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DECLARATION OF RESTRICTIONS AND PROTECTIVE COVENANTS FOR PEARL LAKES

THIS DECLARATION is made as of the 28 day of July, 1995 by ADRIAN DEVELOPERS CORP., a Florida 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

1.1 Definitions. 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 PEARL LAKES HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not for profit.

(b) "Builder" shall mean and refer to any party, other than the Developer, constructing a Unit on a Lot owned by such party; provided, however, that a party constructing a Unit on a Lot owned by another party shall be deemed a "Builder" only for purposes of Sections 10.3 and 10.4 hereof.

(c) "Common Areas" shall mean and refer to, including, without limitation, all private roadways and pedestrian walkway areas, the primary access road serving The Properties, the perimeter walls and/or fences, structures, recreational facilities, open space, private parks, walkways, cluster mailboxes and mail receptacles, sprinkler systems, street lights, and lakes, if any, but excluding any public utility installations thereon, and any other property of Developer not intended to be made Common Areas, together with the landscaping and any improvements thereon.

(d) "Developer" shall mean and refer to ADRIAN DEVELOPERS CORP., a Florida corporation, its successors and such of its assigns as to which the rights of Developer hereunder are specifically assigned. Developer 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 Developer, but may exercise such rights of Developer specifically assigned to it. Any such assignment may be made on a nonexclusive basis.

(e) "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 or beyond the boundaries of The Properties (provided that as to such portions which are beyond the boundaries of The Properties, the Developer or the Association has an easement over and upon such areas.) The Developer 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 Developer 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.

(f) "Lot" shall mean and refer to any Lot on any plat of all or a portion of The Properties, which plat is designated by Developer 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.

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

(h) "Member's Permittee" shall mean and refer to a person described in Section 8.2 hereof.

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(i) "**Neighborhood**" shall mean and refer to a portion of The Properties designated as such herein or in a Supplemental Declaration (as hereinafter defined), the purpose of such designation being to address such portion as such for voting, assessment, regulation and other purposes as provided herein or in the Association's By-Laws or rules and regulations. The first designation of Neighborhoods is as follows: The townhomes of **PEARL LAKES** are to be known as **SAILPOINTE** and the single family residences are to be known as **CHELSEA PARC.**

(j) "**Neighborhood Advisory Committee**" shall mean and refer to a Committee of Owners in a specific Neighborhood elected by all of the participating Owners in such Neighborhood in accordance with the provisions of the Association's Articles of Incorporation and By-Laws, such Committee to be advisory in nature (other than as to the election of a Voting Member per the By-Laws) and not to exercise any corporate authority on behalf of the Association.

(k) "**Neighborhood Common Areas**" shall mean and refer to such portions of the Common Areas which are intended for the exclusive use (subject to the rights, if any, of Dade County, the Association and the public) of the Owners of specific Neighborhoods, to the exclusion of Owners in other Neighborhoods. Unless otherwise provided specifically to the contrary, reference to the Common Areas shall include the Neighborhood Common Areas.

(l) "**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 the Developer.

(m) "**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.

(n) "**Unit**" shall mean and refer to the individual residential structure constructed on a Lot or an individual condominium or cooperative unit.

(o) "**Voting Member**" shall mean and refer to the person elected or designated, as applicable, to cast the votes attributable to a Neighborhood, such person to be selected and to vote as provided herein and in the Articles of Incorporation and By-Laws of the Association.

1.2 **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 values of the Lots and Units and the protection of Developer's and Builders' rights, benefits and privileges herein contemplated.

ARTICLE II

PROPERTY SUBJECT TO THE DECLARATION; ADDITIONS THERETO

2.1 **Legal Description.** The real property which, initially is and shall be held, transferred, sold, conveyed and occupied subject to the Declaration is located in Dade 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".

2.2 **Supplements.** In accordance with Developer's current intention (but not obligation) to increase the land constituting The Properties from time to time in "phases", Developer may from time to time subject other land, under the provisions hereof by recorded supplemental declarations) which shall not require the consent of the 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 Developer to add to the initial portion of The Properties, to develop any such future portions under a common scheme, nor to prohibit Developer (or the applicable Developer-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, replatting, covenant in lieu of unity of title, change, addition or deletion thereafter made by Developer (or the applicable Developer-affiliated Owner) and shall evidence such consent in writing if requested to do so by Developer 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 by addition, deletion or modification so as to reflect any unique characteristics of the Neighborhood identified therein; provided, however, that no such variance shall be directly contrary to the uniform scheme of development of The Properties. NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY, THE FUTURE DEVELOPMENT PROPERTY SHALL NOT BE DEEMED BURDENED BY THE TERMS AND CONDITIONS OF THIS DECLARATION UNLESS AND UNTIL SAME (OR ANY PORTION THEREOF) IS BROUGHT HEREUNDER BY A SUPPLEMENTAL DECLARATION DULY EXECUTED AND RECORDED IN THE PUBLIC RECORDS OF THE COUNTY.

2.3 **Withdrawal.** Developer reserves the right to amend this Declaration at any time, without prior notice and without the consent of any person or entity, for the purpose of removing certain portions of The Properties then owned by Developer 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 Developer; provided, however, that such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for The Properties. Any withdrawal of land not owned by Developer shall require the written consent or joinder of the then-owner(s) and mortgagee(s) of such land.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

3.1 **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.

3.2 **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 3.1 with the exception of the Developer (as long as the Class "B" Membership shall exist, and thereafter, the Developer 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 by membership by Section 3.1, which vote shall be cast by a Voting Member on their behalf in accordance with the procedures set forth in the Association's By-Laws.

Class "B". The Class "B" Member shall be the Developer. 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 on behalf of the Class "A" Members. The Class "B" Membership (Developer's weighted vote) ceases and converts to Class "A" Membership upon the earlier of the following

A. One year after the last Lot or Unit in PEARL LAKES has been sold and conveyed by Developer, or

B. Upon the relinquishment of control by the Developer whereupon the then existing Members shall be obligated to elect the Board of Directors of the Association and to assume control of the Association.

3.3 **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.

ARTICLE IV

COMMON AREAS; CERTAIN EASEMENTS;

4.1 Members' Easements. Each Member, and each Member's Permittee, 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, Member's Permittees, 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 Member's Permittees') right to use the Common Area 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 Members' Permittees, 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 Developer to permit such persons as Developer shall designate to use the Common Areas and all recreational facilities located thereon (if any).

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

WITH RESPECT TO THE USE OF THE COMMON AREAS AND THE PROPERTIES GENERALLY, ALL PERSONS ARE REFERRED TO SECTIONS 15.10, 15.11 AND 15.12, AND ARTICLE XVIII HEREOF, WHICH SHALL AT ALL TIMES APPLY THERETO.

4.2 Easements Appurtenant. The easements provided in Section 4.1 shall be appurtenant to and shall pass with the title to each Lot, but shall not be deemed to grant nor convey any ownership interest in the Common Areas subject thereto.

4.3 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, landscaping, lakes, improvements and other structures (except public utilities) 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 Developer's and its affiliates' responsibilities to Dade 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 Developer and its affiliates harmless with respect thereto in the event of the Association's failure to fulfill those responsibilities.

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.

4.4 Utility Easements. Use of the Common Areas for utilities, as well as use of the other utility easements as shown on relevant site plans, shall be in accordance with the applicable provisions of this Declaration and said plans. Developer 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 utilities.

4.5 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.

4.6 Ownership. The Common Areas are hereby dedicated non-exclusively to the joint and several use, in common, of Developer and the Owners of all Lots that may from time to time constitute part of The Properties and all Member's Permittees and Developer's tenants, guests and invitees, all as provided and regulated herein or otherwise by the Association, subject to Section 2.3 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 Developer), be conveyed by Quit-Claim Deed to the Association, which shall be deemed to have automatically accepted such conveyance. 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), all of which shall be performed in a continuous and satisfactory manner without cost to the general taxpayers of Dade County. It is intended that any and all real estate taxes and assessments assessed against the Common Areas shall be (or have been, because the purchase price of the Lots and Units have already taken into account their proportionate shares of the values of the Common Area), proportionally assessed against and payable as part of the taxes of the applicable Lots within The Properties. However, in the event that, notwithstanding the foregoing, any such taxes are assessed directly against the Common Areas, the Association shall be responsible for the payment (subject to protest or appeal before or after payment) of same, including taxes or any improvements and any personal property located thereon, which taxes accrue from and after the date these covenants are recorded, and such taxes shall be prorated between Developer and the Association as of the date of such recordation.

Developer 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 or facilities on the Common Areas or elsewhere on The Properties that Developer and its affiliates or designees 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, Developer 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 Developer 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, Developer 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 V

COVENANT FOR MAINTENANCE ASSESSMENTS.

5.1 Creation of the Lien and Personal Obligation for Assessments. Except as provided elsewhere herein, Developer (and each party joining in any supplemental declaration), for all Lots now or hereafter located with 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, including such reasonable reserves as the Association may deem necessary, capital improvement assessments, as provided in Section 5.5 hereof, special assessments as provided in Section 5.4 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 5.9 below. Reference herein to assessments shall be understood to include reference to any and all of said charges whether or not specifically mentioned.

5.2 Rates of Assessments. The Board of Directors shall budget and adopt assessments for the Association's general expenses and for those expense items associated with a specific Neighborhood (as opposed to those general to all of The Properties) which are different from those of other Neighborhoods. Accordingly, while all Lots within a particular Neighborhood shall be assessed at the same rate, Lots in one Neighborhood may be assessed at a rate different from those located in another Neighborhood in order to reflect expense differentials between/among Neighborhoods. Such different assessment rates may also be established based upon a portion of general expenses (e.g., road or Common Areas landscaping maintenance) reasonably allocated to a Neighborhood.

5.3 Purpose of Assessments. The regular assessments levied by the Association shall be used for the purposes expressed in Section 5.1 above and for such other purposes as the Association shall have within its powers and from time to time elect to undertake.

5.4 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) or (ii) the costs of work performed by the Association in accordance with Article VI of this Declaration (together with any surcharges collectible thereunder), or against all Owners to cover actual deficits or anticipated deficits in operating and maintenance accounts resulting from inadequate periodic assessments. 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.

5.5 Working Capital Fund. Developer shall establish a Working Capital Fund for the initial months of operation by the Association, which shall be paid to the Association by each Unit or Lot purchaser at the time of conveyance of each Unit or Lot to such purchaser in an amount equal to two (2) months of the annual assessment for each Lot or Unit. Each Lot or Unit's share of the Working Capital Fund shall be collected and transferred to the Association at the time of the closing of the sale of each Lot or Unit. The purpose of this Fund is to assure that the Association's Board of Directors will have cash available to meet any legitimate Association expense, or to acquire additional equipment or services deemed necessary or desirable by the Board of Directors. Amounts paid into the Fund at closing are not to be considered advance payment or regular assessments and are not refundable nor transferable.

5.6 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-annual 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.

5.7 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 Developer) 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.

5.8 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 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 5.9 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, eighteen (18%) percent per annum) and the Association may bring an action at law against the Owner(s) personally obligated to pay the same, 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, 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 5.9 below. All assessments, late charges, interest, penalties, fines, attorneys' fees and other sums provided for herein shall accrue to the benefit of the Association.

5.9 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.

5.10 Developer's Assessments. Notwithstanding anything herein to the contrary, Developer 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 the Developer 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). Developer may from time to time change the option under which Developer is making payments to the Association by written notice to such effect to the Association. If Developer 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 Developer nor its affiliates shall have further liability of any kind to the Association for the payment of assessments, deficits or contributions.

5.11 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 COMMON AREAS

6.1 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 and sidewalk surfaces) 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 the 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 any of the same colors previously approved by the Association), including exterior surfaces of garage doors, as often as is necessary, to comply with the foregoing standards. Notwithstanding the foregoing, the Association shall be responsible for the maintenance of the roof and exterior painting for the townhouses located at **Sailpointe**. The expenses related to the repairs of the roof and exterior painting of the townhouses at **Sailpointe** shall be assessed solely against the owners in the **Sailpointe Neighborhood**. The Owners of the individual townhouses shall be responsible for the maintenance of the shared components of the Units, including without limitation, the party walls, shared fences and all other exterior maintenance of the Units. In any event, the Owner of a Lot must submit his or her color selection for the exterior paint for approval by the Architectural Control Board prior to repainting the Unit.

6.2 Lots. The Association shall be responsible for the landscaping and the yard maintenance upon the Lots located in the **Sailpointe Neighborhood** (excluding any fenced-in areas). Subject to the foregoing and the provisions of Section 6.1 above with respect to attached Units, the Owner shall otherwise maintain and irrigate the trees, shrubbery, grass and other landscaping on each Lot, (i.e., those within fenced areas) in a neat, orderly and attractive manner and consistent with the general appearance of The Properties as a whole, including, without limitation, maintaining low volume sprinklers. 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).

6.3 Right of Entry. For the purposes of performing any required maintenance by the Association upon a Lot or Unit as set forth in this Section VI, and, 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, if to remedy an obligation which was to be performed by the Owner, 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 ($25.00) Dollars, all such sums being payable upon demand and to be secured by the lien provided for in Article V hereof.

ARTICLE VII

CERTAIN USE RESTRICTIONS

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

7.2 Land Use and Building Type. No Lot shall be used except for residential purposes. 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 Developer 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 Developer or its affiliates (except if such changes are made by Developer) without the consent of the Architectural Control Board.

7.3 Easements. Easements for the installation and maintenance of utilities are reserved 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. The appropriate water and sewer authority, electric utility company, telephone company, the Association, and Developer 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 and telephone lines, cables and conduits, under and through the utility easements as provided herein.

7.4 Nuisances and Illegal Activity. 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 in writing, which decision shall be dispositive of such dispute or question. No illegal activity shall be carried on or conducted upon any Lot or Unit. ALL PERSONS ARE REFERRED TO SECTION 15.11 HEREOF WITH RESPECT TO CERTAIN ACTIVITIES OF DEVELOPER.

7.5 Temporary Structures, Gas Tanks; Other Outdoor Equipment. Except as may be approved or used by Developer 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 twenty (20) pounds 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.

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

(a) The exclusive sales agent for the Developer may place one professional sign advertising the Unit for sale.

(b) One (1) "For Sale" or "For Rent" sign may be displayed under the following conditions:

(i) The sign may identify the property, the owner or agent, and the address and telephone number of the owner or agent relative to the premises upon which the sign is located;

(ii) The face surface of such sign shall not be larger than five (5) square feet, including, any rider thereto;

(iii) All such signs shall be lettered professionally, but such signs shall not be required to be submitted to the Association for approval;

(iv) Such sign shall not be erected nor placed closer than five (5) feet from the front of the property line (as opposed to the adjacent street, if different);

(v) All such signs shall be erected on a temporary basis;

(vi) Such sign shall be kept in good repair and shall not be illuminated nor constructed of a reflective material and shall not contain any flags, streamers, movable items or like devices;

(vii) Any such sign shall be removed within five (5) days from the date a binding agreement is entered into for the sale, lease or rental of the property or immediately upon the removal of the property from the market, whichever occurs first;

(viii) No sign shall be placed on any Common Areas.

7.7 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 nor permitted upon any portion of the land subject to these restrictions. ALL PERSONS ARE REFERRED TO SECTION 15.11 WITH RESPECT TO CERTAIN ACTIVITIES OF DEVELOPER.

7.8 Pets, Livestock and Poultry. No animals, reptiles, wildlife, livestock nor poultry of any kind shall be raised, bred or kept on any Lot for any commercial purpose. Further, no animals nor pets of any kind shall be permitted to become a nuisance or annoyance to any neighbor by reason of barking or otherwise. No dogs nor other pets shall be permitted to have any excretions on any Common Areas, except areas designated by the Association, if any, and Owners shall be responsible to clean up any such excretions. 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.

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

7.10 Architectural Control. No building or other structure or improvement of any nature (including, but not limited to, pools, screen enclosures, patios or patio extensions, exterior paint or finish, awnings, antennae or satellite dishes, shutters, hurricane protection, decorative plaques or accessories, swales, asphalting, 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 Developer for so long as it owns any portion of The Properties, and thereafter, 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 7.14 below.

Conversions of garages to living space or other uses are allowed so long as same are not readily apparent from the exteriors of applicable Units, (i.e. garage doors may not be removed). 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 screen enclosures, doors, windows, patios, or patio extensions, exterior paint or finish, awnings, shutters, hurricane protection, decorative plaques or accessories, swales, asphalting, and/or sidewalk/driveway surfaces or treatments 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 the receipt of same (and all further documentation required by it) or else the request shall be deemed approved. 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 Neighborhoods, in approving or disapproving requests submitted to it hereunder, the Architectural Control Board may vary its standards among the Neighborhoods 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 Neighborhood shall not serve as precedent for a similar request from an Owner in another Neighborhood where the latter has relevant characteristics differing from the former. In determining standards for architectural approval in specific Neighborhoods, the Architectural Control Board may, but shall not be required to, consult with the applicable Neighborhood Advisory Committee in such regard, provided that the Architectural Control Board shall be the final authority in determining and enforcing such standards.

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, upon proper notice to Owner and failure of the Owner to remedy the violation (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 $25.00 (but in no event more than thirty-five (35%) percent 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 assessment provided for in this Declaration. The approval of any proposed improvements or alterations by the Architectural Control Board shall not constitute a warranty nor 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 7.1 hereof, the foregoing provisions shall not be applicable to Developer or its affiliates or designees or to Builders (to the extent provided in Article X hereof).

7.11 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, mobile homes, motorhomes, house trailers or trailers of every description, recreational vehicles, 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 Developer 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, with the exception of standard size trucks and/or vans which may display a company logo. The absence of commercial-type lettering or graphics on a vehicle shall not be dispositive as to whether it is a commercial vehicle.

Owners of Lots located in Chelsea Parc shall be allowed to park boats and boat trailers in their backyard in a fenced area so that the boat and/or trailer are not visible from the front of the Lot.

The prohibitions of 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 Developer or its affiliates.

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 twenty-four (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.

7.12 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. 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. Parking will be allowed in the swale area in the Chelsea Parc Neighborhood.

7.13 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 twenty (20) gallons or more than thirty-two (32) gallons in capacity, and well sealed. Such containers may not be placed out for collection sooner than twenty-four (24) hours prior to scheduled collection and must be removed within twelve (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.

7.14 Fences and Walls. No fence, wall or other structure shall be erected on any Lot, except as originally installed by Developer or its affiliates or approved by the Architectural Control Board. In considering any request for the approval of a fence or wall, the Architectural Control Board shall give due consideration to the possibility of same obstructing the view from any adjoining Lot or Common Area and may condition its 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.

7.15 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.

7.16 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 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 Developer or its affiliates;

(b) No boat, boat trailer or vehicular parking or use of lake slope or shore areas shall be permitted. No motorized boats of any type shall be used on any lake which is part of the Common Areas;

(c) 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;

(d) Each applicable Owner shall maintain his Lot to the line, 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;

(e) No landscaping (other than that initially installed or approved by Developer), 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.

WITH RESPECT TO WATER LEVELS AND QUALITY AND OTHER WATERBODY-RELATED MATTERS, ALL PERSONS ARE REFERRED TO SECTION 15.12 HEREOF.

7.17 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.

7.18 Exterior Antennas. No exterior antennas, satellite dishes or similar equipment shall be permitted on any Lot or improvement thereon, except that Developer and its affiliates shall have the right to install and maintain a master cable and television system and the Association may permit antennae and/or dishes which are small and not visible from the front of the Lot or which may be easily concealed.

7.19 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.

7.20 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 Developer. Further, no Owner shall change any existing sidewalk or driveway in a manner inconsistent with this Section.

7.21 Artificial Vegetation. No artificial grass, plants, nor 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.

7.22 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.

7.23 Additional Rules and Regulations. Attached hereto as Exhibit "B" 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 AND OCCUPANCY RESTRICTIONS

8.1 Estoppel Certificate; Documents. No Owner, other than Developer, may sell or convey his interest in any 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 Developer, containing this and other declarations and documents, to any grantee of such Owner.

8.2 Members' Permittees. No Lot or Unit shall be occupied by any person other than the Owner(s) thereof or the applicable Members' Permittees and in no event other than as a residence.

ARTICLE IX

ENFORCEMENT

9.1 Compliance by Owners. Every Owner and Member's 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.

9.2 Enforcement. Failure of an Owner or his Member's Permittee 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.

9.3 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 Member's Permittees 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 Directors' 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:

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

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

(iii) 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 ($1,000.00) Dollars.

(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 in Section V.

(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

10.1 Preamble. In light of the benefits accruing to the Developer, Owners and the Association by virtue of the orderly and efficient development of The Properties not only by Developer 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.

10.2 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 shall be deemed to contain the number of Lots permitted to be located thereon by applicable land use ordinances or approvals) and (ii) Builder shall only be obligated for the payment of assessments on the Lots owned thereby for which improvements have been constructed thereon and received a certificate of occupancy, said assessment obligation to commence as to such improved Lot on the first day of the month following the issuance of the applicable certificate of occupancy.

10.3 Exemption from Architectural Control. For purposes of the exemption of Developer and its designees as set forth in Section 7.10 hereof, a Builder shall be deemed a designee of Developer and therefore exempt from architectural review/approval requirements if, but only if, the Builder is subject to deed or contractual restrictions imposed by the Developer 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 Developer'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.

10.4 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, including, without limitation, the construction and operation of a temporary sales office and/or model homes and the erection of signs. 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 Section 7.6 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

11.1 Damage or Destruction. 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 ($500,000.00) Dollars 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 ($500,000.00) Dollars 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 Member's Permittees. 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 in Article V for the collection of assessments.

ARTICLE XII

INSURANCE

12.1 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 regular assessment 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 One Hundred (100%) percent 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.

12.2 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.

12.3 Waiver of Subrogation. As to each policy of insurance maintained by the Association which will not be voided nor impaired thereby, the Association hereby waives and releases all claims against the Board, the Members, Developer 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.

12.4 Liability and Other Insurance. The Association shall have the power to and shall obtain comprehensive public liability insurance, including medical payments and malicious mischief, with coverage of at least One Million ($1,000,000.00) Dollars (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 it its discretion. The Board of Directors may also obtain such errors and omissions insurance, indemnity bonds and 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 be at least equal to the sum of three (3) months of regular assessments, plus all reserve funds.

12.5 "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 Developer or under coverage obtained by the Association as long as such coverage is in accordance with the amounts and other standards stated in this Article.

ARTICLE XIII

MORTGAGEE PROTECTION

13.1 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) Any holder, insurer or guarantor of a Mortgage on a Unit shall have the right to pay, singly or jointly, taxes or other charges that are delinquent and have resulted or may result in a lien against any portion of the Common Areas and receive immediate reimbursement from the Association.

(d) Any holder, insurer or guarantor of a Mortgage on a Unit shall have the right to pay, singly or jointly, any overdue premiums on any hazard insurance policy covering the Common Areas or obtain, singly or jointly, new hazard insurance coverage on the Common Areas upon the lapse of a policy, and, in either case, receive immediate reimbursement from the Association.

(e) Unless at least sixty-six and two thirds (66-2/3rds%) percent of first Mortgagees (based upon one (1) vote for each Mortgage owned), and the Members holding at least two thirds (2/3rds) of the votes entitled to be cast by them, have given their prior written approval, neither the Association nor the Owners shall:

(i) by act or omission, seek to sell or transfer the Common Areas and any improvements thereon which are owned by the Association, provided, however, that the granting of easements for utilities or for other such purposes consistent with the intended use of such property by the Association or the Developer 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);

(ii) 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;

(iii) 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;

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

(v) 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

14.1 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 the 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, however, to variance pursuant to Section 2.2 of this Declaration. However, nothing herein shall necessarily suggest that Developer 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.

14.2 Zero Lot Line, Drainage and 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 either four (4') feet or six (6') feet in width, depending on the Lot, contiguous to the interior property line and running the length of the improvements on the Dominant Lot abutting the Servient Lot for the following purposes:

(a) For maintenance, repair, replacement, irrigation and drainage;

(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) For entry upon, and for ingress and egress through the Servient Lot, with persons, materials and equipment, to the extent reasonable necessary in the performance of the maintenance, repair, replacement of the Unit or any improvements on the Dominant Lot.

(d) For overhanging troughs, roofs or gutters, downspouts 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 have the right to install a gated fence across the easement described above and the owner of the Dominant Lot shall have a right of access through such gate for the purposes of exercising the easement rights granted herein. The air conditioning compressor and the screen enclosure described below for the Servient Lot may also be located within the easement area. Except as set forth herein, an Owner of a Servient Lot shall do nothing on his Lot which interferes with or impairs the use of this easement.

14.3 Party Walls. Each wall and fence, if any, built as a 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. In addition to the other provisions of this Declaration applicable thereto, party walls shall also be governed by the terms and provisions of this Section 14.3.

(a) Each Owner shall own that portion of the party 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 a perpetual easement to maintain the encroachment. Easements are reserved in favor of all Lots over all other Lots and the Common Areas for overhangs or other encroachments resulting from original construction and reconstruction.

(b) 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. 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. 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, any Owner who, by his negligent or willful act, causes that part of the party wall not previously exposed to be exposed to the elements 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 or other transfer of title, the liability hereunder of the prior Owner shall cease.

(c) Where any one or more dwellings are constructed adjacent to their respective Lot lines, the Owner of the Lot to which it or they are adjacent shall have the right to attach a screen enclosure directly to the exterior wall of the dwellings constructed along such Owner's Lot line, if permitted by County Ordinances and Regulations. The Owner of the Lot with the screen enclosure shall be obligated to maintain the screen enclosure attachment to the walls, but the Owner(s) of the dwelling(s) to which the screen enclosure is attached shall remain responsible for the maintenance of their respective walls. Except as provided above, screen enclosures shall not be constructed within the zero-lot line maintenance easement described above.

(d) 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. 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.

ARTICLE XV

GENERAL PROVISIONS

15.1 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, Developer (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 seventy-five (75%) percent of all the Lots subject hereto and of one hundred (100%) percent 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.

15.2 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.

15.3 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.

15.4 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.

15.5 HUD/FHA/VA. If any mortgage encumbering any Lot is guaranteed or insured by the Department of Housing and Urban Development, Federal Housing Administration or by the Veterans Administration, then upon written demand to the Association by either such agency, the following action, if made by Developer or if made prior to the improvement of seventy-five (75%) percent of the total Lots which may be located within The Properties and the Future Development Property, must be approved by either such agency: (i) any annexation of property to The Properties other than that which is a part of the Future Development Property; (ii) any mortgage transfer (except for supplements hereto adding portions of the Future Development Property to The Properties encumbered hereby), or dedication of any Common Areas; (iii) any amendment to this Declaration (except for supplements hereto), the Articles or the By-Laws, if such amendment materially and adversely affects the Owners or materially and adversely affects the general scheme of development created by this Declaration; provided, however such approval shall specifically not be required where the amendment is made to add any portion of the Future Development Property, or to correct errors or omissions, or is required to comply with the requirements of any institutional lender, or is required by any governmental authority; or (iv) any merger, consolidation or dissolution of the Association. Such approval shall be deemed given if either agency fails to deliver written notice of its disapproval of any such action to Developer or to the Association within thirty (30) days after a request for such approval (which approval request must include a description of the thirty (30) day limitation) is delivered to the agency by certified mail, return receipt requested, or equivalent delivery, and such approval may be conclusively evidenced by a certificate of Developer or the Association that the approval was given or deemed given.

15.6 Effective Date. This Declaration shall become effective upon its recordation in the Dade County Public Records.

15.7 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.

15.8 Standards for Consent, Approval and Other Actions. Whenever this Declaration shall require the consent, approval, completion, substantial completion, or other action by the Developer 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 Developer 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 Developer or Association, as appropriate.

15.9 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 Owners designate hereby the Developer and the Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such Owner's 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.

15.10 Notices and Disclaimers. Developer, 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.

DEVELOPER, THE ASSOCIATION, OPERATORS AND THEIR FRANCHISEES, 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 ANY SUCH SECURITY SYSTEMS ACKNOWLEDGES THAT DEVELOPER, THE ASSOCIATION OR ANY SUCCESSOR, ASSIGN OR FRANCHISEE OF THE DEVELOPER OR ANY OF THE OTHER AFORESAID ENTITIES AND ANY OPERATOR, ARE NOT INSURERS OF THE OWNER OR OCCUPANTS OF THE PROPERTY OR 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 provided to perform any of its obligations with respect to security services and, therefore, every owner or occupant of property receiving security services agrees that Developer, 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 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, agent, or employees, the liability, if any, of Developer, 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 Developer, the Association or any franchisee, successor or designee of any of same or any Operator. Further, in no event will Developer, 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 and other services will occur from time to time, no person or entity described above shall in any manner be liable, and no user of any system shall be entitled to any refund,

rebate, discount or offset in applicable fees, for any interruption in services, regardless of whether or not same is caused by reasons within the control of the then-provider(s) of such service.

15.11 Construction Activities. All Owners, occupants and users of The Properties are hereby placed on notice that Developer and/or its agents, contractors, subcontractors, licensees and other designees will be, from time to time, conducting 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) Developer 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 Developer to sell, convey, lease and/or allow the use of the applicable portion of The Properties.

15.12 Notices and Disclaimers as to Water Bodies. Neither Developer, 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, water quality or water level of/in any lake, pond, canal, creek, stream or other water body within 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. All Owners and users of any portion of The Properties located adjacent to or having a view of any of the aforesaid water bodies shall be deemed, by virtue of their acceptance of the deed to or use of, such property, to have agreed to 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 the 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.

15.13 Covenants Running With The Land. Anything to the contrary herein notwithstanding and without limiting the generality (and subject to the limitations) of Section 15.1 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 Properties and with title to The Properties. Without limiting the generality of Section 15.4 hereof, if any provision or application of this Declaration would prevent this Declaration from running with The Properties 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 Properties; 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 Properties as aforesaid) be achieved.

ARTICLE XVI

AMENDMENTS TO DECLARATION

Except as expressly provided to the contrary, this Declaration may be amended only by the affirmative vote or written consent of the majority of the Class "A" Members (through their respective Voting Members) and the affirmative vote or written approval of the Class "B" Members (so long as the Class "B" Membership exists). However, so long as the Class "B" Membership exists, this Declaration may be amended by the Developer without the consent or approval of any Owner or Mortgagee. No amendment shall be permitted which changes the rights, privileges, and obligations of the Developer or any affiliate of the Developer without the prior written consent of whichever of them is affected. In addition, and without limiting the generality of the rights accorded the Class "B" Members in the preceding sentence, the Class "B" Members shall have an absolute right to make any amendments to this Declaration (without any other party's consent or joinder) that are requested or required by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National

Mortgage Association, Federal Housing Administration, Veterans Administration or any other governmental, quasi-governmental or government-chartered-entity which owns or expects to own one or more mortgages on Lots within The Property or to insure the payment of one or more such mortgages or that are requested or required by any institutional first Mortgagee to enhance the salability of its mortgages on Lots to one or more of the foregoing. Nothing contained herein shall affect the right of the Developer to make whatever amendments or supplemental declarations are otherwise expressly permitted hereby without the consent or approval of any Owner or Mortgagee.

ARTICLE XVII

COVENANTS AGAINST PARTITION AND SEPARATE TRANSFER OF MEMBERSHIP RIGHTS

Recognizing that the full use and enjoyment of any Lot is dependent upon the right to the use and enjoyment of the Common Areas and the improvements made thereto, and that it is in the interest of all of the Owners that the right to the use and enjoyment of the Common Areas be retained by the Owners of Lots, it is therefore declared that the right to the use and enjoyment of any Owner in the Common Areas shall remain undivided, and such Owners shall have no right at law or equity to seek partition or severance of such right to the use and enjoyment of the Common Areas. In addition, there shall exist no right to transfer the right to the use and enjoyment of the Common Areas in any manner other than as an appurtenance to and in the same transaction with, a transfer of title to a Lot. Any conveyance or transfer of a Lot shall include the right to use and enjoyment of the Common Areas appurtenant to such Lot subject to reasonable rules and regulations promulgated by the Association for such use and enjoyment, whether or not such rights shall have been described or referred to in the deed by which said Lot is conveyed.

ARTICLE XVIII

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"), the Association shall not 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, permittees, 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) The Association is not empowered, and has not been created, to act as an entity which enforces or insures the compliance with the Laws of the United States, State of Florida, Dade 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.

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 Developer, which shall be fully protected hereby.

EXECUTED as of the date first above written.

Witnessed by:

Patricia Alonso

Printed Name: PATRICIA ALONSO

Martha E. Paredes

Printed Name: MARTHA E. PAREDES

ADRIAN DEVELOPERS CORP.

BY: PEDRO J. ADRIAN, President

STATE OF FLORIDA)
) SS:
COUNTY OF DADE)

The foregoing instrument was acknowledged before me this 28 day of July, 1995 by Pedro J. Adrian, President of ADRIAN DEVELOPERS CORP., a Florida corporation, on behalf of the corporation. He is personally known to me and he did (did not) take an oath.

Patricia Alonso

Notary Public, State of Florida at Large
My Commission Expires: PATRICIA ALONSO ... Comm Exp. 4/02/99
Commission Number: ... CC351475

CONSENT AND SUBORDINATION

By its execution hereof, READY STATE BANK, a Florida banking corporation ("Lender"), having its principal place of business at Ready State Bank, 3700 West 12th Avenue, Hialeah, Florida 33012, hereby consents to this Declaration of Restrictions and Protective Covenants for PEARL LAKES, hereinafter, this "Declaration") and hereby subordinates the following mortgage loan documents ("Loan Documents") to this Declaration:

Mortgage in favor of Ready State Bank, a Florida banking corporation, recorded June 17, 1994 in Official Records Book 16405 at Page 1907, subsequently amended by Receipt of Future Advance Agreement, recorded September 7, 1994, in Official Records Book 16502, at Page 4914, and that certain Mortgage Modification and Spreading Agreement filed September 7, 1994, in Official Records Book 16502, at Page 4911, of the Public Records of Dade County, Florida.

Together with the following supporting documents:

(a) Collateral Assignment of Leases and Rentals filed June 17, 1994, recorded in Official Records Book 16405 at Page 1922 of the Public Records of Dade County, Florida.

(b) UCC-1 Financing Statement filed June 17, 1994, recorded in Official Records Book 16405 at Page 1925 of the Public Records of Dade County, Florida.

(c) UCC-3 Statement of Change filed September 7, 1994, in Official Records Book 16502, at Page 4920, of the Public Records of Dade County, Florida.

(d) Collateral Assignment of Leases and Rentals, filed September 7, 1994, in Official Records Book 16502, at Page 4917, of the Public Records of Dade County, Florida.

Except for the express and specific subordination of the Loan Documents to this Declaration and the consent thereto by Lender, the Loan Documents shall remain in full force and effect and be unchanged and nothing contained herein shall otherwise affect the validity, priority and enforceability of the Loan Documents.

IN WITNESS WHEREOF, the Lender has duly executed this Consent and Subordination on this 11th day of August, 1995.

Witnesses:

Printed Name: Maria E. Cremades

Printed Name: Maria A. Garcia

READY STATE BANK

BY: Hildelisa M. Cordovez, Vice-President

COUNTY OF DADE)
STATE OF FLORIDA)

The foregoing instrument was acknowledged before me this 11th day of Aug. 1995 by Hildelisa M. Cordovez, as Vice-President of READY STATE BANK, a Florida banking corporation, on behalf of the corporation. She is personally known to me or produced _____, as identification, and did (did not) take an oath.

Notary Public, State of Florida at Large

MARIA A. GARCIA
MY COMMISSION # CC 508025
EXPIRES: September 7, 1997
Bonded Thru Notary Public Underwriters

EXHIBIT "A"

LEGAL DESCRIPTION

Tracts 52, 61, 62 and 63 of MIAMI EVERGLADES LAND COMPANY'S SUBDIVISION, in Section 29, Township 54 South, Range 39 East thereof, as recorded in Plat Book 2, at Page 3, of the Public Records of Dade County, Florida.

K/N/A

P.A. at West Sunset according to the Plat thereof recorded in Plat Book 147 at Page 61 of the Public Records of Dade County Florida

EXHIBIT "B"

RULES AND REGULATIONS

FOR

PEARL LAKES

1. The Common Areas and facilities, if any, shall not be obstructed nor used for any purpose other than the purposes intended therefor. No carts, bicycles, carriages, chairs, tables or any other similar objects shall be stored thereon

2. The personal property of Owners must be stored in their respective Units or Lots or in outside storage areas (if any are provided by Developer or approved by the Architectural Control Board).

3. No garbage cans, supplies, milk bottles or other articles shall be placed on the exterior portions of any Unit or Lot and no linens, cloths, clothing, curtains, rugs, mops, or laundry of any kind, or other articles, shall be hung from or on the Unit, the Lot or any of the windows, doors, fences, balconies, patios or other portions of the Unit or Lot, except as provided in the Declaration with respect to refuse containers.

4. Employees of the Association are not to be sent out by Owners for personal errands. The Board of Directors shall be solely responsible for directing and supervising employees of the Association.

5. No motor vehicle which cannot operate on its own power shall remain on The Properties for more than twenty-four (24) hours, and no repair of such vehicles shall be made thereon. No portion of the Common Areas may be used for parking purposes, except those portions specifically designed and intended therefor. Areas designated for guest parking shall be used only for this purpose and neither Owners nor occupants of Units shall be permitted to use these areas. Vehicles which are in violation of these rules and regulations shall be subject to being towed by the Association as provided in the Declaration, subject to applicable laws and ordinances.

6. No owner shall make or permit any disturbing noises in the Unit or on the Lot by himself or his family, servants, employees, agents, visitors or licensees, nor permit any conduct by such persons that will interfere with the rights, comforts or conveniences of other Owners. No Owner shall play or permit to be played any musical instrument, nor operate or permit to be operated a phonograph, television, radio or sound amplifier or any other sound equipment in his Unit or on his Lot in such a manner as to disturb or annoy other residents (applying reasonable standards). No Owner shall conduct, nor permit to be conducted, vocal or instrumental instruction at any time which disturbs other residents.

7. No electronic equipment may be permitted in or on any Unit or Lot which interferes with the television or radio reception of another Unit.

8. No awning, canopy, shutter, enclosure or other projection shall be attached to or placed upon the outside walls or roof of the Unit or on the Lot, except as approved by the Architectural Control Board.

9. No Owner may alter in any way any portion of the Common Areas, including, but not limited to, landscaping, without obtaining the prior written consent of the Architectural Control Board.

10. No flammable, combustible or explosive fluids, chemicals or substances shall be kept in any Unit, on a Lot or on the Common Areas, except as to gas cylinders permitted under the Declaration.

11. An Owner who plans to be absent during the hurricane season must prepare his Unit and Lot prior to his departure by designating a responsible firm or individual to care for his Unit and Lot should the Unit suffer hurricane damage, and furnishing the Association with the name(s) of such firm or individual. Such firm or individual shall be subject to the approval of the Association.

12. An Owner shall not cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, balconies or windows of his Unit without the prior written approval of the Architectural Control Board.

13. All persons using any pool on the Common Areas shall do so at their own risk. All children under twelve (12) years of age must be accompanied by a responsible adult. Bathers are required to wear footwear and cover over their bathing suits in any enclosed recreation facilities (if any). Bathers with shoulder-length hair must wear bathing caps while in the pool, and glassware and other breakable objects may not be utilized in the pool or on the pool deck, if any. Pets are not permitted in the pool or pool area (if any) under any circumstances.

14. Children will be the direct responsibility of their parents or legal guardians, including full supervision of them while within The Properties and including full compliance by them with these Rules and Regulations and all other rules and regulations of the Association. Loud noises will not be tolerated. All children under twelve (12) years of age must be accompanied by a responsible adult when entering and/or utilizing recreational facilities (if any).

15. Pets and other animals shall neither be kept nor maintained in or about The Properties except in accordance with the Declaration and with the following:

> No pet shall be permitted outside of its Owner's Unit unless attended by an adult or child of more than ten (10) years of age and on a leash of reasonable length. Said pets shall only be walked or taken upon those portions of the Common Areas designated by the Association from time to time for such purposes. In no event shall said pets ever be allowed to be walked or taken on or about any recreational facilities (if any) contained within the Common Areas.

16. No hunting or use of firearms shall be permitted anywhere in The Properties.

17. Every Owner and occupant shall comply with these rules and regulations as set forth herein, any and all rules and regulations which from time to time may be adopted, and the provisions of the Declaration, By-Laws, and Articles of Incorporation of the Association, as amended from time to time. Failure of an Owner or occupant to so comply shall be grounds for 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 voting rights and use of recreation facilities, if any, in the event of failure to so comply. In addition to all other remedies, 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, his tenants, family, guests, invitees or employees, to comply with any covenant, restriction, rule or regulation herein or in the Declaration, or Articles of Incorporation or By-Laws, as provided in the Declaration.

18. These rules and regulations shall not apply to the Developer, nor its affiliates, agents, or employees and contractors (except in such contractors' capacity as Owners), nor property while owned by either the Developer or its affiliates. All of these rules and regulations shall apply, however, to all other Owners and occupants even if not specifically so stated in portions hereof. The Board of Directors shall be permitted (but not required) to grant relief to one or more Owners from specific rules and regulations upon written request therefor and good cause shown in the sole opinion of the Board.

OFF. REC. 17101 PG 1358

96R069216 1996 FEB 20 07:59

THIS DOCUMENT PREPARED BY:
Marcia B. Caballero, Esq.
2450 Southwest 137th Avenue
Suite 221
Miami, Florida 33175
(305) 553-8020

SUPPLEMENTAL DECLARATION AMENDING DECLARATION OF RESTRICTIONS AND PROTECTIVE COVENANTS FOR PEARL LAKES

THIS SUPPLEMENTAL DECLARATION is made as of the 20th day of December, 1995 by **ADRIAN DEVELOPERS CORP.**, a Florida corporation, hereinafter referred to as the "Developer", which amends the Declaration of Restrictions and Protective Covenants for PEARL LAKES, hereinafter referred to as the "Declaration":

WITNESSETH:

WHEREAS, Developer is desirous of amending the Declaration,

NOW THEREFORE:

1). Article I, Paragraph 1.1, Sub-Paragraph (i) is hereby deleted and substituted as follows:

(i) "**Neighborhood**" shall mean and refer to a portion of The Properties designated as such herein or in a Supplemental Declaration (as hereinafter defined), the purpose of such designation being to address such portion as such for voting, assessment, regulation and other purposes as provided herein or in the Association's By-Laws or rules and regulations. The following are the designations of Neighborhoods for **PEARL LAKES.** The townhomes are to be known as **SAILPOINTE.** The zero lot homes are to be known as **CHELSEA PARC.** The single family residences are to be known as **CHELSEA ESTATES.**

2). In Article II, Paragraph 2.2, the following sentence is added to said Paragraph:

Annexation of additional properties requires HUD/VA prior approval as long as there is a Class "B" Membership.

3). Pursuant to Article II, Paragraph 2.2 of the Declaration of Restrictions, the Developer hereby desires to add the following described property to The Properties which are subject to the Declaration:

> Tracts 35, 46, 47, 50 and 51, less the East 1/2 of the South 2/5 of Tract 50, MIAMI EVERGLADES LAND COMPANY SUBDIVISION, according to the Plat thereof, as recorded in Plat Book 2, at Page 3, in Section 29, Township 54 South, Range 39 East of the Public Records of Dade County, Florida.

It is the intent of the Developer to increase the land constituting The Properties by adding the above-described property to those lands which are already subjected to the Declaration.

4). Article III, Paragraph 3.2 is hereby amended as follows:

The Paragraph describing the Class "B" Membership in the Declaration is hereby deleted in its entirety and is substituted as follows:

> Class "B". The Class "B" Member shall be the Developer. 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 on behalf of the Class "A" Members. The Class "B" Membership (Developer's weighted vote) ceases and converts to Class "A" Membership upon the earlier of the following:
>
> A. Seventy-Five (75%) Percent of the Units are deeded to homeowners, or

19SD

B. On December 31, 1996 if Seventy-Five (75%) Percent of the Units have been sold to the Homeowners at said time.

5). Article IV, Paragraph 4.6, is hereby amended in that the first Paragraph is hereby deleted in its entirety and is substituted as follows:

4.6 Ownership. The Common Areas are hereby dedicated non-exclusively to the joint and several use, in common, of Developer and the Owners of all Lots that may from time to time constitute part of The Properties and all Member's Permitees and Developer's tenants, guests and invitees, all as provided and regulated herein or otherwise by the Association, subject to 2.3 hereof. The Common Areas shall be conveyed to the Association free and clear of all encumbrances before HUD insures the first mortgage within The Properties, by way of Quit-Claim Deed to the Association, which shall be deemed to have automatically accepted such conveyance. 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), all of which shall be performed in a continuous and satisfactory manner without cost to the general taxpayers of Dade County. It is intended that any and all real estate taxes and assessments assessed against the Common Areas shall be (or have been, because the purchase price of the Lots and Units have already taken into account their proportionate shares of the values of the Common Area), proportionally assessed against and payable as part of the taxes of the applicable Lots within The Properties. However, in the event that, notwithstanding the foregoing, any such taxes are assessed directly against the Common Areas, the Association shall be responsible for the payment (subject to protest or appeal before or after payment) of same, including taxes or any improvements and any personal property located thereon, which taxes accrue from and after the date these covenants are recorded, and such taxes shall be prorated between Developer and the Association as of the date of such recordation.

Developer 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 or facilities on the Common Areas or elsewhere on The Properties that Developer and its affiliates or designees 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, Developer 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 Developer 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, Developer 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.

6). Article IV is further amended by adding the following two Paragraphs:

4.7 If ingress or egress to any residence is through the Common Area, any conveyance or encumbrance of such area is subject to the Lot Owner's easement.

4.8 The Common Area cannot be mortgaged nor conveyed without the consent of at least two-thirds (2/3) of the Lot Owners.

7). Section V, Paragraph 5.8 is hereby amended by adding the following sentence to the end of the first Paragraph:

Failure to pay assessments does not constitute a default under an insured mortgage.

8). Section V, Paragraph 5.9 is hereby amended by adding the following sentence to the end of the Paragraph:

Mortgagees are not required to collect assessments

9). Section IX, Paragraph 9.2 is hereby amended by adding the following sentence to the end of the Paragraph:

Each Lot Owner is empowered to enforce the covenants

10). Section XI, is amended by including the following sentence as Sub-Paragraph (e):

(e) Absolute liability is not imposed on Lot Owners for damage to Common Area or Lots in the Planned Unit Development.

11). Section XVI is corrected by deleting the first sentence of the Paragraph and substituting it with the following sentence:

Except as expressly provided to the contrary, this Declaration may be amended by the Affirmative Vote or written consent of at least two-thirds (2/3) of the Lot Owners (through the respective voting members and the Affirmative Vote or written approval of the Class "B" Members so long as the Class "B" Membership exists.

IN WITNESS WHEREOF, ADRIAN DEVELOPERS CORP. has caused this instrument to be executed this 20th day of December, 1995.

Witnesses:

REGINA DURANZA

SUZANNE M. RAYAL

ADRIAN DEVELOPERS CORP.

BY:
PEDRO J. ADRIAN, President

STATE OF FLORIDA)
) SS:
COUNTY OF DADE)

The foregoing instrument was acknowledged before me this 20th day of December, 1995 by Pedro J. Adrian, as President of ADRIAN DEVELOPERS CORP., a Florida corporation, on behalf of the corporation. He is personally known to me and he did (did not) take an oath.

Notary Public, State of Florida at Large
My Commission Expires:
Commission Number:

REGINA DURANZA
MY COMMISSION # CC 261963
EXPIRES: March 17, 1997
Bonded Thru Notary Public Underwriters

REC. 17101PG1361

RECORDED IN OFFICIAL RECORDS BOOK OF DADE COUNTY, FLORIDA. RECORD VERIFIED
HARVEY RUVIN
CLERK CIRCUIT COURT

CONSENT AND SUBORDINATION

By its execution hereof, READY STATE BANK, a Florida banking corporation ("Lender"), having its principal place of business at Ready State Bank, 3700 West 12th Avenue, Hialeah, Florida 33012, hereby consents to this Supplemental Declaration Amending Declaration of Restrictions and Protective Covenants for PEARL LAKES, hereinafter, this "Declaration") and hereby subordinates the following mortgage loan documents ("Loan Documents") to this Declaration:

Mortgage in favor of Ready State Bank, a Florida banking corporation, recorded June 17, 1994 in Official Records Book 16405 at Page 1907, subsequently amended by Receipt of Future Advance Agreement, recorded September 7, 1994, in Official Records Book 16502, at Page 4914, and that certain Mortgage Modification and Spreading Agreement filed September 7, 1994, in Official Records Book 16502, at Page 4911, of the Public Records of Dade County, Florida.

Together with the following supporting documents:

(a) Collateral Assignment of Leases and Rentals filed June 17, 1994, recorded in Official Records Book 16405 at Page 1922 of the Public Records of Dade County, Florida.

(b) UCC-1 Financing Statement filed June 17, 1994, recorded in Official Records Book 16405 at Page 1925 of the Public Records of Dade County, Florida.

(c) UCC-3 Statement of Change filed September 7, 1994, in Official Records Book 16502, at Page 4920, of the Public Records of Dade County, Florida.

(d) Collateral Assignment of Leases and Rentals, filed September 7, 1994, in Official Records Book 16502, at Page 4917, of the Public Records of Dade County, Florida.

Except for the express and specific subordination of the Loan Documents to this Declaration and the consent thereto by Lender, the Loan Documents shall remain in full force and effect and be unchanged and nothing contained herein shall otherwise affect the validity, priority and enforceability of the Loan Documents.

IN WITNESS WHEREOF, the Lender has duly executed this Consent and Subordination on this 4th day of January, 1996.

Witnesses:

Printed Name: Iveth Zambrano

Printed Name: Glennys Perez

READY STATE BANK

BY: Hildelisa M. Cordovez

HILDELISA M. CORDOVEZ, Vice President

COUNTY OF DADE)
STATE OF FLORIDA)

The foregoing instrument was acknowledged before me this 4th day of January, 1996, by Hildelisa M. Cordovez, as Vice President of READY STATE BANK, a Florida banking corporation, on behalf of the corporation. She is personally known to me or produced _____, as identification, and did (did not) take an oath.

OFFICIAL NOTARY SEAL
YLINA GONZALEZ
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC515096
MY COMMISSION EXP. DEC. 5,1999

Notary Public, State of Florida at Large
My Commission expires:
Commission Number:

OFF. REC. 17171 PG 2023

OFF. REC. 17101 PG 1358

96R166022 1996 APR 19 08:13
96R062216 1996 FEB 20 07:57

THIS SUPPLEMENTAL DECLARATION IS BEING RE-RECORDED TO ATTACH THE RECORDING INFORMATION FOR THE DECLARATION OF RESTRICTIONS AND PROTECTIVE COVENANTS FOR PEARL LAKES, WHICH WAS INADVERTENTLY OMITTED. SEE EXHIBIT "A" ATTACHED HERETO.

THIS DOCUMENT PREPARED BY:
Marcia B. Caballero, Esq.
2450 Southwest 137th Avenue
Suite 221
Miami, Florida 33175
(305) 553-8020

SUPPLEMENTAL DECLARATION AMENDING DECLARATION OF RESTRICTIONS AND PROTECTIVE COVENANTS FOR PEARL LAKES

THIS SUPPLEMENTAL DECLARATION is made as of the 20th day of December, 1995 by **ADRIAN DEVELOPERS CORP.**, a Florida corporation, hereinafter referred to as the "Developer", which amends the Declaration of Restrictions and Protective Covenants for PEARL LAKES, hereinafter referred to as the "Declaration":

WITNESSETH:

WHEREAS, Developer is desirous of amending the Declaration,

NOW THEREFORE:

1). Article I, Paragraph 1.1, Sub-Paragraph (i) is hereby deleted and substituted as follows:

(i) **"Neighborhood"** shall mean and refer to a portion of The Properties designated as such herein or in a Supplemental Declaration (as hereinafter defined), the purpose of such designation being to address such portion as such for voting, assessment, regulation and other purposes as provided herein or in the Association's By-Laws or rules and regulations. The following are the designations of Neighborhoods for **PEARL LAKES.** The townhomes are to be known as **SAILPOINTE.** The zero lot homes are to be known as **CHELSEA PARC.** The single family residences are to be known as **CHELSEA ESTATES.**

2). In Article II, Paragraph 2.2, the following sentence is added to said Paragraph:

Annexation of additional properties requires HUD/VA prior approval as long as there is a Class "B" Membership.

3). Pursuant to Article II, Paragraph 2.2 of the Declaration of Restrictions, the Developer hereby desires to add the following described property to The Properties which are subject to the Declaration:

Tracts 35, 46, 47, 50 and 51, less the East 1/2 of the South 2/5 of Tract 50, MIAMI EVERGLADES LAND COMPANY SUBDIVISION, according to the Plat thereof, as recorded in Plat Book 2, at Page 3, in Section 29, Township 54 South, Range 39 East of the Public Records of Dade County, Florida.

It is the intent of the Developer to increase the land constituting The Properties by adding the above-described property to those lands which are already subjected to the Declaration.

4). Article III, Paragraph 3.2 is hereby amended as follows:

The Paragraph describing the Class "B" Membership in the Declaration is hereby deleted in its entirety and is substituted as follows:

Class "B". The Class "B" Member shall be the Developer. 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 on behalf of the Class "A" Members. The Class "B" Membership (Developer's weighted vote) ceases and converts to Class "A" Membership upon the earlier of the following:

A. Seventy-Five (75%) Percent of the Units are deeded to homeowners, or

2400
1950

B. On December 31, 1996 if Seventy-Five (75%) Percent of the Units have been sold to the Homeowners at said time.

5). Article IV, Paragraph 4.6, is hereby amended in that the first Paragraph is hereby deleted in its entirety and is substituted as follows:

4.6 Ownership. The Common Areas are hereby dedicated non-exclusively to the joint and several use, in common, of Developer and the Owners of all Lots that may from time to time constitute part of The Properties and all Member's Permitees and Developer's tenants, guests and invitees, all as provided and regulated herein or otherwise by the Association, subject to 2.3 hereof. The Common Areas shall be conveyed to the Association free and clear of all encumbrances before HUD insures the first mortgage within The Properties, by way of Quit-Claim Deed to the Association, which shall be deemed to have automatically accepted such conveyance. 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), all of which shall be performed in a continuous and satisfactory manner without cost to the general taxpayers of Dade County. It is intended that any and all real estate taxes and assessments assessed against the Common Areas shall be (or have been, because the purchase price of the Lots and Units have already taken into account their proportionate shares of the values of the Common Area), proportionally assessed against and payable as part of the taxes of the applicable Lots within The Properties. However, in the event that, notwithstanding the foregoing, any such taxes are assessed directly against the Common Areas, the Association shall be responsible for the payment (subject to protest or appeal before or after payment) of same, including taxes or any improvements and any personal property located thereon, which taxes accrue from and after the date these covenants are recorded, and such taxes shall be prorated between Developer and the Association as of the date of such recordation.

Developer 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 or facilities on the Common Areas or elsewhere on The Properties that Developer and its affiliates or designees 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, Developer 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 Developer 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, Developer 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.

6). Article IV is further amended by adding the following two Paragraphs:

4.7 If ingress or egress to any residence is through the Common Area, any conveyance or encumbrance of such area is subject to the Lot Owner's easement.

4.8 The Common Area cannot be mortgaged nor conveyed without the consent of at least two-thirds (2/3) of the Lot Owners.

7). Section V, Paragraph 5.8 is hereby amended by adding the following sentence to the end of the first Paragraph:

Failure to pay assessments does not constitute a default under an insured mortgage.

8). Section V, Paragraph 5.9 is hereby amended by adding the following sentence to the end of the Paragraph:

Mortgagees are not required to collect assessments.

9). Section IX, Paragraph 9.2 is hereby amended by adding the following sentence to the end of the Paragraph:

Each Lot Owner is empowered to enforce the covenants.

10). Section XI, is amended by including the following sentence as Sub-Paragraph (e):

(e) Absolute liability is not imposed on Lot Owners for damage to Common Area or Lots in the Planned Unit Development.

11). Section XVI is corrected by deleting the first sentence of the Paragraph and substituting it with the following sentence:

Except as expressly provided to the contrary, this Declaration may be amended by the Affirmative Vote or written consent of at least two-thirds (2/3) of the Lot Owners (through the respective voting members and the Affirmative Vote or written approval of the Class "B" Members so long as the Class "B" Membership exists.

IN WITNESS WHEREOF, ADRIAN DEVELOPERS CORP. has caused this instrument to be executed this 20th day of December, 1995.

Witnesses:

REGINA DURANZA

SUZANNE M. ROYAL

ADRIAN DEVELOPERS CORP.

BY:
PEDRO J. ADRIAN, President

STATE OF FLORIDA)
) SS:
COUNTY OF DADE)

The foregoing instrument was acknowledged before me this 20th day of December, 1995 by Pedro J. Adrian, as President of ADRIAN DEVELOPERS CORP., a Florida corporation, on behalf of the corporation. He is personally known to me and he did (did not) take an oath.

Notary Public, State of Florida at Large
My Commission Expires:
Commission Number:

REGINA DURANZA
MY COMMISSION # CC 361968
EXPIRES: March 17, 1997
Bonded Thru Notary Public Underwriters

OFF. REC. 17171PG2026 REC. 17101PG1361

RECORDED IN OFFICIAL RECORDS BOOK OF DADE COUNTY, FLORIDA. RECORD VERIFIED HARVEY RUVIN CLERK CIRCUIT COURT

CONSENT AND SUBORDINATION

By its execution hereof, READY STATE BANK, a Florida banking corporation ("Lender"), having its principal place of business at Ready State Bank, 3700 West 12th Avenue, Hialeah, Florida 33012, hereby consents to this Supplemental Declaration Amending Declaration of Restrictions and Protective Covenants for PEARL LAKES, hereinafter, this "Declaration") and hereby subordinates the following mortgage loan documents ("Loan Documents") to this Declaration:

Mortgage in favor of Ready State Bank, a Florida banking corporation, recorded June 17, 1994 in Official Records Book 16405 at Page 1907, subsequently amended by Receipt of Future Advance Agreement, recorded September 7, 1994, in Official Records Book 16502, at Page 4914, and that certain Mortgage Modification and Spreading Agreement filed September 7, 1994, in Official Records Book 16502, at Page 4911, of the Public Records of Dade County, Florida.

Together with the following supporting documents:

(a) Collateral Assignment of Leases and Rentals filed June 17, 1994, recorded in Official Records Book 16405 at Page 1922 of the Public Records of Dade County, Florida.

(b) UCC-1 Financing Statement filed June 17, 1994, recorded in Official Records Book 16405 at Page 1925 of the Public Records of Dade County, Florida.

(c) UCC-3 Statement of Change filed September 7, 1994, in Official Records Book 16502, at Page 4920, of the Public Records of Dade County, Florida.

(d) Collateral Assignment of Leases and Rentals, filed September 7, 1994, in Official Records Book 16502, at Page 4917, of the Public Records of Dade County, Florida.

Except for the express and specific subordination of the Loan Documents to this Declaration and the consent thereto by Lender, the Loan Documents shall remain in full force and effect and be unchanged and nothing contained herein shall otherwise affect the validity, priority and enforceability of the Loan Documents.

IN WITNESS WHEREOF, the Lender has duly executed this Consent and Subordination on this 4th day of January, 1996.

Witnesses:

Printed Name: LUETTE ZAMBRANO

Printed Name: Alexys Perez

READY STATE BANK

BY: Hildelisa M. Cordovez

HILDELISA M. CORDOVEZ, Vice President

COUNTY OF DADE)
STATE OF FLORIDA)

The foregoing instrument was acknowledged before me this 4th day of January, 1996, by Hildelisa M. Cordovez, as Vice President of READY STATE BANK, a Florida banking corporation, on behalf of the corporation. She is personally known to me or produced _____ as identification, and did (did not) take an oath.

OFFICIAL NOTARY SEAL
YLINA GONZALEZ
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC515090
MY COMMISSION EXP. DEC. 5,1999

Notary Public, State of Florida at Large
My Commission expires:
Commission Number:

OFF. REC. 17171PG2027

EXHIBIT "A"

That certain Declaration of Restrictions and Protective Covenants for PEARL LAKES, recorded October 12, 1995 in Official Records Book 16950 at Page 1142, under Clerk's File Number 95R-417285, of the Public Records of Dade County, Florida.