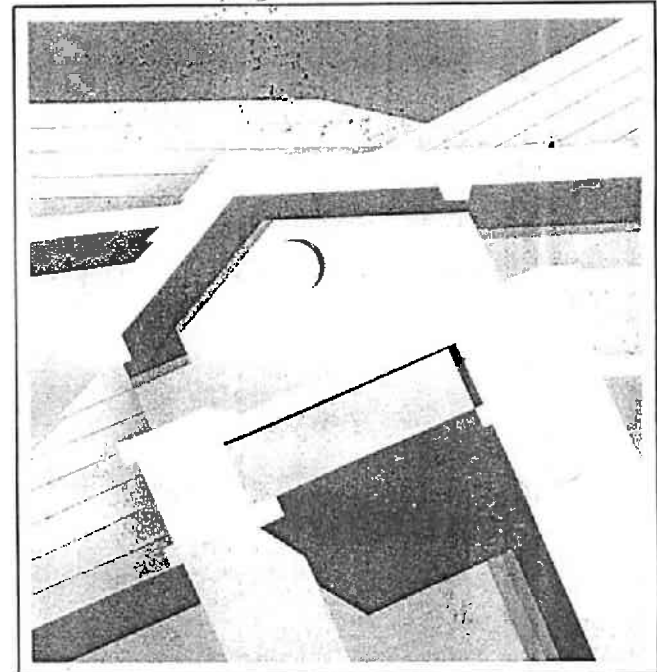


THE CAPE



DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

CORAL BAY

CORAL BAY

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR

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THE CAPE AT CORAL BAY

THIS DECLARATION, made by FN PROJECTS, INC., a California corporation, formerly known as 1ST NATIONWIDE NETWORK MORTGAGE COMPANY, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the sole owner of all of that certain real property, located in Broward County, Florida, as more particularly described in Exhibit A, annexed hereto ("the Village"); and

WHEREAS, in order to develop the Village and preserve and enhance the values and amenities of the Village and the architectural integrity and standard of the Village, it is necessary to declare and subject the Village to certain land use covenants, restrictions, reservations, regulations, burdens and liens and to delegate and to assign to a homeowners' association certain powers and duties of ownership, administration, operation and enforcement.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, Declarant hereby declares that the Village shall be owned, held, used, transferred, sold, conveyed, demised and occupied subject to the covenants, restrictions, reservations, regulations, burdens and liens hereinafter set forth and that the provisions of this Declaration shall be covenants running with the lands which comprise the Village and shall be binding on all parties having any right, title or interest in the Village or in any portion thereof, their heirs, personal representatives, successors and assigns and shall inure to each portion of the Village.

ARTICLE 1
ESTABLISHMENT OF VILLAGE

1.1 Authorization for Establishment. The Village is being established by Declarant pursuant to Article 4 of that certain Declaration of Covenants, Conditions and Restrictions for Coral Bay (together with any amendments thereto existing as of the date hereof), as originally recorded under Clerk's File Number 90-085339 of the Public Records of Broward County, Florida ("the Master Declaration").

1.2 Supremacy of the Master Declaration. The provisions of this Declaration and the rights and obligations granted herein or pursuant hereto are expressly subject to and subordinate to the provisions of the Master Declaration.

1.3 Obligations of the Village and Village Association. It is the intention of the Master Declaration that each Village Association established pursuant thereto, including but not limited to this Village Association, shall be a discrete and autonomous organization subject, however, to the provisions of the Master Declaration in general and Section 1.2 hereof in particular. Anything herein to the contrary notwithstanding, there shall remain vested in the Owners, Declarant, the CDD and all the Village Associations the right, jointly and/or severally, to take whatever steps they deem appropriate to insure that this Village Association and all other Village Associations shall comply with any,

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every and all of their obligations hereunder and under the Master Declaration in a full, faithful and timely manner. By way of example, but not of limitation, in the event that, for whatever reason, the Village Association shall fail to enforce rules regarding uniformity of exterior colors against Owners in its particular Village, Declarant, the CDD, the other Village Associations and the Owners shall have the right to enforce such rules on behalf of the Village Association, and shall have all of the rights against the Village Association as set forth in the Master Declaration.

1.4 Cooperation with the CDD and Other Village Associations. Nothing contained herein shall be deemed to preclude the Village Association from cooperating with the CDD, Declarant or other Village Associations if such cooperation would, in the Board's opinion, be in the best interests of this Village.

ARTICLE 2 DEFINITIONS

Interpretation and Flexibility. The defined terms set forth below shall apply unless the context shall require a contrary interpretation. In the event of any ambiguity or question as to whether any person, entity, property or improvement shall fall within any of the definitions contained in this Article, Declarant's determination (as evidenced by a recorded Supplemental Declaration) shall be binding and conclusive.

A. "Articles of Incorporation" means the Articles of Incorporation of the Village Association.

B. "Board" or "Board of Directors" means the board of directors of the Village Association.

C. "Builder" means a purchaser/owner of Land from Declarant engaged in the construction and sale of Units thereon.

D. "By-Laws" means the By-Laws of the Village Association.

E. "CDD" means the Community Development District (or special taxing district) established by Declarant for lands subject to the Master Declaration, including the Village, pursuant to Chapter 190 of the Florida Statutes, or an existing special taxing district of which the Village shall become a part.

F. "Commercial Building" means a structure containing one or more Commercial Units.

G. "Commercial Land" means any portion of the Village now or hereafter zoned for commercial use or shown as being intended for such use on an applicable plat or site plan.

H. "Commercial Unit" means a portion of the Village subject to exclusive ownership and used or to be used as a physically separate retail, service, office or other non-residential purpose.

I. "Committee" means the Architectural Control Committee of the Village Association.

J. "County" means Broward County, Florida and its duly authorized agencies and authorities, as applicable.

K. "Declaration" means this Declaration of Covenants, Conditions and Restrictions for the Village being established pursuant to this Declaration, including all Exhibits annexed hereto, as well as Supplemental Declarations.

L. "Declarant" means: (a) FN Projects, Inc., a California corporation, formerly known as 1st Nationwide Network Mortgage Company, its successors and those to which Declarant's rights hereunder shall be assigned specifically; and (b) for purposes of taking actions on Declarant's behalf under this Declaration, Declarant's duly appointed agent(s). Declarant shall have the right to assign all or a portion of its rights hereunder in connection with all or a portion of the Village. In the event of any partial assignment, the assignee shall not be deemed "a Declarant," but shall have all such rights as specifically assigned to it. As used with regard to Declarant, "successors and/or assigns" specifically does not include transferees of individual Units.

M. "Improvement" means any structure or artificially and intentionally created condition, together with all appurtenances thereto, of every type and kind located within the Village, including, without limitation, buildings, outbuildings, walkways, sprinkler pipes, roads, sidewalks, alleys, street lights, driveways, parking areas, recreation facilities, bodies of water, fences, screening walls, retaining walls, stairs, decks, landscaping, windbreaks, planted trees and shrubs, conduits for telephone lines, storm drainage, cable television lines and site lighting poles, signs and shared equipment and/or utility-type services such as water, sewer and electrical systems, and other commonly shared equipment and/or utility-type services, if any.

N. "Institutional Lender" means any bank, insurance company, FHA approved mortgage lending institution, recognized pension fund investing in mortgages or federal or state savings and loan association which has a mortgage lien upon any Residential Unit or which has acquired and holds title to such Unit either as a result of its foreclosure of any such mortgage lien or by its receipt of a deed in lieu of foreclosure.

O. "Lake" means that certain body of water presently having a surface area of approximately sixty-nine (69) acres, at least a portion of which is located within the Community, as more particularly shown in the Plats. The Lake is a part of "the Common Properties" as defined in the Master Declaration.

P. "Land" means any Commercial Land and/or Residential Land.

Q. "Member" means a member of the Village Association.

R. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Land or Unit.

S. "Park" means that certain parcel of land comprised of approximately one (1) acre, all of which is located within Coral Bay Parcel H, according to the Plat thereof, as recorded in Plat Book 140 at Page 10 of the Public Records of Broward County, Florida, as more particularly shown in Exhibit B annexed hereto. The Park is a part of "the Common Properties" as defined in the Master Declaration.

T. "Plat" means the plat of any portion of the Village, as may, from time to time, be recorded in the Public Records of Broward County, Florida.

U. "Permitted Unit" means a Unit planned to be built within the Village, but not yet constructed or not yet issued a certificate of occupancy. The number of Permitted Units within this Village shall be:

- (1) the total number of Units permitted to be built within this Village as determined by site plan or land use plan approved by the applicable governmental authority, recorded plat, or Declarant's estimate of the number of Units permissible within this Village; less
- (2) the total number of Units actually existing at such time within this Village.

V. "Residential Land" means any portion of the Village zoned or shown on an applicable plat or site plan as being intended for residential use.

W. "Residential Unit" means a part of the Village subject to exclusive ownership and used or to be used for single-family residential purposes, including, without limitation, each single-family dwelling, detached or attached, villa, patio home, condominium or other form of dwelling, whether planned, constructed or occupied.

X. "Supplemental Declaration" means an amendment to this Declaration as may be recorded from time to time in the Public Records of Broward County, Florida.

Y. "Unit" means any Commercial Unit or Residential Unit in this Village.

Z. "Village" means all of the Land, including Units and Common Properties, located within the real property described in Exhibit A attached hereto, and any and all additions to or withdrawals from the real property described in Exhibit A, as may hereafter be made subject to the provisions of this Declaration.

AA. "Village Association" means Mallory Harbor at Coral Bay Village Association, Inc., a Florida corporation not for profit, its successors and assigns.

AB. "Village Expenses" means all costs and expenses properly incurred by the Village Association.

ARTICLE 3 PROPERTY SUBJECT TO THIS DECLARATION

3.1 Existing Property. The parcel of real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Broward County, Florida, as more particularly described in Exhibit A annexed hereto.

3.2 Supplements. Declarant may, from time to time, submit other parcel(s) of real property to the provisions of this Declaration by recorded Supplemental Declaration(s), none of which shall require the consent of any then existing Owner or of the CDD. Nothing herein shall obligate Declarant to add to the Village property other than as set forth in Exhibit A; nor shall anything herein prohibit Declarant from causing some or all of such property to be rezoned and/or from changing development plans with respect to such property. Each Owner by acceptance of the deed to his Land or Unit, automatically consents to any such rezoning, change, addition or deletion sought or made by Declarant after acceptance and, if requested by Declarant, shall execute, acknowledge and deliver such documents or joinders as Declarant, in its sole discretion, shall deem necessary.

3.3 Withdrawal. Declarant reserves the right, unilaterally, at any time and from time to time, to amend this Declaration without prior notice to and without the consent of any person or entity, for the purpose of removing any portion of the Village then owned by Declarant from the provisions of this Declaration, but only to the extent that such portion(s) shall have been included originally in error or as a result of any change whatsoever in the plans for the Village made by Declarant; provided, however, that such withdrawal shall not be unequivocally contrary to the overall uniform scheme of development for the then remaining portions of the Village. Any withdrawal of land not then owned by Declarant shall not be effective without the joinder of the then owner(s) of such land.

ARTICLE 4 EASEMENTS AND OTHER PROPERTY RIGHTS

4.1 Easements in General. If any grant of any easement in this Declaration would otherwise fail by virtue of the nonexistence of the grantee thereof as of the date of this Declaration, then the Village Association or the CDD, as the case may be, automatically shall be deemed to be the attorney-in-fact for such grantee to hold the interest created by such grant of easement until such grantee shall come into existence, at which time the interest created by such grant of easement automatically shall become vested in such grantee.

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4.2 Easements for Access. Declarant hereby reserves for itself, the Village Association, the CDD and their respective successors and assigns, perpetual non-exclusive easements of ingress and egress over and across any and all roads and accessways to and from any public roadway(s) constructed from time to time within the Village, which easements shall be for the use of Declarant, the Village Association, the CDD, Owners and their respective lessees, employees, agents, invitees, licensees and all of their respective successors and assigns.

4.3 Easements for Maintenance. Easements are hereby reserved in favor of the Village Association and the CDD under, upon, across, through and over all portions of the Village for the purpose, as deemed necessary by the Village Association, or by the CDD, as the case may be, for preserving and maintaining the Land, the Units and carrying out its responsibilities under this Declaration; provided, however, that all such activity shall be undertaken in a manner so as to minimize interference with any Owner's use of his property.

4.4 Easements for Zero Lot Line Maintenance. When any Land ("the Servient Estate") shall abut a zero lot line lot ("the Dominant Estate") upon which a dwelling has been or is permitted to be constructed contiguous to the interior property line between the Dominant Estate and the Servient Estate, then the Owner of the Dominant Estate shall have an easement over the Servient Estate, which easement shall be four (4) feet wide contiguous to the interior property line running from the front to the rear property line of the Servient Estate for the following purposes:

A. For painting, repairing and otherwise maintaining each wall of the Residential Unit in such Dominant Estate abutting the aforesaid property line.

B. For support in and to all structural members, footings and foundations of any Improvements on the Dominant Estate; provided, however, that nothing herein shall be construed as requiring the Owner of the Servient Estate to erect (or permit erection of) columns, load bearing walls or other structures on the Servient Estate for support of the Improvements on the Dominant Estate.

C. For entry upon and ingress and egress through the Servient Estate with persons, materials and equipment to the extent reasonably necessary in the performance of maintenance, repair, replacement of any of the Improvements on the Dominant Estate.

D. For overhanging troughs, gutters and downspouts and the discharge therefrom of rainwater and subsequent flow thereof over the easement area.

4.5 Easements for Encroachments. If, for any reason not caused by the purposeful or negligent act of Declarant, or of an Owner or the respective agent(s) of either, any encroachment shall hereafter occur as a result of:

A. Construction by Declarant of any Improvement;

B. Settling or shifting of any Improvement;

C. Any repair or restoration of any Improvement after damage by fire or other casualty or taking by condemnation or eminent domain proceedings;

then, in any such event, an easement shall exist for such encroachment and for the maintenance of same so long as the Improvement causing said encroachment shall stand.

4.6 Extent of Easements. The rights and easements created hereby shall be subject to the following:

A. The Village Association's right reasonably to limit the number of each Owner's guests and invitees using such rights and easement;

B. The Village Association's right to suspend the rights and easements of enjoyment of any Member for the period during which any assessment levied against such Member shall remain unpaid, and, for a period not to exceed sixty (60) days, for any infraction of its Rules and Regulations by such Member, it being understood that any suspension for either non-payment of any assessment or breach of any Rules and Regulations of the Village Association shall not constitute a waiver or discharge of the Member's obligation to pay the assessment; provided, however, that the Village Association shall not suspend the right to use any roads within the Village; and provided, further, that the Village Association shall not suspend any rights and easements reserved herein by Declarant.

C. The right of the CDD to place any reasonable restrictions upon the use of any roads within the Village, including, but not limited to, the maximum and minimum speeds of vehicles using the roads and other traffic and parking regulations.

D. The title holder's right to give, dedicate or sell all or any portion of the Village Properties to the CDD, any other public agency, authority or utility or private concern for such purposes and subject to such conditions as may be determined by such title holder.

E. All rights and easements retained in the Master Declaration in general, and in Article 3 thereof in particular.

4.7 Construction Activities. Declarant, its agents, contractors, subcontractors, licensees and/or other designees may, from time to time, be engaged in construction, excavation, blasting and other activities within or in proximity to the Village. By acceptance of a deed or other conveyance or mortgage, leasehold, license or other interest, each such Owner, lender and user and their respective successors and assigns automatically acknowledge, stipulate and agree:

A. None of the aforesaid activities shall be deemed a nuisance or offensive activity;

B. Not to enter upon or allow other persons under their direction or control to enter upon any portion of the Village where such activity is being conducted (even if not being conducted actively at the time of entry, such as at night or otherwise during non-working hours); and

C. Declarant, its agents, contractors, subcontractors, licensees and designees, shall not be liable for any direct or consequential losses, damages, injuries or deaths arising from or relating to the aforesaid activities.

ARTICLE 5 FUNCTIONS OF THE VILLAGE ASSOCIATION

5.1 In General. The Village Association shall be subject to the authority of the CDD and the provisions of the Master Declaration.

5.2 Maintenance and Repair. All maintenance, repairs and replacements of, in or to any Unit, whether structural or non-structural, ordinary or extraordinary, including without limitation, maintenance, repair and replacement of screens, windows, and the electrical (including wiring), plumbing (including fixtures and connections), heating and air-conditioning equipment, fixtures and outlets, appliances, carpets and other floor covering, sod, landscaping, driveways or other property belonging to the Owner, shall be performed by the Owner of such Unit at the Owner's sole cost and expense, except as otherwise expressly provided to the contrary herein.

5.3 Village Association Expenses. The Village Association shall, through the Board, fix and determine from time to time the sum(s) necessary and adequate to provide for the Village Association's expenses.

5.4 Security. Certain security procedures may be adopted to promote the safety, security and welfare of the Village. No representation, guaranty, warranty or assurance is made or given that any security systems or procedures instituted within the Village shall prevent personal injury or damage to or loss of personal property. Neither Declarant nor the Village Association shall be liable for any personal injury or for any loss or damage to personal property which may result from the failure of any security system or procedures adopted from time to time. Each Owner will be obligated to pay a portion of the expenses for maintenance of security within the Village.

5.5 Effect of CDD. Declarant intends to have the Village become part of the CDD. The CDD shall have the authority to plan, establish, acquire, construct and/or reconstruct, enlarge or extend, equip, operation, and maintain systems and facilities for the following basic infrastructures:

A. Water management and control for the lands within the CDD and connection of some or any of such facilities with roads and bridges;

B. Water supply, sewer and wastewater management, or any combination thereof, and construction and operation of connecting intercepting or outlet sewers or sewer mains and pipes and water

main, conduits, or pipelines in, along and under any street, alley, highway or other public place or way and to dispose of any effluent, residue or other byproducts of such system or sewer system;

C. Bridges or culverts that may be needed across any drain, ditch, canal, floodway, holding basin, excavation, public highway, tract, grade, fill or cut, and roadways over levys and embankments and to construct any and all of such works and improvements across, through, or over any public right-of-way, highway, grade, fill or cut;

D. Roads equal to or exceeding the specifications of Broward County;

In addition to these general powers, the CDD may obtain from the local government, power to regulate parks, fire prevention and control, schools, security, mosquito control and waste collection and disposal and any other power permitted under Section 190.012, Florida Statute.

5.6 Discharge of Declarant. To the extent that the CDD shall undertake to provide any of the services or perform any of the functions that Declarant and/or the Village Association is required or permitted to perform, or shall undertake any of the responsibilities and obligations of Declarant or the Village Association, then Declarant and the Village Association shall be discharged of those responsibilities undertaken by the CDD, and the applicable assessments and budgets shall be adjusted accordingly.

ARTICLE 6 ASSESSMENTS

6.1 Purpose. The assessments levied by the Village Association shall be used to promote the common health, safety, benefit, recreation, welfare and aesthetics of the Owners. The assessments shall be at the rates and shall commence as provided below.

A. Residential Land and Units. Each parcel of Residential Land shall be assessed at a rate equal to twenty percent (20%) of the assessments which would be applicable to such Land if all Residential Units permitted to be constructed thereon were to be constructed and conveyed; provided, however, that all Residential Units within the Village shall be assessed equally at the full (i.e., 100%) rate commencing on the first day of the second calendar month after the earlier of: (1) the issuance of the Certificate of Occupancy (or its equivalent) for the Residential Unit; or (2) the recording of the deed to the Residential Unit to the first purchaser thereof from the party constructing such Unit.

B. Commercial Land and Commercial Units. In recognition of the fact that varying uses of any Commercial Land will have different impacts on the Village and in order to preserve Declarant's flexibility in providing for appropriate applications of this Declaration, Declarant

shall determine the assessment rate and its commencement date as to each parcel of Commercial Land and/or each Commercial Unit by providing for same in a Supplemental Declaration. It is specifically contemplated, though not mandated, that any Commercial Units shall pay assessments at generally lower rates than Residential Units and shall not be subject to any assessment until a Certificate of Occupancy (or its equivalent) shall have been issued therefor.

6.2 Annual Assessments; Budget. The Board shall fix, determine and collect the sums necessary and adequate to pay for the Village Association's expenses. The annual assessment shall be determined by the Board based upon an estimated annual budget, which shall be prepared at least forty-five (45) days prior to the commencement of the fiscal year. The Village Association's fiscal year shall be the calendar year. Its first fiscal year shall begin on the date this Declaration shall be recorded in the Public Records of Broward County, Florida and shall end on the last day of such year. Assessments shall be payable monthly in advance at the Village Association's main office or at such other time or place as determined by the Board. The payment of any assessment shall be in default if it shall not be paid to the Village Association on or before its due date.

6.3 Special Assessments and Special Individual Assessments. In addition to the annual assessments, the Village Association shall have the power to levy special assessments to pay the costs of such items as are determined to be necessary or appropriate by the Board. Special Assessments shall be allocated to and paid by each Unit on the same basis as all other assessments and shall be due and payable by the amount and at the time determined by the Board. Special Individual Assessments are assessments which may be levied by the Village Association against one or more specific Units and Owners and in differing amounts as determined necessary or appropriate, to be by the Board in accordance with the provisions of this Declaration.

6.4 Liens; Personal Obligations; Enforcement. The Village Association shall have a lien against each parcel of Land and each Unit for assessments thereon, which lien shall be effective upon recording a Claim of Lien in the Public Records of Broward County, Florida. A Claim of Lien shall state the description of the Land or Unit encumbered thereby, the name of the record owner (as set forth in the Village Association's records), the amount due and the date when due. No lien shall continue for a period longer than one (1) year after the claim of lien shall have been recorded, unless within that time an action to enforce the lien shall be commenced in a court of competent jurisdiction. The claim of lien shall secure all unpaid assessments, interest, costs and attorneys' fees which are due and which may accrue subsequent to the recording of the claim of lien and prior to the entry of a final judgment of foreclosure. Such claim of lien shall be signed and verified by an officer or agent of the Village Association. Upon full payment of all sums secured by such lien, the same shall be satisfied of record by the Village Association. Declarant, for each parcel of Land and Unit owned by it, and each Owner, by acceptance of a deed to his Land or Unit, shall be deemed to covenant and agree to pay to the Village Association: (1) annual assessments; (2) special assessments; and (3) special individual assessments. Each such assessment, together with interest, late charges, costs and reasonable attorneys' fees shall also be the personal obligation of the

person(s) or entity(ies) owning such Land or Unit at the time when the assessment shall have come due. Assessments shall bear interest from the due date until paid at the maximum rate allowed by law for an individual. A late charge shall be due in the amount of Twenty-Five Dollars (\$25.00) per monthly assessment or portion thereof past due or fifty percent (50%) of the monthly assessment past due, whichever is greater, and the Village Association may bring an action at law against the Owner personally obligated to pay the same or an action to foreclose the lien against the Land or Unit, and there shall be added to the amount of such assessment reasonable attorneys' fees and costs incurred in collecting such assessment, and in the event that judgment shall be obtained, such judgment shall include interest on the assessment and late charges as above provided and reasonable attorneys' fees, together with the cost of the action, including attorneys' fees and costs on appeal. Liens may be foreclosed in the same manner as mortgages are foreclosed.

6.5 Subordination of Liens to Mortgages. Assessment liens shall be superior to all other liens, except tax liens and first mortgage liens in favor of Institutional Lenders or Declarant which are amortized in monthly or quarterly payments over a period of not less than ten (10) years. The sale or transfer of a Residential Unit, pursuant to a judgment of foreclosure or where the Institutional Lender shall take a deed in lieu of foreclosure, shall extinguish the lien of such assessments as to payments which became due and payable prior to the date of such judgment or deed in lieu of foreclosure only pursuant to superior mortgages as provided above. Such sale or transfer shall not relieve such Residential Unit from liability for any assessments thereafter becoming due, nor from the lien of any subsequent assessment.

6.6 Certificates. The Village Association shall, upon demand at any time, furnish to any Owner liable for an assessment a certificate signed by an officer of the Village Association, setting forth whether assessments have been paid. Such certificate shall be conclusive evidence of payment as to any assessment therein stated.

6.7 Declarant's Options as to Assessments. Anything herein to the contrary notwithstanding, Declarant shall have the following options so long as it shall be the Owner of any Land or Units within the Village, which options shall be exercisable in Declarant's sole and absolute discretion:

- A. Pay assessments upon Land and Units owned by it; or
- B. Not pay assessments on some or all of the Land or Units owned by it, and, in lieu thereof, fund any resulting deficit in the Village Association's operating expenses not produced by assessments receivable from Owners other than Declarant. For the purposes of this Section, "deficit" means the difference between: (1) actual operating expenses (excluding capital improvement costs, reserves and management fees) and (11) the sum of all monies receivable by the Village Association (including without limitation assessments, interest, late charges, fines and incidental income) from Owners other than Declarant, together with any surplus carried forward from the preceding year(s). Declarant, from time to time and at any time, may change its election as to the above-stated options by notice to the Village Association.

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ARTICLE 7
USE STANDARDS AND RESTRICTIONS

7.1 Improvements. All Improvements shall comply with all applicable minimum standards established by the Village Association, the CDD and zoning laws. No Improvement shall be constructed, removed, changed or installed without the Committee's prior written approval (except as hereinafter provided as to Declarant). The Committee shall control not only the initial structures and improvements, landscaping, walls and fences to be constructed, but also any additions, changes or modifications thereof on any Unit, except that all structures constructed by Declarant as well as landscaping, walls and fences installed or constructed by Declarant shall be deemed approved by the Committee. Anything herein to the contrary notwithstanding, any Owner may make alterations, changes and modifications within the interior of his Unit without obtaining the Committee's consent. The Village Association shall have the power to enact Rules and Regulations define to more specifically the provisions of this Section.

7.2 Maintenance of Improvements. All Improvements shall be kept in a clean, neat and attractive condition consistent with the general appearance of the Village (as more particularly set forth from time to time in the Rules and Regulations). In the event that an Owner shall fail to so maintain his Land or Unit(s), then, upon approval by two-thirds (2/3) vote of the Board and upon the continuing failure to maintain same following ten (10) days' written notice from the Village Association to the Owner, the Village Association shall have the right, through its agents, employees or designees, to enter upon the subject Unit and to repair, maintain and restore same. The sums expended by the Village Association for such repair, maintenance and restoration shall be assessed against the subject Unit as a special individual assessment. The cost of curing of such defects shall bear interest at the highest rate allowed by law for an individual from the date such costs were incurred. All of said costs, interest and fees shall be a lien upon the affected Land or Unit(s). In order to discourage Owners from abandoning their duties hereunder and additionally to reimburse the Village Association for administrative expenses incurred, the Village Association shall have the right to impose a surcharge of not more than twenty-five percent (25%) of the cost of the applicable remedial work, such surcharge to be a part of the aforesaid special individual assessment. The Village Association shall not be required to obtain bids for any of the work performed pursuant to this Section.

ARTICLE 8
PARTICULAR RESTRICTIONS, RULES AND REGULATIONS

8.1 Applicability. The provisions of this Article shall apply to the Village, but shall not apply to Declarant, any of its affiliates, or Builders. If requested by any interested party, Declarant shall give a written statement as to whether any particular person or entity shall be exempt from the provisions of this Article and to which Land or Units and for what period of time such exemption shall exist. The Board may adopt such additional use restrictions, rules and regulations applicable to all or any portion of the Village and may waive or modify application of existing restrictions, rules and regulations as the Board, in its sole and absolute discretion, shall deem appropriate.

8.2 Use of Residential Land. No Improvement on Residential Land shall be used for any purpose other than residential; provided however that temporary uses by Declarant, its affiliates and designees for model homes, sales displays, parking lots, sales offices and other offices, or any combination of such uses shall be permitted until Declarant shall determine that such use is no longer needed.

8.3 Nuisances. No noxious, offensive or unlawful activity shall be carried on within the Village nor shall anything be done in the Village which may be or may become an annoyance or nuisance to other Owners.

8.4 Temporary, Play and Auxiliary Structures. No structure of a temporary character, trailer, basement, tent, shack, shed, barn or other outbuilding shall be built, installed or used in the Village at any time. No shed or storage container shall be built, installed or used on a Unit except if located in the backyard of the Unit and if not visible from the street. No platform, doghouse, playhouse or similar structure shall be constructed in any part of the Village without the Committee's prior written approval. No outdoor clotheslines shall be permitted. No building, fence, screen enclosure, wall or other structure shall be erected or maintained, nor shall any exterior addition, change or alteration thereof be made, unless consistent with the general aesthetics of the Community and unless and until plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted and approved in writing by the Committee. The Committee shall be permitted to employ aesthetic values in making its determinations.

8.5 Oil and Mining Operations. No oil drilling, oil development operations, oil refining or mining operations of any kind shall be permitted in the Village, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted in the Village. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted in the Village.

8.6 Livestock, Poultry and Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept in the Village, except that not more than two (2) household pets may be kept provided that they not be kept, bred or maintained for any commercial purpose. "Household pets" shall mean those types of dogs, cats and other animals if expressly permitted by the Village Association, if any. Household pets also shall include fish and domestic (household-type) birds, so long as they shall be kept indoors and shall not become a source of annoyance to neighbors. Nothing herein shall be deemed to prohibit pet shops, kennels and/or stables being operated upon Commercial Land or Commercial Units within the Village.

8.7 Garbage, Refuse and Sewage Disposal. No portion of the Village shall be used or maintained as a dumping ground for rubbish. Trash and garbage shall not be kept except in sanitary containers or as required by the Village Association, the CDD or the applicable County ordinances. All equipment for the storage or disposal of such material shall be kept in clean and sanitary condition. No individual sewage disposal system shall be permitted in the Village.

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8.8 Water Supply. No individual water supply system shall be permitted in the Village without the Committee's prior written approval.

8.9 Exterior Colors. The exterior colors of all Improvements shall remain the colors initially established by Declarant.

8.10 Satellite Dishes; Exterior Antennas. No satellite dishes, exterior radio antenna, television antenna, citizens band antenna or any other antenna of any type or nature shall be permitted in the Village without the Committee's prior written approval.

8.11 Motor Vehicles, Boats and Boat Trailers. No trucks, commercial vehicles, recreation vehicles, campers, derelict automobiles, boats or boat trailers may be parked in the Village, except when kept in a garage within a Unit. If such vehicle shall be parked in such garage, the garage door shall be kept closed. Anything herein to the contrary notwithstanding, commercial vehicles shall be allowed upon Commercial Land subject to the Rules and Regulations. 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 Village Association at the owner's sole expense if such vehicle shall remain in violation for a period of twenty-four (24) hours after the time a notice of violation shall have been placed on the vehicle or if such owner shall be a repeat offender. The Village Association shall not be liable to the owner of such vehicle or to any other persons or entity for trespass, conversion, damages or otherwise, nor guilty of any criminal act by reason of such towing and once the notice shall have been posted, neither its removal nor such owner's failure to receive it for any other reason shall be grounds for relief of any kind. An affidavit by the person posting the aforesaid notice stating that it was properly posted shall be conclusive evidence of proper posting.

8.12 Windows; Shutters. No Owner shall place aluminum foil on either the interior or exterior surface of any exterior window or glass door. No storm shutters shall be installed without the Committee's prior written approval, which approval shall be given if the proposed shutters shall be of the type, style and color then currently approved by the Committee and consistent with the general aesthetics of the Community.

8.13 Exterior Lighting. No Owner shall install exterior lighting (in addition to such exterior lighting as originally provided for the Unit by Declarant) without the Committee's prior written approval and consistent with the general aesthetics of the Community.

8.14 Signs. No sign of any kind shall be permitted on any Residential Land or Unit; provided, however, than when an Owner shall offer any Land or Unit for sale, one (1) "For Sale" sign shall be permitted on the Land or Unit being so offered. The size of the face of the sign shall be not larger than forty (40) square inches and the sign shall be attached to a supporting member driven into the ground not exceeding two (2) inches in diameter and not exceeding four (4) feet in height above the finished grade of the property. The signs shall, in all respects, be in accordance with rules and regulations promulgated by the

Declarant. None of the foregoing restrictions shall apply to Commercial Land or Commercial Units to the extent that signs thereon shall have been originally permitted by Declarant, such permission being subject to later modification with Declarant's approval to permit additional or different signage.

8.15 Displays. No permanent statues, artifacts, religious objects or other displays shall be permitted on the Land or on the exterior of any Unit.

8.16 Swimming Pools, Hot Tubs and Whirlpool Baths. Any and all swimming pools, hot tubs or whirlpool baths to be constructed shall be subject to the Committee's requirements, which shall include, without limitation: (a) composition shall be of material thoroughly tested and accepted by the industry for such construction; (b) the location of any swimming pool, hot tub or whirlpool bath shall be subject to the Committee's prior written approval; and (c) no screening shall stand beyond a line extended and aligned with the side walls of a Unit without the Committee's prior written approval.

8.17 Utility Connections. Building connections for all utilities, including, but not limited to water, electricity, telephone and television, shall be run underground from the proper connecting points to the Unit in a manner which shall comply with all governmental requirements.

8.18 Lakefront Property and Lake. As to all portions of any Land or Unit contiguous to the Lake, the following additional provisions shall apply:

A. No boathouse, dock, wharf, pilings or other structure of any kind shall be erected, placed, altered or maintained on the shores of Lake without Declarant's prior written approval, which approval may be withheld in Declarant's sole and absolute discretion.

B. No solid or liquid waste, litter or other materials may be discharged into the Lake.

C. Each Owner shall maintain his Land or Unit to the water line of the adjacent Lake.

D. In order to provide for uniform water vegetation control, neither this Association nor any Owner shall undertake the performance of such vegetation control.

E. No motorized boat or personal watercraft shall be operated on the Lake or Lake shore without the prior written consent of either Declarant or the CDD.

8.19 The Park. Use of the Park shall be subject to the maintenance, control and restrictions of the CDD.

8.20 Fences. No fences shall be permitted within the Village unless installed by Declarant or a Builder during construction periods or as otherwise approved by Declarant or the Village Association.

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ARTICLE 9
COMPLIANCE AND ENFORCEMENT

9.1 General. Every Owner and all tenants, guests, invitees, officers, employees, contractors, subcontractors and agents thereof shall comply with this Declaration any and all Rules and Regulations enacted pursuant hereto. Failure to so comply shall subject the violator to damages, injunctive relief, or any combination thereof.

9.2 Fines. In addition to all other remedies, and to the maximum extent lawful, the Board, in its sole and absolute discretion, may impose a fine or fines upon an Owner ("the Alleged Violator") for failure to comply with this Declaration or with any of the Rules and Regulations, in accordance with the following procedures:

A. Notice. The Village Association shall notify the Alleged Violator of the infraction(s). Included in the notice shall be the date and time of a special Board meeting at which time the Alleged Violator shall be allowed to present reasons why fines should not be imposed. At least ten (10) days' notice of such meeting shall be given.

B. Hearing. The alleged non-compliance shall be presented to the Board after which the Board shall hear reasons as to whether the fine should be imposed. The Board's written decision shall be submitted to the Alleged Violator not later than twenty-one (21) days after the Board's meeting. The Alleged Violator shall have a right to be represented by counsel and to cross-examine witnesses. If the Board's impartiality shall be questioned by the Alleged Violator, the Board shall appoint three (3) impartial Members to a special hearing panel which shall perform the functions described in this Section.

C. Amounts of Fines. Upon a finding of non-compliance, the Board may impose special assessments against the Land or Unit owned by the violator(s) as follows:

(1) First non-compliance or violation: a fine not in excess of One Hundred Dollars (\$100).

(2) Second non-compliance or violation: a fine not in excess of Five Hundred Dollars (\$500).

(3) Third and subsequent non-compliance or violation or violations of a continuing nature: a fine not in excess of One Thousand Dollars (\$1,000).

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 a special individual assessments subject to the provisions for the collection of assessments as set forth herein.

F. Cumulative Remedies. These fines shall not be exclusive and shall exist in addition to all other rights and remedies to which the Village Association may be otherwise legally entitled; however, any fine paid by the offending Owner shall be deducted from or offset against any damages which the Village Association may otherwise be entitled to recover by law from such Owner.

ARTICLE 10
ARCHITECTURAL CONTROL

10.1 Architectural Control Committee: Composition. The Committee shall consist of three (3) persons ("Committee Members") selected by the Board, one of whom shall be appointed Committee Chairman by the Board. The initial Committee Members shall be designated by Declarant; such initial Committee Members (and their replacements designated by Declarant) shall hold office until all Land and Units shall have been conveyed by Declarant, or sooner at Declarant's option in its sole and absolute discretion. Thereafter, each Committee Member shall be appointed by the Board and shall hold office until such time as he shall have resigned or have been removed or his successor shall have been appointed as provided herein. The Board shall have the right to remove any Committee Member at any time without cause. The Board further shall have the right to change the number of, appoint and remove all Committee Members, except those initially appointed by Declarant (and their replacements designated by Declarant) until all Land and Units shall have been conveyed by Declarant or sooner at Declarant's option.

10.2 Review of Proposed Construction. No Improvement shall be commenced, altered, removed, painted, erected or maintained in the Village, nor shall any addition, removal, change or alteration (including paint or exterior finishing) visible from the exterior of any Unit be made, nor shall any awning, canopy or shutter be attached to or placed upon outside walls or roofs of Buildings or other Improvements, until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to, and approved in writing by the Committee and the Declarant in accordance with the Master Declaration. This Article shall also apply to interior alterations to Commercial Units when such alterations would have an effect upon the use of the exterior portions of the applicable Commercial Unit(s) (including, without limitation, as to the use of parking spaces or facilities). The Committee shall approve proposals or plans and specifications submitted for its approval only if it shall determine that: (a) the construction, alteration, removal or addition contemplated thereby in the location(s) indicated not detrimental to the appearance of the Village as a whole; and (b) the appearance of any structure affected thereby will be in harmony with the surrounding structures and otherwise desirable. The Committee may condition its approval of proposals and plans and specifications as it shall deem appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Committee may also issue rules or guidelines setting forth procedures for the submission of plans for approval. The Committee may require such detail in plans and specifications submitted for its review as it shall proper, including, without limitation, floor plans, site plans, drainage plans, elevation drawings and descriptions or samples of exterior materials and colors. Until the Committee shall have received all

required plans and specifications, it may postpone review of any plans submitted for approval. Upon such receipt, the Committee shall have thirty (30) days in which to accept or reject any proposed plans; if the Committee shall not reject same within such period, said plans shall be deemed approved. The Committee shall be the ultimate deciding body. All changes and alterations also shall be subject to all applicable permit requirements and to all applicable governmental laws, statutes, ordinances, rules, regulations, orders and decrees. The Committee may require the payment of fees by a party requesting its approval hereunder, such fees to be applied to Committee-related costs, expenses and salaries at the Committee's discretion. The provisions of this Article shall apply both to Land and Units, and to common areas/common elements of the Village Association.

10.3 Meetings. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may, from time to time, by resolution unanimously adopted in writing, designate a Committee representative (who may, but need not, be one of the Committee Members) to take any action or perform any duties for and on the Committee's behalf. In the absence of such designation, the vote of any two (2) Committee Members shall constitute a Committee act.

10.4 No Waiver of Future Approvals. The Committee's approval of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the Committee's approval and consent, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters whatever subsequently or additionally submitted for approval or consent.

10.5 Compensation. The Committee Members shall be entitled to receive compensation for services rendered and reimbursement for expenses incurred by them in the performance of their duties hereunder as set and determined by the Board.

10.6 Inspection of Completed Work: Corrections. Inspection of work for which plans have been approved and correction of defects therein shall proceed as follows:

A. Upon completion of work, the submitting Owner ("the Applicant") shall give written notice of completion to the Committee.

B. Within sixty (60) days thereafter, the Committee (or its agent) may inspect the work. If the Committee shall find the work not in compliance with the approved plans, it shall notify the Applicant in writing within such 60-day period and shall require corrections for compliance. The Committee's failure to notify the Applicant of any non-compliance within the 60-day period after receipt of written notice of completion shall be deemed an approval of the work.

C. If the Applicant shall not have corrected the noncompliance within thirty (30) days after the date of notification, the Committee shall notify the Board of such failure. The Board, at its option, shall

be entitled either to remove the noncomplying work or remedy the noncompliance, and in either case, the Applicant shall reimburse the Village Association upon demand for all expenses incurred, plus an administrative charge to be determined by the Village Association (to cover administrative expenses and to discourage the Applicant from failing so to comply). If such expenses shall not be promptly repaid by the Applicant to the Village Association, the Board shall levy a special individual assessment against such Applicant and his Land or Unit for reimbursement.

10.7 General Powers. The Village Association (and the Committee, as appropriate) shall have the absolute power to: (a) veto any action (taken or contemplated); (b) require specific action to be taken in connection with applicable sections of the Village. Without limiting the generality of the foregoing, the Village Association (and the Committee, as appropriate) may: (i) require specific maintenance or repairs or aesthetic changes to be effected; (ii) require that a proposed budget include certain items and that expenditures be made therefor; and (iii) otherwise require or veto any other action as the Village Association shall deem appropriate from time to time. For this purpose, any proposed action not made in the ordinary operations of the Committee approved practices must first be brought to the attention of the Village Association by written notice and no such action shall be effected unless and until approved in writing by the Village Association or the Committee, as appropriate. Any action required by the Community Association shall be taken within the time set by the Community Association. If an Owner shall fail to comply with such requirements, the Village Association shall have the right to effect such action on the Owners' behalf and to assess the Land and Units owned by the Owner in connection therewith, together with an administrative charge determined by the Village Association under the circumstances (to cover applicable administrative expenses and to discourage the Owners from failing to obey such requirements). Such assessments may be collected as special assessments hereunder and shall be subject to all lien rights provided for herein.

10.8 Exemptions. Declarant (and its affiliates and designees) shall be exempt from the provisions hereof with respect to Improvements, alterations and additions and removals desired to be effected by any of them and shall not be obligated to obtain Committee approval for any construction or changes which any of them may elect to make at any time. It is specifically contemplated that Declarant, in its sole and absolute discretion, may, at any time and from time to time, designate Builders, Owners and others as being exempt from some or all of the provisions of this Article and some or all of the procedures set forth herein and may alter the procedures set forth herein as to any such designee.

10.9 Disclaimer. Neither the Committee nor any member, employee or agent thereof shall be liable to the Village Association, any Owner or any other person or entity for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties, unless due to the willful misconduct or bad faith of such individual, in which event only that individual shall have any liability. The Committee shall not be responsible for reviewing, nor shall its approval of any plan be deemed approval of, structural safety of any building or other code compliance.

ARTICLE 11
DECLARANT AND THE MASTER DECLARATION

11.1 Cumulative Effect: Conflict. The covenants, restrictions and provisions of this Declaration shall be cumulative with those of the Master Declaration; provided, however, that in the event of conflict between or among any such covenants, restrictions and provisions, or any Articles of Incorporation, By-Laws, rules and regulations, policies or practices adopted or carried out pursuant thereto, those of this Association shall be subject and subordinate to those of the Master Declaration. The foregoing priorities shall apply, but not be limited to, the liens for assessments created in favor of the Village Association.

11.2 Development Review, Maintenance and Use Restrictions. The Village Association (through the Committee) shall have any development review rights and powers as assigned to it by Declarant in connection with applicable deed restrictions, contracts or other instruments, which rights and powers shall be exclusive unless otherwise provided in the applicable assignment. The Village Association shall have the power to enforce its own use restrictions.

11.3 Collection of Assessments. Declarant shall, initially, act as collection agent for the Village Association as to all assessments payable to it by the Members. Declarant will remit the assessments so collected to the respective payees pursuant to such procedures as may be adopted by the Village Association. All capital improvement assessments, special assessments, fines, interest, late charges, recovered costs of collection and other extraordinary impositions shall be remitted to the respective entity imposing same separate and apart from the priorities established above.

ARTICLE 12
GENERAL PROVISIONS

12.1 Declarant's Additional Reserved Rights. Notwithstanding anything herein to the contrary, Declarant shall have the right, with respect to the development of the Village, to construct buildings and Units and other improvements and install landscaping of such type, nature, shape, height, color, materials and location as Declarant shall determine in its sole and absolute discretion; provided, however, that same shall comply with the applicable building codes and County zoning laws in force at that time. Until such time as Declarant shall own no Land or Units within the Village, Declarant shall be entitled to place on Land and/or Units owned by Declarant temporary construction or sales trailers and other temporary facilities and conduct its sales and marketing efforts as Declarant shall deem appropriate.

12.2 Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the Land and Units in the Village and shall be enforceable by the Village Association or any Owner, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date the Master Declaration shall be recorded ("the Initial Term"), after which time said covenants shall be extended automatically for successive periods of ten (10) years, unless this Declaration shall be terminated at the end of the Initial Term or prior to a successive ten (10) year period at a special

meeting of the Membership of the Village Association held not less than five (5) years prior to the end of the Initial Term or not less than five (5) years prior to the commencement of any successive ten (10) year term by the affirmative vote of not less than seventy-five (75%) percent of the Owners, in which event an instrument to this effect shall be recorded in the Public Records of Broward County, Florida, subject, however, to Declarant's rights as set forth in this Declaration. Further, termination of the Master Declaration in accordance with Section 10.2 thereof shall automatically result in the termination of this Declaration.

12.3 Protection of Institutional Lenders. Upon its written request to the Village Association, each Institutional Lender shall be entitled to: (a) examine this Declaration, the Articles of Incorporation, the By-Laws and the other books and records of the Village Association; (b) receive a copy of the Village Association's financial statements for the immediately preceding fiscal year; (c) receive notice of and attend Village Association meetings; (d) receive notice from the Village Association of any alleged default under this Declaration by the Owner of a Residential Unit encumbered by such Institutional Lender's mortgage; (e) receive notice of any substantial damage or loss to the Village Properties; (f) the lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Village Association; and (g) any proposed action requiring consent of the Institutional Lenders.

12.4 Amendments. This Declaration may be amended by Declarant unilaterally from time to time and at any time as set forth elsewhere in this Declaration. This Declaration also may be amended at any regular or special meeting of the Members by the affirmative vote of members owning not less than sixty-seven percent (67%) of the Units and the approval by Institutional Lenders holding at least sixty-seven percent (67%) of the mortgages on Residential Units in the Village; provided, however, that: (a) during the period that Declarant shall control the affairs of the Village Association, the Board by a two-thirds (2/3) vote may amend this Declaration; and (b) no amendment shall change the method of determining a Residential Unit's share of Village Association expenses, unless the record owners of the affected Residential Units shall join in the execution of the amendment; (c) no amendment shall materially and adversely affect the rights of an Institutional Lender holding a mortgage on a Residential Unit within the Village without such Institutional Lender's prior written consent; and (d) no amendment shall materially and adversely affect the surface water management system without the South Florida Water Management District's prior written approval. Each amendment shall be recorded in the Public Records of Broward County, Florida.

12.5 Covenants Running with the Land. Anything herein to the contrary notwithstanding, the covenants, conditions and restrictions of this Declaration shall run with the Land entitled to all of the real property with the Village. If any provision or application of this Declaration would prevent this Declaration from running with the Land as aforesaid, such provision and/or application shall be judicially modified, if possible, to reflect the intent of such provision or application and then shall be enforced in a manner allowing the covenants, conditions and restrictions to so run with the Land. In the event that any 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 covenants, conditions and restrictions hereof running with the Land shall be achieved.

12.6 Not a Condominium Association. Nothing in this Declaration shall be deemed to make the Village Association a condominium association within the meaning of the Florida Condominium Act (Chapter 718, Florida Statutes).

12.7 Notices. Any notice required to be sent hereunder shall be deemed to have been properly sent when delivered or mailed, postpaid, to the last known address of the Owner or other addressee on the records of the Village Association at the time of such mailing.

12.8 Enforcement: No Waiver. The Village Association, the CDD, the County and/or any Owner shall have the right to enforce the provisions of this Declaration by any proceeding at law or in equity against any person(s) or entity(ies) violating or attempting to violate any covenant or restriction, either to restrain such violation, to recover damages or to enforce performance and against the applicable Land and/or Unit to enforce any lien created herein; and failure by the Village Association, the CDD or any Owner to enforce the provisions of this Declaration shall in no event be deemed a waiver of the right to do so thereafter. Where litigation shall occur to enforce said provisions or to recover damages or to enforce any lien created herein, the prevailing party in such litigation shall be entitled to recover court costs and reasonable attorneys' fees, including court costs and reasonable attorneys' fees in any appellate proceeding.

12.9 Severability. Invalidation of any portion of this Declaration by judgment, court order or statute shall in no way affect any other provisions which shall remain in full force and effect.

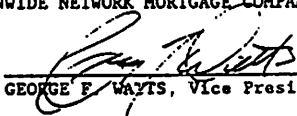
12.10 Gender and Plurals. The use in this Declaration of the male gender shall include the female and neuter, and the use of the singular shall include the plural and vice versa, as the context requires.

IN WITNESS WHEREOF, the undersigned have executed this Declaration on the date set forth below.

ATTEST:

FN PROJECTS, INC., a California corporation, formerly known as 1ST NATIONWIDE NETWORK MORTGAGE COMPANY

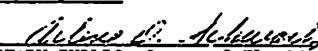

Karen A. Cotter, Assistant Secretary

By: 
GEORGE F. WATTS, Vice President
Dated: February 27, 1990

STATE OF FLORIDA)
) SS.
COUNTY OF DADE)

BEFORE ME, a Notary Public, personally appeared GEORGE F. WATTS, Vice President and Karen A. Cotter, Assistant Secretary, respectively, of FN PROJECTS, INC., a California corporation, formerly known as 1ST NATIONWIDE NETWORK MORTGAGE COMPANY, who did acknowledge before me that they executed the foregoing instrument for the uses and purposes therein set forth, for and on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at the county and state aforesaid, this 27 day of February 1990.


NOTARY PUBLIC, State of Florida
at Large.

My commission expires:

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES APRIL 21, 1990

K17206PC-101

K17206PC 102

EXHIBIT A

LEGAL DESCRIPTION

CORAL BAY PARCEL "G", according to the plat thereof, as recorded in Plat Book 140, Page 18 of the Public Records of Broward County, Florida.

Said lands lying in the City of Margate, Broward County, Florida, containing 17.073 acres, more or less.

CORAL BAY PARCEL "H", according to the plat thereof, as recorded in Plat Book 140, Page 10 of the Public Records of Broward County, Florida.

Said lands lying in the City of Margate, Broward County, Florida, containing 24.008 acres, more or less.

JK17206Pg.103

EXHIBIT B

LEGAL DESCRIPTION OF THE PARK

A portion of Parcel "H", CORAL BAY PARCEL "H", according to the plat thereof, as recorded in Plat Book 140, Page 10 of the Public Records of Broward County, Florida, being more particularly described as follows:

COMMENCE at the most Northwestern corner of Parcel "L-1" of said plat of CORAL BAY PARCEL "H";

THENCE North 87° 17' 00" East, along the North line of said Parcel "L-1", 128.14 feet;

THENCE South 02° 43' 00" East, 87.66 feet to the POINT OF BEGINNING, said point also being the most Northerly corner of said Parcel "H";

THENCE along the Northeasterly line of said Parcel "H", the following thirteen (13) courses and distances:

1. South 41° 22' 30" East, 34.20 feet;
2. South 38° 09' 48" East, 39.14 feet;
3. South 40° 22' 23" East, 39.90 feet;
4. South 17° 05' 53" East, 41.89 feet;
5. South 20° 09' 02" East, 38.44 feet;
6. South 29° 58' 37" East, 40.07 feet;
7. South 59° 34' 33" East, 35.69 feet;
8. South 54° 50' 20" East, 39.20 feet;
9. South 54° 39' 56" East, 36.98 feet;
10. South 66° 18' 36" East, 34.46 feet;
11. South 80° 42' 07" East, 36.68 feet;
12. South 77° 15' 45" East, 28.46 feet;
13. South 89° 26' 05" East, 3.32 feet;

JK17206Pg.104

EXHIBIT B (CONT.)

THENCE South 00° 33' 55" West, 75.26 feet to a point on the arc of a non-tangent curve concave to the Southeast (said point bears North 18° 34' 36" West from the radius point of the next described curve);

THENCE Southwesterly along the arc of said curve, having a radius of 35.00 feet, a delta of 49° 44' 34", an arc distance of 30.39 feet to a Point of Intersection with a non-radial line (said point bears North 68° 19' 10" West, from said radius point);

THENCE South 80° 14' 13" West, 86.88 feet to a point on the Westerly line of said Parcel "H";

THENCE along said Westerly line the following sixteen (16) courses and distances:

1. North 28° 52' 05" West, 20.27 feet;
2. North 47° 35' 23" West, 39.71 feet;
3. North 54° 08' 02" West, 39.71 feet;
4. North 48° 45' 46" West, 41.69 feet;
5. North 40° 57' 43" West, 35.48 feet;
6. North 31° 35' 34" West, 42.72 feet;
7. North 33° 46' 33" West, 27.75 feet;
8. North 39° 46' 12" West, 35.23 feet;
9. North 54° 36' 11" West, 28.87 feet;
10. North 45° 17' 17" West, 26.61 feet;
11. North 27° 16' 24" West, 24.16 feet;
12. North 20° 28' 14" West, 30.20 feet;
13. North 19° 36' 51" East, 35.32 feet;
14. North 49° 35' 02" East, 26.64 feet;
15. North 17° 53' 16" East, 28.08 feet;
16. North 16° 14' 39" East, 25.98 feet to the POINT OF BEGINNING;

RECORDED IN THE OFFICIAL RECORDS BOOK
OF BROWARD COUNTY, FLORIDA
L. A. HESTER
COUNTY ADMINISTRATOR

17206PG-105

Said lands lying in the City of Margate, Broward County, Florida, containing 46,149 square feet (1.059 acres) more or less.

**DECLARATION
OF COVENANTS,
CONDITIONS
AND RESTRICTIONS
FOR CORAL BAY**


CORAL BAY

93085338

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CORAL BAY

THIS DECLARATION, made by FN PROJECTS, INC., a California corporation, formerly known as 1ST NATIONWIDE NETWORK MORTGAGE COMPANY, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the sole owner of all of that certain real property, located in Broward County, Florida, as more particularly described in Exhibit A annexed hereto ("the Community"); and

WHEREAS, in order to develop the Community and preserve and enhance the values and amenities of the Community and the architectural integrity and standards of the Community, it is necessary to declare and subject the Community to certain land use covenants, restrictions, reservations, regulations, burdens and liens and to delegate and to assign certain powers and duties of ownership, administration, operation and enforcement.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, Declarant hereby declares that the Community shall be owned, held, used, transferred, sold, conveyed, demised and occupied subject to the covenants, restrictions, reservations, regulations, burdens and liens hereinafter set forth and that the provisions of this Declaration shall be covenants running with the lands which comprise the Community and shall be binding on all parties having any right, title or interest in the Community or in any portion thereof, their heirs, personal representatives, successors and assigns and shall inure to each portion of the Community.

ARTICLE 1
DEFINITIONS

1.1 Interpretation and Flexibility. The defined terms set forth below shall apply unless the context shall require a contrary interpretation. In the event of any ambiguity or question as to whether any person, entity, property or improvement shall fall within any of the definitions contained in this Article, Declarant's determination (as evidenced by a recorded Supplemental Declaration) shall be binding and conclusive.

A. "Builder" means a purchaser/owner of Land from Declarant engaged in the construction and sale of Units thereon.

B. "CDD" means the Community Development District (or special taxing district) established by Declarant for the Community pursuant to Chapter 190 of the Florida Statutes, or an existing special taxing district of which the Community shall become a part.

C. "Commercial Building" means a structure containing one or more Commercial Units.

This Instrument Was Prepared By
TERRY V. HAUSER
KEITH, MACK, LEWIS, ALLISON & COHEN
111 N.E. 1st Street
Miami, Florida 33132

FN PROJ-1 (7)

17206 Pg. 062

D. "Commercial Land" means any portion of the Community now or hereafter zoned for commercial use or shown as being intended for such use on an applicable plat or site plan.

E. "Commercial Unit" means a portion of the Community subject to exclusive ownership and used or to be used as a physically separate retail, service, office or other non-residential purpose.

F. "Common Properties" means those portions of the Community, including, without limitation, easements, for the common use and enjoyment of the Owners which use is and shall be subject to Declarant's rights. The Common Properties include, without limitation, entrance features, lighting equipment, roads, surface water management systems, the Lake, the Park, the Perimeter Walls, easements, sidewalks, paths, fire lanes, bus shelters, green belts and landscaped areas, and such other similar items which may hereafter be added by Supplemental Declaration irrespective of whether any such items shall be capable of being legally described. The Common Properties specifically exclude Units, public utility installations and all other property owned by Declarant not intended by Declarant to be a part of the Common Properties. The Park and portions of the Lake located within the boundaries of any Village shall be Common Properties. Declarant's determination as to whether a particular portion of the Community is a part of the Common Properties shall be binding and conclusive, it being specifically contemplated that the Common Properties may change from time to time.

G. "Community" means all of the Land, Units and the Common Properties located within the real property described in Exhibit A attached hereto, and any and all additions to or withdrawals from the real property described in Exhibit A, as may hereafter be made subject to the provisions of this Declaration.

H. "County" means Broward County, Florida and its duly authorized agencies and authorities, as applicable.

I. "Declaration" means this Declaration of Covenants, Conditions and Restrictions for Coral Bay, including all Exhibits annexed hereto, as well as Supplemental Declarations.

J. "Declarant" means: (a) FN Projects, Inc., a California corporation, formerly known as 1st Nationwide Network Mortgage Company, its successors and those to which Declarant's rights hereunder shall be assigned specifically; and (b) for purposes of taking actions on Declarant's behalf under this Declaration, Declarant's duly appointed agent(s). Declarant shall have the right to assign all or a portion of its rights hereunder in connection with all or a portion of the Community. In the event of any partial assignment, the assignee shall not be deemed "a Declarant," but shall have all such rights as specifically assigned to it. As used with regard to Declarant, "successors and/or assigns" specifically does not include transferees of individual Units.

K. "Improvement" means any structure or artificially and intentionally created condition, together with all appurtenances thereto, of every type and kind located within the Community, including, without limitation, buildings, outbuildings, walkways, sprinkler pipes, roads, sidewalks, alleys, street lights, driveways, parking areas, recreation facilities, the Lake and other bodies of water, fences, screening walls, retaining walls, stairs, decks, landscaping, windbreaks, planted trees and shrubs, conduits for telephone lines, storm drainage, cable television lines and site lighting poles, signs and shared equipment and/or utility-type services such as water, sewer and electrical systems, and other commonly shared equipment and/or utility-type services, if any.

L. "Institutional Lender" means any bank, insurance company, FHA approved mortgage lending institution, recognized pension fund investing in mortgages or federal or state savings and loan association which has a mortgage lien upon any Residential Unit or which has acquired and holds title to such Unit either as a result of its foreclosure of any such mortgage lien or by its receipt of a deed in lieu of foreclosure.

M. "Lake" means that certain body of water presently having a surface area of approximately sixty-nine (69) acres, at least a portion of which is located within the Community, as more particularly shown in the Plats. The Lake is a part of the Common Properties.

N. "Land" means any Commercial Land and/or Residential Land.

O. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Land or Unit.

P. "Park" means that certain parcel of land comprised of approximately one (1) acre, all of which is located within Coral Bay Parcel H, according to the Plat thereof, as recorded in Plat Book 140 at Page 10 of the Public Records of Broward County, Florida, as more particularly shown in Exhibit B annexed hereto. The Park is a part of the Common Properties.

Q. "Plat" means the plat of any portion of the Community, as may, from time to time, be recorded in the Public Records of Broward County, Florida.

R. "Perimeter Wall" means that certain masonry wall situated along the boundaries of the Community, together with appurtenant entrance features.

S. "Permitted Unit" means a Unit planned to be built within the Community, but not yet constructed or not yet issued a certificate of occupancy. The number of Permitted Units within any Village shall be:

- (1) the total number of Units permitted to be built within the Village as determined by site plan or land use plan approved by the applicable governmental authority, recorded plat, or Declarant's estimate of

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the number of Units permissible within the Village;
less

- (2) the total number of Units actually existing at such time within the Village.

T. "Residential Land" means any portion of the Community zoned or shown on an applicable plat or site plan as being intended for residential use.

U. "Residential Unit" means a part of the Community subject to exclusive ownership and used or to be used for single-family residential purposes, including, without limitation, each single-family dwelling, detached or attached, villa, patio home, condominium or other form of dwelling, whether planned, constructed or occupied.

V. "Supplemental Declaration" means an amendment to this Declaration as may be recorded from time to time in the Public Records of Broward County, Florida.

W. "Unit" means any Commercial Unit or Residential Unit.

X. "Village" means a specific portion of the real property within the Community as designated by Declarant and established by a Supplemental Declaration.

Y. "Village Association" means any association now or hereafter created to administer a Village pursuant to a declaration of covenants, conditions and restrictions or a declaration of condominium affecting such Village.

ARTICLE 2

PROPERTY SUBJECT TO THIS DECLARATION

2.1 Existing Property. The initial parcel of real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Broward County, Florida, as more particularly described in Exhibit A annexed hereto.

2.2 Supplements. In accordance with Declarant's present intention to increase, in phases, the real property constituting the Community, Declarant may, from time to time, submit other parcels of real property to the provisions of this Declaration by recorded Supplemental Declaration(s) none of which shall require the consent of any then existing Owner or of the CDD. If Declarant shall not, at the time of recording such Supplemental Declaration(s), own the parcel(s) to be so added, such Supplemental Declaration(s) shall require the joinder of the then owner(s) of such parcel(s). Nothing herein shall obligate Declarant to add to the Community property other than that set forth in Exhibit A or to develop additional property under the common plan contemplated by this Declaration; nor shall anything herein prohibit Declarant from causing some or all of such property to be rezoned and/or changing development plans with respect to such property. Each Owner, by acceptance of the deed to his Land or Unit, automatically consents to

any such rezoning, change, addition or deletion sought or made by Declarant after acceptance and, if requested by Declarant, shall execute, acknowledge and deliver such documents or joinders as Declarant, in its sole discretion shall deem necessary.

2.3 Withdrawal. Declarant reserves the right, unilaterally at any time and from time to time, to amend this Declaration without prior notice to and without the consent of any person or entity, for the purpose of removing any portion of the Community then owned by Declarant from the provisions of this Declaration, but only to the extent that such portion(s) shall have been included originally in error or as a result of any change whatsoever in the plans for the Community made by Declarant; provided, however, that such withdrawal shall not be unequivocally contrary to the overall uniform scheme of development for the then remaining portions of the Community. Any withdrawal of land not then owned by Declarant shall not be effective without the joinder of the then owner(s) of such land.

ARTICLE 3

EASEMENTS AND OTHER PROPERTY RIGHTS

3.1 Easements in General. The Common Properties (including, without limitation, all roads) shall be subject to a perpetual non-exclusive easement in favor of each parcel of Land and each Unit, which easement shall be appurtenant to and shall pass with title to each parcel of Land and each Unit, for use by the Owner, his immediate family, guests, tenants and invitees, for all proper and normal purposes including ingress and egress. Declarant also reserves the aforesaid perpetual non-exclusive easement in favor of Declarant, the CDD, all Village Associations and their respective agents, employees, invitees, licensees, successors and assigns. If any grant of any easement in this Declaration would otherwise fail by virtue of the nonexistence of the grantee thereof as of the date of this Declaration, then the CDD automatically shall be deemed to be the attorney-in-fact for such grantee to hold the interest created by such grant of easement until such grantee shall come into existence, at which time the interest created by such grant of easement automatically shall become vested in such grantee. Declarant further reserves the exclusive easement to limit or restrict partially or completely vehicular and/or pedestrian traffic over any portion of the Common Properties so long as such limitation or restriction does not impair the safety or health or one or more Owners, their immediate families, guests, tenants or invitees, even though such limitation or impairment may be a source of inconvenience. This easement shall terminate with respect to the Common Properties located in a particular Village at such time as all of the Units in such Village have been sold and conveyed to Owners of individual Units other than Declarant.

3.2 Easements for Access. Declarant hereby reserves for itself, the CDD, and their successors and assigns, perpetual non-exclusive easements of ingress and egress over and across any and all roads and accessways to and from any public roadway(s) constructed from time to time within the Community, which easements shall be for the use of Declarant, the CDD, Owners and their respective lessees, employees, agents, invitees, licensees and all of their respective successors and assigns.

3.3 Easements for Utilities. Declarant hereby reserves for itself, the CDD, each applicable Village Association and their respective successors and assigns, easements upon, across, under, through and over all portions of the Community for city, county and private utility services (including cable television), including, but not limited to: (a) the right of the police to enter upon any part of the Common Properties for the purpose of enforcing the law; and (b) the right of all such utility companies to install and maintain their equipment and facilities in areas designated by Declarant for such purposes and on such terms as Declarant may determine. Easements further are reserved for Declarant, the CDD, each applicable Village Association and their respective successors and assigns, upon, across, over, through and under the Common Properties for ingress, egress, installation, replacement, repair and maintenance of all utility and service lines, pipes, wires, ducts, vents, cables and conduits and service systems; public and private, including, but not limited to, water, sewer, drainage, irrigation, telephones, electricity, television, cable or communication lines and systems and similar or related facilities located within the Common Properties or serving any portion thereof and police powers and services supplied by local, state and federal governments.

3.4 Easements for Maintenance. Easements are hereby reserved in favor of the CDD and each applicable Village Association upon, across, under, through and over all portions of the Community for the purpose, as deemed necessary by the CDD, of preserving and maintaining the Land, the Units, if applicable, and the Common Properties within the Community and carrying out its responsibilities pursuant to the CDD's enabling documents; provided, however, that all such activity shall be undertaken in a manner so as to minimize interference with any Owner's use of his property.

3.5 Easements for Lake Maintenance. Declarant hereby reserves for itself, the CDD and their respective agents, successors and assigns, a non-exclusive easement twenty (20) feet wide (as measured from the edge of the water as shown on the Plats as Parcel L-1) across all Land and Units abutting the Lake for the purpose of maintaining the Lake. Anything herein to the contrary notwithstanding, Improvements (such as decks, fences and swimming pools) shall be allowed to encroach permanently upon such lake maintenance easement so long as access to the Lake shall permit necessary lake maintenance in Declarant's or the CDD's judgment.

3.6 Easements for Zero Lot Line Maintenance. When any Land ("the Servient Estate") shall abut a zero lot line lot ("the Dominant Estate") upon which a dwelling has been or is permitted to be constructed contiguous to the interior property line between the Dominant Estate and the Servient Estate, then the Owner of the Dominant Estate shall have an easement over the Servient Estate, which easement shall be four (4) feet wide contiguous to the interior property line running from the front to the rear property line of the Servient Estate for the following purposes:

A. For painting, repairing and otherwise maintaining each wall of the Residential Unit in such Dominant Estate abutting the aforesaid property line.

B. For support in and to all structural members, footings and foundations of any Improvements on the Dominant Estate; provided, however, that nothing herein shall be construed as requiring the Owner of the Servient Estate to erect (or permit erection of) columns, load bearing walls or other structures on the Servient Estate for support of the Improvements on the Dominant Estate.

C. For entry upon and ingress and egress through the Servient Estate with persons, materials and equipment to the extent reasonably necessary in the performance of maintenance, repair, replacement of any of the Improvements on the Dominant Estate.

D. For overhanging troughs, gutters and downspouts and the discharge therefrom of rainwater and subsequent flow thereof over the easement area.

3.7 Easements for Encroachments. If, for any reason not caused by the purposeful or negligent act of Declarant, or of an Owner or of the respective agent(s) of either:

A. Any portion of the Common Properties shall encroach upon any portion of the Land and or the Units;

B. Any portion of the Land and or the Units shall encroach upon the Common Properties; or

C. Any encroachment shall hereafter occur as a result of: (i) construction by Declarant of any Improvement, (ii) settling or shifting of any Improvement, (iii) any alteration or repair made to the Common Properties or other portion of the Community, (iv) any repair or restoration of any Improvement after damage by fire or other casualty or taking by condemnation or eminent domain proceedings;

then, in any such event, an easement shall exist for such encroachment and for the maintenance of same so long as the Improvement causing said encroachment shall stand.

3.8 Extent of Easements. The rights and easements created hereby shall be subject to the following:

A. The CDD's right to place any reasonable restrictions upon the use of any roads within the Community, including, but not limited to, the maximum and minimum speeds of vehicles using the roads and other traffic and parking regulations.

B. Declarant's right to give, dedicate or sell all or any portion of the Common Properties to the CDD, the City of Margate, or any governmental entity, other public agency, authority or utility or private concern for such purposes and subject to such conditions as may be determined by Declarant.

3.9 No Waiver of Use. No Owner may release his Land or Unit from assessments and liens hereunder or restrictions imposed hereby by waiver of the use and enjoyment of the Common Properties.

3.10 Title to the Common Properties. Declarant shall have the right to retain title to the Common Properties (or any portion thereof) until such time as the Improvements shall have been completed and the real property so improved shall have been made subject to this Declaration. Upon such completion, or sooner at Declarant's option, Declarant shall convey by appropriate quit claim deed, to the CDD, the City of Margate, or Broward County, Florida, the fee simple title to the Common Properties. Declarant, and thereafter the grantee(s), shall hold title to the Common Properties for the benefit of those persons entitled to same under the provisions of this Declaration. Declarant shall have the right to mortgage all or any portion of the Common Properties to which Declarant shall hold title, provided that the mortgagee shall recognize by recordable instrument the rights of Owners hereunder.

3.11 Reserved Rights. Declarant hereby reserves the right, from time to time, and at any time, and in its sole and absolute discretion to alter all or any portion of the Common Properties to which Declarant holds title, but not to remove them from status as Common Properties.

3.12 Construction Activities. Declarant, its agents, contractors, subcontractors, licensees and/or other designees may, from time to time, be engaged in construction, excavation, blasting and other activities within or in proximity to the Community. By acceptance of a deed or other conveyance or mortgage, leasehold, license or other interest, all such grantees (including, without limitation, the CDD and other governmental entities), lenders and users and their respective successors and assigns automatically acknowledge, stipulate and agree:

A. None of the aforesaid activities shall be deemed a nuisance or offensive activity;

B. Not to enter upon or allow other persons under their direction or control to enter upon any portion of the Community where such activity is being conducted (even if not being conducted actively at the time of entry, such as at night or otherwise during non-working hours); and

C. Declarant, its agents, contractors, subcontractors, licensees and designees, shall not be liable for any direct or consequential losses, damages, injuries or deaths arising from or relating to the aforesaid activities.

ARTICLE 4 VILLAGES

4.1 Villages. Declarant shall have the right, from time to time and at any time, in its sole and absolute discretion and without the need for the consent of any Owner other than Declarant, to dedicate part or all of the Community into nine (9) or fewer Villages. A Village shall be established by

Declarant's recording a duly executed declaration of covenants, conditions and restrictions for such Village in the Public Records of Broward County, Florida.

4.2 Village Associations. Each Village shall be governed by a Village Association which shall be a Florida corporation not-for-profit. The Village Association shall be established by filing its Articles of Incorporation with the Secretary of State of the State of Florida.

ARTICLE 5 THE CDD

5.1 Effect of the CDD. Declarant intends to have the Community (or a portion thereof) become part or all of the CDD. The CDD shall have the authority to plan, establish, acquire, construct and/or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for the following basic infrastructures:

A. Water management and control for the lands within the CDD and connection of some or any of such facilities with roads and bridges;

B. Water supply, sewer and wastewater management, or any combination thereof, and construction and operation of connecting intercepting or outlet sewers or sewer mains and pipes and water main, conduits, or pipelines in, along and under any street, alley, highway or other public place or way and to dispose of any effluent, residue or other byproducts of such system or sewer system;

C. Bridges or culverts that may be needed across any drain, ditch, canal, floodway, holding basin, excavation, public highway, tract, grade, fill or cut, and roadways over levies and embankments and to construct any and all of such works and improvements across, through, or over any public right-of-way, highway, grade, fill or cut;

D. Roads.

In addition to these general powers, the CDD may obtain from the local government power to regulate parks, fire prevention and control, schools, security, mosquito control and waste collection and disposal and any other power permitted under Section 190.012, Florida Statutes.

5.2 Discharge of Declarant. To the extent that the CDD shall undertake to provide any of the services or perform any of the functions that Declarant is required or permitted to perform, or shall undertake any of the responsibilities and obligations of Declarant, then Declarant shall be discharged of those responsibilities undertaken by the CDD.

ARTICLE 6
USE STANDARDS AND RESTRICTIONS

6.1 Improvements. All Improvements shall comply with all applicable minimum standards established by the CDD and zoning laws.

6.2 Maintenance of Improvements. All Improvements shall be kept in a clean, neat and attractive condition consistent with the general appearance of the Community.

6.3 Village Associations. All of the requirements, obligations and remedies set forth in this Article shall apply to all Village Associations and their common areas and Improvements. Accordingly, the term "Owner" as used in this Article shall be deemed to include Village Association (even if it shall not hold legal title to its common areas) and the terms "Land" and "Unit(s)" shall be deemed to include Village Association's common areas and all Improvements thereto.

6.4 Alteration of the Common Properties. No alteration, addition or improvement of the Common Properties shall be permitted, except as provided in this Declaration. Notwithstanding the foregoing, Declarant shall have the right to make such alteration, addition or improvement to the Common Properties as it determines in its sole and absolute discretion.

ARTICLE 7
PARTICULAR RESTRICTIONS

7.1 Applicability. The provisions of this Article shall apply to all of the Community, but shall not apply to Declarant, any of its affiliates, or Builders. If requested by any interested party, Declarant shall give a written statement as to whether any particular person or entity shall be exempt from the provisions of this Article and to which Land or Units and for what period of time such exemption shall exist.

7.2 Use of Residential Land. No Improvement on Residential Land shall be used for any purpose other than residential; provided however that temporary uses by Declarant, its affiliates and designees for model homes, sales displays, parking lots, sales offices and other offices, or any combination of such uses shall be permitted until Declarant shall determine that such use is no longer needed.

7.3 Nuisances. No noxious, offensive or unlawful activity shall be carried on within the Community nor shall anything be done in the Community which may be or may become an annoyance or nuisance to other Owners.

7.4 Temporary Play and Auxiliary Structures. No structure of a temporary character, trailer, basement, tent, shack, shed, barn or other outbuilding shall be built, installed or used in the Community at any time. No shed or storage container shall be built, installed or used on a Unit except if located in the backyard of the Unit and if not visible from the street. No outdoor clotheslines shall be permitted. No building, fence, screen enclosure,

wall or other structure shall be erected or maintained, nor shall any exterior addition, change or alteration thereof be made inconsistently with the general aesthetics of the Community.

7.5 Oil and Mining Operations. No oil drilling, oil development operations, oil refining or mining operations of any kind shall be permitted in the Community, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted in the Community. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted in the Community.

7.6 Livestock, Poultry and Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept in the Community, except that not more than two (2) household pets may be kept provided that they not be kept, bred or maintained for any commercial purpose. "Household pets" shall mean those types of dogs, cats and other animals if expressly permitted by the Village Association in which the Unit is located. Household pets also shall include fish and domestic (household-type) birds, so long as they shall be kept indoors and shall not become a source of annoyance to neighbors. Nothing herein shall be deemed to prohibit pet shops, kennels and/or stables being operated upon Commercial Land or Commercial Units within the Community.

7.7 Garbage, Refuse and Sewage Disposal. No portion of the Community shall be used or maintained as a dumping ground for rubbish. Trash and garbage shall not be kept except in sanitary containers or as required by the CDD or the applicable County ordinances. All equipment for the storage or disposal of such material shall be kept in clean and sanitary condition. No individual sewage disposal system shall be permitted in the Community.

7.8 Water Supply. No individual water supply system shall be permitted in the Community without the Committee's prior written approval.

7.9 Exterior Colors. The exterior colors of all Improvements shall remain the color initially established by Declarant.

7.10 Satellite Dishes, Exterior Antennae. The applicable Village Association shall control all decisions regarding installation and maintenance of satellite dishes, exterior radio antennae, television antennae, citizens band antennae or any other antennae of any type or nature.

7.11 Motor Vehicles, Boats and Boat Trailers. No motor vehicles of any type, trailers, recreation vehicles, campers, commercial vehicles, boats or boat trailers may be parked upon any unpaved portions of the Common Properties. No trucks, commercial vehicles, recreation vehicles, campers, derelict automobiles, boats or boat trailers may be parked in the Community, except when kept in a garage within a Unit. If such vehicle shall be parked in such garage, the garage door shall be kept closed. Anything herein to the contrary notwithstanding, commercial vehicles shall be allowed upon Commercial Land.

7.12 Windows, Shutters. No Owner shall place aluminum foil on either the interior or exterior surface of any exterior window or glass door. Storm

shutters shall be of a type, style and color consistent with the general aesthetics of the Community.

7.13 Exterior Lighting. All exterior lighting shall be of a type, style and color consistent with the general aesthetics of the Community.

7.14 Signs. No sign of any kind shall be permitted on any Residential Land or Unit; provided, however, than when an Owner shall offer any Land or Unit for sale, one (1) "For Sale" sign shall be permitted on the Land or Unit being so offered. The size of the face of the sign shall be not larger than forty (40) square inches and the sign shall be attached to a supporting member driven into the ground not exceeding two (2) inches in diameter and not exceeding four (4) feet in height above the finished grade of the property. Without limiting the generality of this Section, in the event that similar requirements of a Village Association shall be more restrictive than those set forth herein, such more restrictive requirements shall supersede and control. None of the foregoing restrictions shall apply to Commercial Land or Commercial Units to the extent that signs thereon shall have been originally permitted by Declarant, such permission being subject to later modification with Declarant's approval to permit additional or different signage.

7.15 Displays. No permanent statues, artifacts, religious objects or other displays shall be permitted on the Land or on the exterior of any Unit.

7.16 Swimming Pools, Hot Tubs and Whirlpool Baths. Any and all swimming pools, hot tubs or whirlpool baths to be constructed shall be subject to the Declarant's requirements, which shall include, without limitation: (a) composition shall be of material thoroughly tested and accepted by the industry for such construction; (b) the location of any swimming pool, hot tub or whirlpool bath shall be subject to the Declarant's prior written approval; and (c) no screening shall stand beyond a line extended and aligned with the side walls of a Unit without the Declarant's prior written approval.

7.17 Utility Connections. Building connections for all utilities, including, but not limited to water, electricity, telephone and television, shall be run underground from the proper connecting points to the Unit in a manner which shall comply with all governmental requirements.

7.18 Lakefront Property and Lake. As to all portions of the Common Properties contiguous to the Lake, the following additional provisions shall apply:

A. No boathouse, dock, wharf, pilings or other structure of any kind shall be erected, placed, altered or maintained on the shores of the Lake without Declarant's prior written approval, which approval may be withheld in Declarant's sole and absolute discretion.

B. No solid or liquid waste, litter or other materials may be discharged into the Lake.

C. Each Owner shall maintain his Land or Unit to the water line of the adjacent Lake.

D. No motorized boat or personal watercraft shall be operated on the Lake or Lake shore without the prior written consent of either Declarant or the CDD.

7.19 Fences. No fences shall be permitted within the Community unless installed by Declarant or a Builder during construction periods or as otherwise approved by Declarant.

7.20 The Park. Use of the Park shall be subject to the maintenance, control and restrictions of the CDD.

(21) Village Associations. All of the restrictions, requirements and obligations set forth in this Article shall apply to all Villages and all Village Associations.

ARTICLE 8 COMPLIANCE

Every Owner and Village Association and all tenants, guests, invitees, officers, employees, contractors, subcontractors and agents thereof shall comply with this Declaration. Failure to so comply shall subject the violator to damages, injunctive relief and all other remedies available by law.

ARTICLE 9 DECLARANT AND THE COMMUNITY

The covenants, restrictions and provisions of this Declaration shall be cumulative with those of the Declarations for the Village Associations; provided, however, that in the event of conflict between or among any such covenants, restrictions and provisions, or any Articles of Incorporation, By-Laws, rules and regulations, policies or practices adopted or carried out pursuant thereto, those of the Village Associations shall be subject and subordinate to this Declaration.

ARTICLE 10 GENERAL PROVISIONS

10.1 Declarant's Additional Reserved Rights. Notwithstanding anything herein to the contrary, Declarant shall have the right with respect to the development of the Community, to construct buildings and Units and other Improvements and install landscaping of such type, nature, shape, height, color, materials and location as Declarant shall determine in its sole and absolute discretion; provided, however, that same shall comply with the applicable building codes and city and county zoning laws in force at that time. Until such time as Declarant shall own no Land or Units within the Community, Declarant shall be entitled to place on Land and/or Units owned by Declarant temporary construction or sales trailers and other temporary facilities and conduct its sales and marketing efforts as Declarant shall deem appropriate. Declarant further reserves the right to transfer to the CDD, from time to time and at any time, title to so much of the Common Properties as it shall then determine.

10.2 Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the Land, Units and the Common Properties in the Community and shall be enforceable by any Owner, his legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration shall be recorded ("the Initial Term"), after which time said covenants shall be extended automatically for successive periods of ten (10) years, unless this Declaration shall be terminated at the end of the Initial Term or prior to a successive ten (10) year period by a decision made by the affirmative vote of not less than seventy-five (75%) percent of the Owners, no later than five (5) years prior to the end of the Initial Term or not later than five (5) years prior to the commencement of any successive ten (10) year term in which event an instrument to this effect shall be recorded in the Public Records of Broward County, Florida, subject, however, to Declarant's rights as set forth in this Declaration.

10.3 Amendments. This Declaration may be amended by Declarant unilaterally from time to time and at any time as set forth elsewhere in this Declaration; provided, however, (a) no amendment shall change the method of determining a Residential Unit's share of Village Association expenses, unless the record owners of the affected Residential Units shall join in the execution of the amendment; (b) no amendment shall materially and adversely affect the rights of an Institutional Lender holding a mortgage on a Residential Unit within the Community without such Institutional Lender's prior written consent; and (c) no amendment shall materially and adversely affect the surface water management system without the South Florida Water Management District's prior written approval. Each amendment shall be recorded in the Public Records of Broward County, Florida.

10.4 Covenants Running with the Land. Anything contained elsewhere herein to the contrary notwithstanding, the covenants, conditions and restrictions of this Declaration shall run with the Land entitled to all of the real property with the Community. If any provision or application of this Declaration would prevent this Declaration from running with the Land as aforesaid, such provision and/or application shall be judicially modified, if possible, to reflect the intent of such provision or application and then shall be enforced in a manner allowing the covenants, conditions and restrictions to so run with the Land. In the event that any 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 covenants, conditions and restrictions hereof running with the Land shall be achieved.

10.5 Notices. Any notice required to be sent hereunder shall be deemed to have been properly sent when delivered or mailed, postpaid, to the last known address of the Owner or other addressee on the records of the Village Association of which the Owner is a member at the time of such mailing.

10.6 Enforcement: No Waiver. The CDD, the County and/or any Owner shall have the right to enforce the provisions of this Declaration by any proceeding at law or in equity against any person(s) or entity(ies) violating or attempting to violate any covenant or restriction, either to restrain such violation, to recover damages or to enforce performance and against the applicable Land and/or Unit to enforce any lien created herein; and failure by

the CDD, a Village Association or any Owner to enforce the provisions of this Declaration shall in no event be deemed a waiver of the right to do so thereafter. Where litigation shall occur to enforce said provisions or to recover damages or to enforce any lien created herein, the prevailing party in such litigation shall be entitled to recover court costs and reasonable attorneys' fees, including court costs and reasonable attorneys' fees in any appellate proceeding.

10.7 Severability. Invalidity of any portion of this Declaration by judgment, court order or statute shall in no way affect any other provisions which shall remain in full force and effect.

10.8 Gender and Plurals. The use in this Declaration of the male gender shall include the female and neuter, and the use of the singular shall include the plural and vice versa, as the context requires.

IN WITNESS WHEREOF, the undersigned have executed this Declaration on the date set forth below.

ATTEST:

FN PROJECTS, INC., a California corporation, formerly known as 1ST NATIONWIDE NETWORK MORTGAGE COMPANY

Karen A. Cotter, Assistant Secretary

By: George F. Watts, Vice President

Dated: February 27, 1990

STATE OF FLORIDA)
) SS.
COUNTY OF DADE)

BEFORE ME, a Notary Public, personally appeared GEORGE F. WATTS, Vice President and Karen A. Cotter, Assistant Secretary, respectively, of FN PROJECTS, INC., a California corporation, formerly known as 1ST NATIONWIDE NETWORK MORTGAGE COMPANY, who did acknowledge before me that they executed the foregoing instrument for the uses and purposes therein set forth, for and on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at the county and state aforesaid, this 27 day of February 1990.

Delores E. Schumacher
NOTARY PUBLIC.
State of Florida at Large

My commission expires:

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES APRIL 21, 1990

EXHIBIT A

LEGAL DESCRIPTION OF THE COMMUNITY

CORAL BAY PARCEL "CR-NORTH", according to the plat thereof, as recorded in Plat Book 140, Page 7 of the Public Records of Broward County, Florida.

Said lands lying in the City of Margate, Broward County, Florida, containing 13.985 acres, more or less.

CORAL BAY PARCEL "CR-SOUTH", according to the plat thereof, as recorded in Plat Book 140, Page 21 of the Public Records of Broward County, Florida.

Said lands lying in the City of Margate, Broward County, Florida, containing 3.497 acres, more or less.

CORAL BAY PARCEL "G", according to the plat thereof, as recorded in Plat Book 140, Page 18 of the Public Records of Broward County, Florida.

Said lands lying in the City of Margate, Broward County, Florida, containing 17.073 acres, more or less.

CORAL BAY PARCEL "H", according to the plat thereof, as recorded in Plat Book 140, Page 10 of the Public Records of Broward County, Florida.

Said lands lying in the City of Margate, Broward County, Florida, containing 24.008 acres, more or less.

CORAL BAY PARCEL "I-EAST", according to the plat thereof, as recorded in Plat Book 140, Page 16 of the Public Records of Broward County, Florida.

Said lands lying in the City of Margate, Broward County, Florida, containing 15.727 acres, more or less.

CORAL BAY PARCEL "I-WEST", according to the plat thereof, as recorded in Plat Book 140, Page 20 of the Public Records of Broward County, Florida.

Said lands lying in the City of Margate, Broward County, Florida, containing 12.839 acres, more or less.

EXHIBIT B

LEGAL DESCRIPTION OF THE PARK

A portion of Parcel "H", CORAL BAY PARCEL "H", according to the plat thereof, as recorded in Plat Book 140, Page 10 of the Public Records of Broward County, Florida, being more particularly described as follows:

COMMENCE at the most Northwesterly corner of Parcel "L-1" of said plat of CORAL BAY PARCEL "H";

THENCE North 87° 17' 00" East, along the North line of said Parcel "L-1", 128.14 feet;

THENCE South 02° 43' 00" East, 87.66 feet to the POINT OF BEGINNING, said point also being the most Northerly corner of said Parcel "H";

THENCE along the Northeasterly line of said Parcel "H", the following thirteen (13) courses and distances:

1. South 41° 22' 30" East, 34.20 feet;
2. South 38° 09' 48" East, 39.14 feet;
3. South 40° 22' 23" East, 39.90 feet;
4. South 17° 05' 53" East, 41.89 feet;
5. South 20° 09' 02" East, 38.44 feet;
6. South 29° 58' 37" East, 40.07 feet;
7. South 59° 34' 33" East, 35.69 feet;
8. South 54° 50' 20" East, 39.20 feet;
9. South 54° 39' 56" East, 36.98 feet;
10. South 66° 18' 36" East, 34.46 feet;
11. South 80° 42' 07" East, 36.68 feet;
12. South 77° 15' 45" East, 28.46 feet;
13. South 89° 26' 05" East, 3.32 feet;

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EXHIBIT B (CONT.)

THENCE South 00° 33' 55" West, 75.26 feet to a point on the arc of a non-tangent curve concave to the Southeast (said point bears North 18° 34' 36" West from the radius point of the next described curve);

THENCE Southwesterly along the arc of said curve, having a radius of 35.00 feet, a delta of 49° 44' 34", an arc distance of 30.79 feet to a Point of Intersection with a non-radial line (said point bears North 68° 19' 10" West, from said radius point);

THENCE South 80° 14' 13" West, 86.88 feet to a point on the Westerly line of said Parcel "H";

THENCE along said Westerly line the following sixteen (16) courses and distances:

1. North 28° 52' 05" West, 20.27 feet;
2. North 47° 35' 23" West, 39.71 feet;
3. North 54° 08' 02" West, 39.71 feet;
4. North 48° 45' 46" West, 41.69 feet;
5. North 40° 57' 43" West, 35.48 feet;
6. North 31° 35' 34" West, 42.72 feet;
7. North 33° 46' 33" West, 27.75 feet;
8. North 39° 46' 12" West, 35.23 feet;
9. North 54° 36' 11" West, 28.87 feet;
10. North 45° 17' 17" West, 26.61 feet;
11. North 27° 16' 24" West, 24.16 feet;
12. North 20° 28' 14" West, 30.20 feet;
13. North 19° 36' 51" East, 35.32 feet;
14. North 49° 35' 02" East, 26.64 feet;
15. North 17° 53' 16" East, 28.08 feet;
16. North 16° 14' 39" East, 25.98 feet to the POINT OF BEGINNING;

RECORDED IN THE OFFICIAL RECORDS BOOK
OF BROWARD COUNTY, FLORIDA
L. A. HESTER
COUNTY ADMINISTRATOR

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Said lands lying in the City of Margate, Broward County, Florida, containing 46,149 square feet (1.059 acres) more or less.

**DECLARATION
OF COVENANTS,
CONDITIONS
AND RESTRICTIONS
FOR THE CAPE
AT CORAL BAY**


CORAL BAY