the Property and Common Areas and Recreational Facilities for the purpose of entertaining prospective purchasers of Parcels, portions of the Property or other properties.

Section 6. Franchise. The Declarant may grant franchises or concessions to commercial concerns on all or part of the Common Areas and shall be entitled to all income derived therefrom.

Section 7. Easements. Declarant reserves the right to grant, in its sole discretion, easements, permits and/or licenses for ingress and egress, drainage, utilities service, maintenance, security systems, cable t.v., and other purposes over, upon and across the Properties, including but not limited to over, upon or across a Lot, provided there shall be no such reservation of easement, permits or licenses under a Unit once the Lot on which the Unit is located has been conveyed to an Owner other than Declarant. Declarant shall have the sole right to any fees of any nature associated therewith, including, but not limited to, license or similar fees on account thereof. The Association and Owners will, without charge, if requested by Declarant: (a) join in the creation of such easements, etc. and cooperate in the operation thereof; and (b) collect and remit fees associated therewith, if any, to the appropriate party. The Association will not grant any easements, permits or licenses to any other entity providing the same services as those granted by Declarant, nor will it grant any such easement, permit or license prior to the termination of the Class B Membership without the prior written consent of Declarant which may be granted or denied in its sole discretion.

Section 8. Right to Enforce. The Declarant has the right, but not the obligation, to enforce the provisions of this Declaration and to recover all costs relating thereto, including attorneys' fees at all levels of proceeding. Such right shall include the right to perform the obligations of the Association and to recover all costs incurred in doing so. The Recreation Facilities Owner shall also have such rights relating to the Recreation Facilities and/or Recreation Facilities Charges.

Section 9. Additional Development. In the event the Declarant does not subject all proposed real property in the Property to this Declaration, or after submission withdraws portions of the Properties from the operation of the Declaration, the Declarant or its nominees may, but is not delegated to, subject to governmental approvals, create other forms of residential property ownership or other improvements of any nature on the Property not subjected to or withdrawn from the operation of this Declaration. The Declarant shall not be liable or responsible to any person or entity on account of its decision to do so or to provide, or fail to provide, the amenities and/or facilities which were originally planned to be included in such areas. If so designated by Declarant, owners or tenants of such other forms of housing or improvements upon their creation, may share in the use of all or some of the Common Areas facilities and other facilities and/or roadways which remain subject to this Declaration. The expense of the operation of such facilities shall be allocated to the various users thereof, it at all, as determined by Declarant.

Section 10. Representations. The Declarant makes no representations, concerning development both within the boundaries of the Property, including, but not limited to, the number, design, boundaries, configuration and arrangements, prices of all Units and buildings in all other proposed forms of ownership and/or other improvements on the Properties or in the Property or adjacent or near the Property including, but not limited to, the size, location, configuration, elevations, design, building materials,

height, view, airspace, number of dwellings, number of buildings, location of easements, parking and landscaped areas, services and amenities offered.

ARTICLE XVIII

LITIGATION

No judicial proceeding shall be commenced or prosecuted by the Association unless approved by a vote of the Members representing seventy-five percent of the total votes in the Association. This Section does not apply to (i) actions brought by the Association against parties other than the Declarant to enforce the provisions of the Declaration, (ii) the imposition and collection of assessments, (iii) proceedings involving challenges to ad valorem taxation or (iv) counterclaims brought by the Association in proceedings instituted against it. Furthermore, in the event the Association brings suit against the Declarant, the Association must specially assess all Owners for the cost thereof as the funds from general assessments may not be used in this connections.

EXECUTED as of the date first above written.

KENCO COMMUNITIES AT LAKES OF BOCA, INC., a Florida corporation

Gerri Boyer
Name: Gerri Boyer
Susan Ziegler
Name: Susan Ziegler

By: [Signature]
Name: Richard Finkelstein
Title: President

Address: 1000 Clint Moore Road
Suite 110
Boca Raton, FL 33487

STATE OF FLORIDA)
) SS:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 8th day of November, 1994 by RICHARD FINKELSTEIN as ~~Division~~ President of Kenco Communities at Lakes of Boca, Inc., a Florida corporation, on behalf of the corporation. Richard Finkelstein is personally known to me or has produced known to me as identification.

My Commission Expires:
NOTARY PUBLIC, STATE OF FLORIDA.
MY COMMISSION EXPIRES: Nov 30, 1995.
BONDED TERNOTARY PUBLIC UNDERWRITERS.

[Signature]
NOTARY PUBLIC Cathy J. Stewart
State of Florida at Large
Commission No.: CC164677

EXHIBIT "A"

ORB. 8502 Pg 519
DOROTHY H. WILKEN, CLERK PB COUNTY, FL

(The Properties)

A parcel of land lying in a portion of Section 2,
Township 47 South, Range 41 East, Palm Beach County,
Florida and said land being more particularly described
as follows:

All of the Southeast Quarter of aforesaid Section 2,
LESS the East 170.00 feet thereof.

Containing 149.185 Ac., more or less, and subject to
easements and rights-of-way of record.