OCT-11-1996 2:34PM 96-358887
ORB 9482 Pg 62

Instrument prepared by, and
Record and return to:
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DECLARATION OF COVENANTS AND RESTRICTIONS OF

CYPRESS ESTATES OF PALM SPRINGS

THIS DECLARATION OF COVENANTS AND RESTRICTIONS OF CYPRESS ESTATES OF PALM SPRINGS is made this 24th day of September, 1996, by AURORA HOMES, INC., a Florida corporation, hereinafter referred to as "Declarant".

Declarant owns the Subject Property as hereinafter described, and intends to develop the Subject Property as a residential community. The purpose of this Declaration is to provide various use and maintenance requirements and restrictions in the best interests of the future Owners of dwellings within the Subject Property, to protect and preserve the values of the Subject Property. This Declaration will also establish an Association which will own, operate and/or maintain various portions of the Subject Property and improvements constructed within the Subject Property, will have the right to enforce the provisions of this Declaration, and will be given various other rights and responsibilities. The expenses of the Association as to the Subject Property will be shared by the Owners of the Subject Property, who will be members of the Association.

NOW, THEREFORE, Declarant hereby declares that the Subject Property, and such additions as may hereafter be made pursuant to the terms of this Declaration, shall be held, sold, conveyed, leased, mortgaged and otherwise dealt with, subject to the easements, covenants, conditions, restrictions, reservations, liens, and charges set forth herein, all of which are created in the best interest of the Owners and residents of the Subject Property, and which shall run with the Subject Property and shall be binding upon all persons having and/or acquiring any right, title or interest in the Subject Property or any portion thereof, and shall inure to the benefit of each and every person, from time to time, owning or holding an interest in the Subject Property, or any portion thereof.

1. <u>DEFINITIONS</u>. The terms used in this Declaration, and in the Articles and By-Laws, shall have the following meanings, unless the context otherwise requires:

1.1. "APPROVING PARTY" means Declarant, so long as Declarant owns any Lot, or until Declarant assigns its rights as the approving party to the Association, and thereafter means the Association. Declarant reserves the right to assign its rights as the approving party to the Association, in whole or in part.

1.2. "ARTICLES" means the Articles of Incorporation of the Association, as same may be amended from time to time.

1.3. "ASSESSMENT" means the amount of money which may be assessed against an Owner for the payment of the Owner's share of Common Expenses, and/or any other funds which Owner may be required to pay to the Association as provided by this Declaration, the Articles or the By-Laws.

1.4. "ASSOCIATION" means the corporation established pursuant to the Articles of Incorporation attached hereto as an exhibit.

1.5. "BOARD" means the Board of Directors of the Association.

1.6. "BY-LAWS" means the By-Laws of the Association, as the same may be amended from time to time.

1.7. "COMMON AREAS" means any property, whether improved or unimproved, or any easement or interest therein, now or hereafter owned by the Association, or which is declared to be Common Area by this Declaration, or which is dedicated to the Association pursuant to a recorded plat of all or any portion of the Subject Property. Common Areas may include, but are not limited to, parks, open areas, conservation areas, nature preserves, recreational facilities, lakes, road, entranceways, parking areas, and other similar properties, provided that the foregoing shall not be deemed a representation or warranty that any or all of the foregoing types of Common Areas will be provided.

1.8. "COMMON EXPENSES" means all expenses of any kind or nature whatsoever incurred by the Association, including, but not limited to, the following:

1.8.1. Expenses incurred in connection with the ownership, maintenance, repair, improvement or operation of the Common Areas, or any other property to be maintained by the Association as provided in this Declaration, including, but not limited to, utilities, cable television, taxes, Assessments, insurance, operation, maintenance, repairs, improvements and alterations.

1.8.2. Expenses of obtaining, repairing or replacing personal property in connection with any Common Area or the performance of the Association's duties.

1.8.3. Expenses incurred in connection with the administration and management of the Association.

1.8.4. Common water, sewer, trash removal, and other common utility, governmental, or similar services for the Lots which are not separately metered or charged to the Owners, or which the Association determines to pay in common in the best interests of the Owners.

1.8.5. Expenses declared to be Common Expenses by the provisions of this Declaration, or by the Articles or By-Laws.

1.8.6. Any amounts payable by the Association to any other Association or any governmental authority.

1.8.7. In connection with any agreement for CATV service, the Association may agree to pay the cable television company providing such service a monthly service fee for all of the Lots, as a Common Expense. In addition to the monthly service fee, the agreement with the cable television company may provide that the Owners and residents of the Subject Property may purchase additional optional services directly from the cable television company, such as premium pay TV channels.

1.9. "COMMON SURPLUS" means the excess of all receipts of the Association over the amount of the Common Expenses.

1.10. "DECLARANT" means the person executing this Declaration, or any person who may be assigned the rights of Declarant pursuant to a written assignment executed by the then present Declarant recorded in the public records of the county in which the Subject Property is located. In addition, in the event any person obtains title to all the Subject Property then owned by Declarant as a result of the foreclosure of any mortgage or deed in lieu thereof, such person may elect to become the Declarant by a written election recorded in the public records of the county in which the Subject Property is located, and regardless of the exercise of such election, such person may appoint as Declarant any third party who acquires title to all or any portion of the Subject Property by written appointment recorded in the public records of the county in which the Subject Property is located. In any event, any subsequent Declarant shall not be liable for any actions or defaults of, or any obligations incurred by, any prior Declarant, except as same may be expressly assumed by the subsequent Declarant.

1.11. "DECLARATION" means this document as it may be amended from time to time.

1.12. "INSTITUTIONAL LENDER" means the holder of a mortgage encumbering a Lot, which holder in the ordinary course of business makes, purchases, guarantees, or insures mortgage loans, and which is not owned or controlled by the Owner of the Lot encumbered. An Institutional Lender may include, but is not limited to, a bank, savings and loan Association, insurance company, real estate or mortgage investment trust, pension or profit sharing plan, mortgage company, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, an agency of the United States or any other governmental authority, or any other similar type of lender generally recognized as an institutional-type lender. For purposes of definition only, an Institutional Lender shall also mean the holder of any mortgage executed by or in favor of Declarant, whether or not such holder would otherwise be considered an Institutional Lender, and notwithstanding anything contained herein to the contrary, the holder of any such mortgage shall be entitled to all rights and protections granted to first mortgagees hereunder, whether or not such mortgage is a first mortgage.

1.13. "LOT" means any parcel of land located within the Subject Property, which has been or is intended to be conveyed by Declarant to an Owner and which contains or is intended to contain a Unit, and shall include any Unit constructed upon the Lot.

1.14. "MEMBER" means a member of the Association in accordance with the provisions of this Declaration.

1.15. "OWNER" means the record Owner(s) of the fee title to a Lot.

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

1.17. "SUBJECT PROPERTY" means all of the property subject to this Declaration from time to time, which initially is the property described in Exhibit "A" attached hereto, and includes any Lots or improvements constructed thereon.

1.18. "UNIT" means the residential dwelling unit constructed upon a Lot, as follows:

1.18.1. Outside Units: measured from the exterior of the outside wall to the center of the opposite party wall of said Unit;

1.18.2. Inside Units: measured from the center of the party wall on one side of the Unit to the center of the party wall on the opposite side of said Unit;

1.18.3. Vertical Measurement: From the underlying Lot up through the roof line, through and including said roof.

2. ASSOCIATION. In order to provide for the administration of the Subject Property and this Declaration, the Association has been organized under the laws of the State of Florida.

2.1. Articles. A copy of the Articles is attached hereto as Exhibit "B". No amendment to the Articles shall be deemed an amendment to this Declaration, and this Declaration shall not prohibit or restrict amendments to the Articles, except as specifically provided herein.

2.2. By-Laws. A copy of the By-Laws is attached hereto as Exhibit "C". No Amendment to the By-Laws shall be deemed an amendment to this Declaration, and this Declaration shall not prohibit or restrict amendments to the By-Laws, except as specifically provided herein.

2.3. Powers of the Association. The Association shall have all of the powers indicated or incidental to those contained in its Articles and By-Laws. In addition, the Association shall have the power to enforce this Declaration and shall have all of the powers granted to it by this Declaration. By this Declaration, the Subject Property is hereby submitted to the jurisdiction of the Association.

2.4. Approval or Disapproval of Matters. Whenever the decision of the Association is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed in accordance with the Articles and the By-Laws, except as otherwise provided herein.

2.5. Acts of the Association. Unless the approval or action of the Owners and/or a certain specific percentage of the Board is specifically required by this Declaration, the Articles or By-Laws, or by applicable law, all approvals or actions required or permitted to be given or taken by the Association shall be given or taken by the Board, without the consent of the Owners, and the Board may so approve an act through the proper officers of the Association without a specific resolution. When an approval or action of the Association is permitted to be given or taken, such action or approval may be conditioned in any manner the Association deems appropriate, or the Association may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal, except as herein specifically provided to the contrary.

2.6. Membership. All Owners shall be members of the Association. Memberships shall be established and transferred as provided by this Declaration, the Articles and By-Laws.

2.7. Owners' Voting Rights. The votes of the members shall be established and exercised as provided in the Articles and By-Laws.

2.8. Transition of Association Control. Members other than the Declarant are entitled to elect at least a majority of the members of the Board of Directors of the homeowners' association after seventy-five (75%) percent of the Lots in the Subject Property have been conveyed to purchasers, or June 30, 2000, whichever occurs earlier.

2.9. After the initial conveyance of the Common Areas to the Association by the Declarant, any annexation of additional properties, dedication of Common Areas and amendment to this Declaration of Covenants and Restrictions shall require HUD/VA approval so long as the Declarant is entitled to appoint a majority of the Directors of the Association pursuant to Paragraph 2.8 above.

3. COMMON AREAS, DUTIES AND OBLIGATIONS OF THE ASSOCIATION.

3.1. Conveyance of Common Areas to Association.

3.1.1. By Declarant. Declarant shall have the right to convey title to any property owned by it, or any easement or interest therein, to the Association as a Common Area, and the Association shall be required to accept such conveyance. Any such conveyance shall be effective upon recording the deed or instrument of conveyance in the public records of the county where the Subject Property is located.

3.1.2. By Any Other Person. Any other person may also convey title to any property owned by such person, or any easement or interest therein, to the Association as a Common Area, but the Association shall not be required to accept any such conveyance, and no such conveyance shall be effective to impose any obligation for the maintenance, operation or improvement of any such property upon the Association, unless the Board expressly accepts the conveyance by executing the deed or other instrument of conveyance or by recording a written acceptance of such conveyance in the public records of the county in which the Subject Property is located.

3.2. Use and Benefit. All Common Areas shall be held by the Association for the use and benefit of the Association and the Owners, the residents of the Subject Property, and their respective guests, tenants and invitees, the holders of any mortgage encumbering any property from time to time, and any other persons authorized to use the Common Areas or any portion thereof by Declarant or the Association, for all proper and reasonable purposes and uses for which the same are reasonably intended, subject to the terms of this Declaration, subject to the terms of any easement, restriction, reservation or limitation of record affecting the Common Area or contained in the deed or instrument conveying the Common Area to the Association, and subject to any rules and regulations adopted by the Association. An easement and right for such use is hereby created in favor of all Owners, appurtenant to the title to their property.

3.3. Grant and Modification of Easements. The Association shall have the right to grant, modify or terminate easements over, under, upon, and/or across any property owned by the Association, and shall have the further right to modify, relocate or terminate existing easements in favor of the Association. However, if ingress or egress to any Lot is through the Common Area, any conveyance or encumbrance of such area is subject to the Lot Owner's easement.

3.4. Utilities. The Association shall pay for all utility services for the Common Areas, or for any other property to be maintained by the Association, as a Common Expense.

3.5. Taxes. The Association shall pay all real and personal property taxes and Assessments for any property owned by the Association, as a Common Expense.

3.6. Insurance. The Association may, but shall not be required to, purchase insurance as a Common Expense, as follows:

3.6.1. Hazard Insurance protecting against loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement, and all other perils customarily covered for similar types of projects, including those covered by the standard all-risk endorsement, covering 100% of the current replacement cost of all Common Areas and property owned by the Association, excluding land, foundations, excavations, and other items normally excluded from insurance coverage. The Association shall not use hazard insurance proceeds for any purpose other than the repair, replacement or reconstruction of any damaged or destroyed property without the approval of at least two-thirds (2/3) of the votes of the Owners.

3.6.2. <u>Comprehensive General Liability Insurance</u> protecting the Association from claims for bodily injury, death or property damage providing for coverage of at least $1,000,000.00 for any single occurrence.

3.6.3. <u>Blanket Fidelity Bonds</u> for anyone who handles or is responsible for funds held or administered by the Association, covering the maximum funds that will be in the custody or control of the Association or any managing agent, which coverage shall be at least equal to the sum of three (3) months' Assessments on all Lots, plus reserve funds.

3.6.4. Such other insurance as may be desired by the Association, such as flood insurance, errors and omissions insurance, worker's compensation insurance, or any other insurance.

3.6.5. All insurance purchased by the Association must include a provision requiring at least ten (10) days' written notice to the Association before the insurance can be cancelled or the coverage reduced for any reason.

3.6.6. Any deductible or exclusion under the policies shall be Common Expense and shall not exceed $5,000.00 or such other sum as is approved by the Owners.

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

3.7. <u>Default</u>. Any Owner or Institutional Lender may pay for any utilities, taxes or Assessments, or insurance premiums which are not paid by the Association when due, or may secure new insurance upon the lapse of an insurance policy, and shall be owed immediate reimbursement therefor from the Association, plus interest and any costs of collection, including attorneys' fees.

3.8. <u>Damage or Destruction</u>. In the event any improvement within any Common Area is damaged or destroyed due to fire, flood, wind, or other casualty or reason, the Association shall restore, repair, replace or rebuild (hereinafter collectively referred to as "repair") the damaged improvement to the condition the improvement was in immediately prior to such damage or destruction, unless otherwise approved by two-thirds (2/3) of the votes of the Owners. Any excess cost of repairing any improvement over insurance proceeds payable on account of any damage or destruction shall be a Common Expense, and the Association shall have the right to make a Special Assessment for any such expense.

3.9. <u>Mortgage and Sale of Common Areas</u>. The Association shall not abandon, partition, subdivide, encumber, sell or transfer any Common Area owned by the Association without the approval of at least two-thirds (2/3) of the votes of the Owners, excluding Declarant. Notwithstanding the foregoing, if Declarant changes the location of any future Units such that a portion of the Common Areas would be within a relocated Lot, the Association shall have the right, without the approval of the Owners, to convey such portion of the Common Areas to Declarant, and in connection therewith, Declarant shall convey to the Association any property which was formerly intended to be a part of a Lot which is, due to the relocation of any Lot, then intended to be a Common Area. If ingress or egress to any property is through any Common Area, any conveyance or encumbrance of such Common Area shall be subject to an appurtenant easement for ingress and egress in favor of the Owner(s) of such property, unless alternative ingress and egress is provided to the Owner(s).

4. EASEMENTS. Each of the following easements are hereby created, which shall run with the land and notwithstanding any of the other provisions of this declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with their proper and intended uses and purposes, and each shall survive the termination of this declaration.

4.1. Easement for Pedestrian and Vehicular Traffic. Easements for pedestrian traffic over, through and across sidewalks, paths, lanes and walks, as the same may from time to time exist upon the Common Areas and be intended for such purpose; and for pedestrian and vehicular traffic over, through, across and upon such portion of the Common Areas as may from time to time be intended for such purposes, same being for the use and benefit of the Owners and the residents of the Subject Property, their mortgagees, and their guests, tenants and invitees.

4.2. Perpetual Nonexclusive Easement in Common Areas. The Common Areas shall be, and the same are hereby declared to be, subject to a perpetual nonexclusive appurtenant easement in favor of all Owners and residents of the Subject Property from time to time, and their guests, tenants and invitees, for all property and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended.

4.3. Service and Utility Easements. Easements in favor of governmental and quasi-governmental authorities, utility companies, ambulance or emergency vehicle companies, and mail carrier companies, over and across all roads existing from time to time within the Subject Property, and over, under, on and across the Common Areas, as may be reasonably required to permit the foregoing, and their agents and employees, to provide their respective authorized services to and for the Subject Property. Also, easements as may be required for the installation, maintenance, repair and providing of utility services, equipment and fixtures in order to adequately serve the Subject Property, including, but not limited to, electricity, telephones, sewer, water, lighting, irrigation and drainage. However, easements affecting any Lot which serve any other portion of the Subject Property shall only be under the Lot, and shall only be for utility services actually constructed, or reconstructed, and for the maintenance thereto, unless otherwise approved in writing by the Owner of the Lot. An Owner shall do nothing on his Lot which interferes with or impairs the utility services using these easements. The Board or its designee shall have a right of access to each Lot and Unit to inspect, maintain, repair or replace the utility service facilities contained under the Lot and to remove any improvements interfering with or impairing the utility services or easement herein reserved; provided such right of access shall not unreasonably interfere with the Owner's permitted use of the Lot and, except in the event of an emergency, entry into any Unit shall be made with reasonable notice to the Owner.

4.4. Encroachments. If any portion of the Common Areas encroaches upon any Lot, or if any Unit or other improvement encroaches upon any Lot or upon any portion of the Common Areas, or if any encroachment shall hereafter occur as a result of (i) construction or reconstruction of any improvements; (ii) settling or shifting of any improvements; (iii) any addition, alteration or repair to the Common Areas made by or with the consent of the Association; (iv) any repair or restoration of any improvements (or any portion thereof) or any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings or all or any portion of any Lot or the Common Areas; or (v) any non-purposeful or non-negligent act of an Owner, except as may be authorized by the board, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the improvements shall stand.

4.5. Easements shall hereby exist for overhanging troughs or gutters, downspouts and the discharge therefrom of rain water and the subsequent flow thereof over the Lots and the Common Areas.

4.6. Additional Easements. Declarant (so long as it owns any Lot) and the Association, on their behalf and on behalf of all Owners, each shall have the right to (i) grant and declare additional easements over, upon, under and/or across the Common Areas in favor of Declarant or any person, entity, public or quasi-public authority or utility company, or (ii) modify, relocate, abandon or terminate existing easements benefitting or affecting the Subject Property. In connection with the grant, modification, relocation, abandonment or termination of any easement, Declarant reserves the right to relocate roads, parking areas, utility lines, and other improvements upon or serving the Subject Property. So long as the foregoing will not unreasonably and adversely interfere with the use of Lots for dwelling purposes, no consent of any Owner or any mortgagee of any Lot shall be required or, if same would unreasonably and adversely interfere with the use of any Lot for dwelling purposes, only the consent of the Owners and institutional lenders of Lots so affected shall be required. To the extent required, all Owners hereby irrevocably appoint Declarant and/or the Association as their attorney-in-fact for the foregoing purposes.

4.7. Sale and Development Easement. Declarant reserves and shall have an easement over, upon, across and under the Subject Property as may be reasonably required in connection with the development, construction, sale and promotion, or leasing, of any Lot or Unit within the Subject Property or within any other property owned by Declarant.

4.8. Subdivision Boundary Wall. The Declarant shall construct a concrete block privacy wall no higher than 6' along Cypress Lane. The Association shall be responsible for the maintenance, repair and replacement of the Subdivision Boundary Wall and the landscaping associated therewith.

4.9. Service and Maintenance Easement. The Owner of each Lot shall have an easement into the contiguous Lot or Common Area, as the case may be, which easement shall be for the purpose of servicing and maintaining the Lot and Unit, drainage, and the installation and maintenance of underground utilities. The Owner of such Lot shall not be liable for any damage or destruction to any landscaping or improvements within any such easement area which is caused in connection with the reasonable maintenance and servicing of his Lot or Unit, or any other purpose for which the easement is granted.

4.10. Roof and Painting. All of the Unit Owners under a common roof shall be responsible for the maintenance, repair and/or replacement of said roof. In addition, all of said Unit Owners shall be responsible for the exterior painting of the building which is constructed upon their collective Lots. If the Unit Owners fail to complete their obligations hereunder, the Association, at the Owners' sole cost and expense, shall have the right to repair, maintain and/or replace all portions of the roof or paint the exterior of said building. Declarant herein creates an easement across each Lot in favor of CYPRESS ESTATES OF PALM SPRINGS HOMEOWNERS' ASSOCIATION, INC. and its authorized agents, for the purposes of performing any acts necessary to ensure compliance with the provisions hereof.

5. <u>MAINTENANCE OF THE SUBJECT PROPERTY</u>.

5.1. <u>By the Association</u>. The Association shall operate, maintain, repair and replace, as a common expense, the following portions of the Subject Property:

5.1.1. <u>Common Areas</u>. The Association shall maintain all Common Areas or other areas for which the duty to maintain has been delegated to and accepted by the Association, and all landscaping and improvements contained thereon, including, but not limited to, all lakes, roads, the Subdivision Boundary Wall, from time to time. An Owner shall do nothing on his Lot which interferes with or impairs this duty.

5.1.2. <u>Lots</u>. The Association shall be responsible for the repair, maintenance and/or replacement, at its sole cost and expense, of all portions of the lawn, landscaping, and the sprinkler system located on each Lot. Each Owner shall be responsible for the repair, maintenance and/or replacement, at his sole ,cost and expense, of all portions of any dwelling, improvements and/or fences constructed on his Lot. If the Owner fails to complete his obligations hereunder, the Association, at the Owner's sole cost and expense, shall have the right to repair, maintain and/or replace all portions of any dwelling, improvements and/or fence constructed on the Owner's Lot. Declarant herein creates an easement across each Lot in favor of CYPRESS ESTATES OF PALM SPRINGS HOMEOWNERS' ASSOCIATION, INC. and its authorized agents, for the purposes of performing any acts necessary to ensure compliance with the provisions hereof.

5.1.3. <u>Utility Services</u>. The Association shall maintain all utility services not owned or maintained by any governmental authority or utility company, except for utility services located within any Lot which serve only the Lot or the Unit on the Lot.

5.1.4. <u>Other Property</u>. The Association shall have the right to maintain such other areas within or contiguous to the Subject Property as the board determines from time to time is in the best interest of the Owners, and the cost of any such maintenance shall be a Common Expense. In particular, the Association shall have the right to maintain landscaping within any road right-of-way contiguous to the Subject Property, to the edge of the pavement within such right-of-way, and if any lake or canal is contiguous to the Subject Property, the Association shall have the right to maintain landscaping to the water line of any such lake or canal. In addition, the Association shall maintain the Subdivision Boundary Wall located upon any of the Lots.

5.1.5. <u>Right of Entry by Association</u>. Whenever it is necessary to enter a Lot for the purposes of inspection, including inspection to ascertain an Owner's compliance with the provisions of this Declaration, or for performance of any maintenance to improvements, fences or grass areas located upon the Lot, the Owner thereof shall permit an authorized agent of the Association to go upon the Lot, provided that such entry shall be made only at reasonable times. In the case of an emergency such as, but not limited to, a fire or hurricane, entry may be made at any time. Each Owner does hereby appoint the Association as its agent for the purposes herein provided and agrees that the Association shall not be liable for any alleged property damage or theft caused or occurring on account of any entry.

5.1.6. Notwithstanding the foregoing, if any special maintenance, other than regular periodic maintenance performed by the Association, or maintenance necessitated by ordinary wear and tear, is required due to the actions of any Owner, or the residents of any Unit, or their guests, tenants or invitees, the Owner of the Lot shall be responsible for the cost of such maintenance and may be assessed for such cost by the Association.

5.2. <u>By the Owners</u>. Each Owner, at his expense, shall maintain in good order and repair and keep in an attractive condition all portions of his Lot and Unit, including without limitation the roof, gutters, downspouts, exterior building surfaces, all portions of privacy fences within the Lots, all glass surfaces and screening, doors, electric and plumbing equipment, air conditioner and heating units, driveways, sidewalks and any other equipment, structures, improvements, additions, or attachments located on the Lot. The foregoing obligations include any maintenance, repair or replacement required by the occurrence of any fire, wind, vandalism, theft, or other casualty. All maintenance and repair shall be performed by each Owner at regular intervals as shall be necessary to keep his Lot in an attractive condition. Each Owner shall promptly perform any maintenance or repair requested by the Association and shall be liable for all direct loss or damage sustained by other Owners or the Association caused by reason of his failure to promptly perform such maintenance and repair following written notice to such Owner specifying the items of maintenance or repair. Failure to properly maintain a Lot or Unit shall permit the Association to perform such maintenance as provided in Paragraph 5.1.2. hereof, and to levy Assessments to recover the cost thereof. No Owner may install plantings, trees or shrubs, other than as originally installed by the Declarant, on his Lot without the prior approval of the Association.

5.3. <u>By Declarant</u>. Notwithstanding the foregoing, until such time as all of the Units to be built within the Subject Property have been completed, and all of the improvements and landscaping within the Common Areas have been completed, Declarant shall maintain all unimproved and undeveloped portions of the Subject Property in a safe and sanitary condition in compliance with the requirements of all controlling governmental authorities, so that the unimproved and undeveloped portions of the Subject Property will not be a nuisance or unreasonably detract from the completed portions of the Subject Property.

6. <u>USE RESTRICTIONS</u>.

6.1. <u>One Unit Per Lot</u>. Only one Unit shall be constructed on any Lot.

6.2. <u>Landscaping</u>. No landscaping as installed by the Declarant may be removed from any Lot without the written approval of the approving party. No weeds, underbrush or other unsightly vegetation shall be permitted to grow or remain on any Lot.

6.3. <u>No Trade or Business</u>. No trade, business, profession or commercial activity, or any other nonresidential use, shall be conducted upon any portion of the Subject Property or within any Lot or Unit.

6.4. <u>Leases</u>. All leases of a Unit must be in writing and specifically be subject to this Declaration, the Articles and the By-Laws, and copies of leases delivered to the approving party prior to occupancy by the tenant(s). No amendment to this Declaration, the Articles or the By-Laws, and no rule or regulation, shall further materially restrict or prohibit the leasing of any Unit without the consent of all of the Unit Owners. No lease shall be for a term of less than six (6) months.

6.5. <u>Outside Storage of Personal Property</u>. The personal property of any resident of the Subject Property shall be kept inside the resident's Unit or a fenced or walled-in yard, except for tasteful patio furniture and accessories, and other personal property commonly kept outside.

6.6. <u>Portable Buildings</u>. No portable, storage, temporary or accessory buildings or structures, or tents, shall be erected, constructed or located upon any Lot for storage or otherwise, without the prior written consent of the approving party.

6.7. <u>Garbage and Trash</u>. Each Owner shall regularly pick up all garbage, trash, refuse or rubbish on the Owner's Lot. Garbage, trash, refuse or rubbish shall be placed in the dumpsters located in areas approved by the Association. All garbage, trash, refuse or rubbish must be placed in appropriate trash bags. Any containers or garbage facilities of the Unit Owner shall be stored inside a Unit or fenced-in area and screened from view and kept in a clean and sanitary condition. No noxious or offensive odors shall be permitted.

6.8. <u>Vehicles</u>. Only automobiles, vans constructed as passenger vehicles with permanent rear seats and side windows, and other vehicles manufactured and used as private passenger vehicles, may be parked within the Subject Property overnight without the prior written consent of the approving party, unless kept within an enclosed garage. In particular and without limitation, no vehicle shall be parked outside of a Unit overnight without the prior written consent of the approving party if commercial lettering or signs are painted on or affixed to the vehicle, or if commercial equipment is placed upon the vehicle, or if the vehicle is a truck, recreational vehicle, camper, trailer, or other than a private passenger vehicle as specified above. No overnight parking is permitted on any streets, lawns, or areas other than driveways and garages, without the consent of the approving party. Notwithstanding the foregoing, automobiles owned by governmental law enforcement agencies are expressly permitted. The foregoing restrictions shall not be deemed to prohibit the temporary parking of commercial vehicles while making delivery to or from, or while used in connection with providing services to, the Subject Property. All vehicles parked within the Subject Property must be in good condition and repair, and no vehicle which does not have a current license plate or which cannot operate under its own power shall remain within the Subject Property for more than twenty-four (24) hours, and no major repair of any vehicle shall be made on the Subject Property. Motorcycles, motorbikes, mopeds, all-terrain vehicles, and the like are not permitted to be parked overnight outside of an enclosed garage, except with the prior written consent of the approving party which may be withdrawn at any time, and any motorized vehicle must be licensed and equipped with appropriate noise muffling equipment so that the operation of same does not create an unreasonable annoyance to the residents of the Subject Property.

6.9. <u>Pets</u>. No animals, livestock or poultry of any kind shall be permitted within the Subject Property, except for common household domestic pets. Notwithstanding the foregoing, with regard to dogs and cats, only a total of two (2) cats, or two (2) dogs not to exceed 60 lbs., or one (1) cat and one (1) dog not to exceed 60 lbs., shall be permitted in any Unit, except with the written consent of the board which may be granted or withheld in the board's discretion. No pit bull terriers are permitted without the consent of the approving party. Any pet must be carried or kept on a leash when outside of a Unit or fenced-in area. No pet shall be permitted to go or stray on any other Lot without the permission of the Owner of the Lot. Any pet must not be an unreasonable nuisance or annoyance to other residents of the Subject Property. Any resident shall immediately pick up and remove any solid animal waste deposited by his pet on the Subject

Property, except for designated pet walk areas, if any. No commercial breeding of pets is permitted within the Subject Property. The approving party may require any pet to be immediately and permanently removed from the Subject Property due to a violation of this paragraph.

6.10. Air Conditioning Units. Only central air conditioning units are permitted, and no window, wall or portable air conditioning units are permitted.

6.11. Clothesline and Outside Clothes Drying. No clothesline or outside clothes drying shall be permitted.

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

6.13. Outside Antennas and Flag Poles. No outside signal receiving antennas, dishes or devices are permitted without the consent of the approving party. The foregoing shall not prohibit any antenna or signal receiving dish owned by the approving party which services the entire Subject Property. No flag poles are permitted without the consent of the approving party.

6.14. Lakes and Canals. No swimming or motorized boating is allowed in any lake or canal within or contiguous to the Subject Property.

6.15. Garbage Containers, Oil and Gas Tanks, Air Conditioners. All garbage and refuse containers, air conditioning units, oil tanks and bottled gas tanks shall be underground or placed in walled-in or landscaped areas as approved by the approving party so that they shall be substantially concealed or hidden from any eye level view from any street or adjacent property.

6.16. Signs. No signs shall be placed upon any Lot, and no signs which are visible from the exterior of the Unit shall be placed in or upon and Unit without the prior written consent of the approving party. The right is reserved to the Declarant to place "for sale" or "for rent" signs in connection with any unsold Lot it may from time to tome own. The same right is reserved to any institutional first mortgagee or Owner or holder of a mortgage originally given to an institutional mortgagee which may become the Owner of a Lot and to the Association as to any Lot which it may own.

6.17. Window Treatments. Window treatments shall consist of drapery, blinds, decorative panels, or other tasteful window covering, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding one (1) week after an Owner or tenant first moves into a Unit or when permanent window treatments are being cleaned or repaired.

6.18. Boats. No boats may be kept or stored outside of any Unit without the prior written consent of the approving party.

6.19. Surface Water Management.

6.19.1. No Owner or any other person shall do anything to adversely affect the surface water management and drainage of the Subject Property without the prior written approval of the approving party and any controlling governmental authority, including, but not limited to, the excavation or filling in of any lake or any portion of the Subject Property, provided the foregoing shall not be deemed to prohibit or restrict the initial construction of improvements upon the Subject Property by Declarant or by the developer of any portion of the Subject Property in accordance with permits issued by controlling governmental authorities.

6.19.2. The Association shall specifically operate and maintain the surface water management system as permitted by the South Florida Water Management District, including all lakes, retention areas, culverts, and related appurtenances. Additionally, the Association shall make and enforce any and all rules governing any activities in, about, or under the surface water management system. If the Association is dissolved, the property consisting of the surface water management system shall be conveyed to an appropriate agency of local government. If the conveyance is not accepted, then the surface water management system must then be dedicated to a similar not-for-profit corporation.

6.20. All Owners shall provide reasonable and sufficient water service to the lawn and landscaped areas in order to maintain the appearance of the community. No wells shall be drilled on any Lot for irrigation or any other purpose, nor shall any Owner connect his or her sprinkler system to any water body located on the Subject Property or to any central sprinkler system constructed by Declarant on the Common Areas.

6.21. <u>Chemicals and Pesticides</u>. No chemicals, pesticides, or other foreign substances shall be deposited into any lake or canal within or contiguous to the Subject Property by any Unit Owner.

6.22. <u>Rules and Regulations</u>. The approving party may adopt additional reasonable rules and regulations relating to the use and maintenance of the Subject Property, and rules and regulations relating to the recreational facilities within the Subject Property may be posted at such recreational facilities. Copies of such rules and regulations and amendments shall be furnished by the approving party to any Owner upon request.

6.23. <u>Waiver</u>. The approving party shall have the right to waive the application of one or more of these restrictions, or to permit a deviation from these restrictions, as to any Lot where, in the discretion of the approving party, circumstances exist which justify such waiver or deviation. In the event of any such waiver or permitted deviation, or in the event any party fails to enforce any violation of these restrictions, such actions or inactions shall not be deemed to prohibit or restrict the right of the approving party, or any other person having the right to enforce these restrictions, from insisting upon strict compliance with respect to all other Lots, nor shall any such actions be deemed a waiver of any of the restrictions contained herein as the same may be applied in the future. Furthermore, any approval given by the approving party as to any matter shall not be deemed binding upon the approving party in the future, and shall not require the approving party to grant similar approvals in the future as to any other Lot or Owner.

6.24. <u>Exceptions</u>. The foregoing use and maintenance restrictions shall not apply to Declarant, or to any portion of the Subject Property while owned by Declarant, and shall not be applied in a manner which would prohibit or restrict the development of any portion of the Subject Property and the construction of any Units, buildings and other improvements thereon, or any activity associated with the sale or leasing of any Units by Declarant. In addition, Declarant shall have the right to exempt any other builder or developer from any of the foregoing use and maintenance restrictions. Specifically, and without limitation, Declarant shall have the right to, and any other builder or developer who is exempted from the foregoing restrictions by Declarant shall have the right to (i) construct any buildings or improvements within the Subject Property, and make any additions, alterations, improvements, or changes thereto; (ii) maintain customary and usual sales, leasing, general office and construction operations on any portion of the Subject Property; (iii) place, erect or construct portable, temporary or accessory buildings or structures upon any portion of the Subject Property for sales, leasing, construction, storage or other purposes; (iv) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction of any property; and (v) post, display, inscribe or affix to the exterior of a Unit or upon any property, signs and other materials used in developing, constructing, selling or promoting any property.

7. <u>ASSESSMENT FOR COMMON EXPENSES</u>. The apportionment of Common Expenses shall be equal for all Units, at all times, to wit: each Unit Owner shall be responsible for 1/82 of the Common Expenses.

7.1. Each Owner of a Lot shall be responsible for the payment to the Association of Assessments for Common Expenses for each Lot owned by the Owner, which amount shall be assessed to the Owner as described below. In addition, each Owner shall be responsible for the payment to the Association of any Assessments owed by the prior Owner, except for any Assessments owed by Declarant, and except as provided in Paragraph 8.1.6. of this Declaration.

7.2. Prior to the beginning of each fiscal year of the Association, the board shall adopt a budget for such fiscal year which shall estimate all of the Common Expenses to be incurred by the Association during the fiscal year. The board shall then establish the Assessment for Common Expenses for each Lot, and shall notify each Owner in writing of the amount, frequency, and due dates of the Assessment for Common Expenses. From time to time during the fiscal year, the board may modify the budget, and pursuant to the revised budget or otherwise, the board may, upon written notice to the Owners, change the amount, frequency and/or due dates of the Assessments for Common Expenses. If the expenditure of funds for Common Expenses is required in addition to funds produced by Assessments for Common Expenses, the board may make Special Assessments for Common Expenses, which shall be levied in the same manner as hereinbefore provided for regular Assessments, and shall be payable in the manner determined by the board, as stated in the notice of any Special Assessments for Common Expenses. In the event any Assessments for Common Expenses are made payable in equal periodic payments, as provided in the notice from the Association, such periodic payments shall automatically continue to be due and payable in the same amount and frequency unless and until (i) the notice specifically provides that the periodic payments will terminate or change upon the occurrence of a specified event or date or the payment of the specified amount, or (ii) the Association notifies the Owner in writing of a change in the amount and/or frequency of the periodic payments. In no event shall any Assessments for Common Expenses be due less than ten (10) days from the date of the notification of such Assessments.

7.3. In addition to Assessments for Common Expenses, the first Owner acquiring title from Declarant to a Unit shall pay to the Association a contribution to a working capital fund of the Association in an amount equal to two (2) months' Assessments for Common Expenses, which shall be in addition to the Owner's responsibility for Assessments for Common Expenses. The working capital fund shall be used by the Association for start-up expenses or otherwise as the Association shall determine from time to time and need not be restricted or accumulated.

7.4. While the Declarant is in control of the homeowners' association, it may be excused from payment of its share of the operating expenses and assessments related to its Lots for any period of time for which the Declarant has obligated itself to pay any operating expenses incurred that exceed the assessments receivable from other members and other income of the Association. During such period when Declarant is not liable for Assessments for Common Expenses for Units owned by Declarant, the Assessments for Common Expenses shall be established by Declarant based upon Declarant's good faith estimate of what the expenses of the Association would be if all Units and improvements contemplated within the Subject Property were completed, so that Assessments for Common Expenses during such period will be approximately what said Assessments would be if the development of the Subject Property as contemplated by Declarant was complete. In any event, Declarant shall not be required to fund reserves allocated to any unbuilt Units or any Units owned by Declarant. Notwithstanding the foregoing, in the event the Association incurs any expense not ordinarily anticipated in the day-to-day management and operation of the Subject Property, including but not limited to expenses incurred in connection with lawsuits against the Association, or incurred in connection with damage to property, or injury or death to any person, which are not covered by insurance proceeds, the liability of Declarant for such Common Expenses shall not exceed the amount that Declarant would be required to pay if it was liable for Assessments for Common Expenses as any other Owner, and any excess amounts payable by the Association shall be assessed to the other Owners.

8. <u>DEFAULT</u>.

8.1. <u>Monetary Defaults and Collection of Assessments</u>.

8.1.1. <u>Late Fees and Interest</u>. If any Assessment is not paid within ten (10) days after the due date, the Association shall have the right to charge the defaulting Owner a late fee of Twenty-Five and No/100 ($25.00) Dollars, plus interest at the then highest rate of interest allowable by law from the due date until paid. If there is no due date applicable to any particular Assessment, then the Assessment shall be due ten (10) days after written demand by the Association.

8.1.2. <u>Acceleration of Assessments</u>. If any Owner is in default in the payment of any Assessment owed to the Association for more than thirty (30) days after written demand by the Association, the Association, upon written notice to the defaulting Owner, shall have the right to accelerate and require such defaulting Owner to pay to the Association Assessments for Common Expenses for the next twelve (12) month period, based upon the then existing amount and frequency of Assessments for Common Expenses. In the event of such acceleration, the defaulting Owner shall continue to be liable for any increases in the regular Assessments for Common Expenses, for all Special Assessments for Common Expenses, and/or for all other Assessments payable to the Association.

8.1.3. <u>Lien for Assessments</u>. The Association has a lien on each Lot for unpaid Assessments owed to the Association by the Owner of such Lot, and for late fees nd interest, and for reasonable attorneys' fees incurred by the Association incident to the collection of the Assessment or enforcement of the lien, and all sums advanced and paid by the Association for taxes and payment on account of superior mortgages, liens or encumbrances in order to preserve and protect the Association's lien. The lien is effective from and after recording a claim of lien in the public records in the county in which the Lot is located, stating the description of the Lot, the name of the record Owner, and the amount due as of the recording of the claim of lien. A recorded claim of lien shall secure all sums set forth in the claim of lien, together with all

Assessments or other monies owed to the Association by the Owner until the lien is satisfied. The lien is in effect until all sums secured by it have been fully paid or until the lien is barred by law. The claim of lien must be signed and acknowledged by an officer or agent of the Association. Upon payment in full of all sums secured by the lien, the person making the payment is entitled to a satisfaction of the lien. The lien of any assessment shall be subordinate to the lien of any first mortgage held by an Institutional Lender.

8.1.4. <u>Collection and Foreclosure</u>. The Association may bring an action in its name to foreclose a lien for Assessments in the manner a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid Assessments without waiving any claim of lien, and the applicable Owner shall be liable to the Association for all costs and expenses incurred by the Association in connection with the collection of any unpaid Assessments, and the filing, enforcement, and/or foreclosure of the Association's lien, including reasonable attorneys' fees, and all sums paid by the Association for taxes and on account of any other mortgage, lien, or encumbrance in order to preserve and protect the Association's lien. The Board is authorized to settle and compromise the Association's lien if the Board deems a settlement or compromise to be in the best interest of the Association.

8.1.5. <u>Rental and Receiver</u>. If an Owner remains in possession of his Unit and the claim of lien of the Association against his Unit is foreclosed, the court, in its discretion, may require the Owner to pay a reasonable rental for the Unit, and the Association is entitled to the appointment of a receiver to collect the rent.

8.1.6. <u>Subordination of Lien</u>. Where any person obtains title to a Lot pursuant to the foreclosure of a first mortgage of record, or where the holder of a first mortgage accepts a deed to a Lot in lieu of foreclosure of the first mortgage of record of such lender, such acquirer of title, its successors and assigns, shall not be liable for any Assessments or for other monies owed to the Association which are chargeable to the former Owner of the Lot and which became due prior to acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the payment of such funds is secured by a claim of lien recorded prior to the recording of the foreclosed or underlying mortgage. The unpaid Assessments or other monies are Common Expenses collectible from all of the Owners, including such acquirer and his successor and assigns. The new Owner, from and after the time of acquiring such title, shall be liable for payment of all future Assessments for Common Expenses and such other expenses as may be assessed to the Owner's Lot. Any person who acquires a Lot, except through foreclosure of a first mortgage of record or deed in lieu thereof, including, without limitation, by purchase at a judicial or tax sale, shall be liable for all unpaid Assessments and other monies due and owing by the former Owner to the Association, and shall not be entitled to occupancy of the Unit or enjoyment of the Common Areas, or of the recreational facilities as same may exist from time to time, until such time as all unpaid Assessments and other monies have been paid in full.

8.1.7. <u>Assignment of Claim and Lien Rights</u>. The Association, acting through its Board, shall have the right to assign its claim and lien rights for the recovery of any unpaid Assessments and any other monies owed to the Association, to any third party.

8.1.8. <u>Unpaid Assessments Certificate</u>. Within fifteen (15) days after written request by any Owner or any Institutional Lender holding or making a mortgage encumbering any Lot, the Association shall provide the Owner or Institutional Lender a written certificate as to whether or not the Owner of the Lot is in default with respect to the payment of Assessments or with respect to compliance with the terms and provisions of this Declaration, and any person or entity who relies on such certificate in purchasing or in making a mortgage loan encumbering any Lot shall be protected thereby.

8.1.9. Application of Payments. Any payments made to the Association by any Owner shall first be applied towards any sums advanced and paid by the Association for taxes and payment on account of superior mortgages, liens or encumbrances which may have been advanced by the Association in order to preserve and protect its lien; next toward reasonable attorneys' fees incurred by the Association incidental to the collection of Assessments and other monies owed to the Association by the Owner and/or for the enforcement of its lien; next toward interest on any Assessments or other monies due to the Association, as provided herein; and next toward any unpaid Assessments owed to the Association, in the inverse order that such Assessments were due.

8.2. Non-Monetary Defaults. In the event of a violation by any Owner or any tenant of an Owner, or any person residing with them, or their guests or invitees, of any of the provisions of this Declaration, the Articles, the By-Laws or the Rules and Regulations of the Association, other than the non-payment of any Assessment or other monies, the Association shall notify the Owner and any tenant of the Owner of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after such written notice, or if the violation is not capable of being cured within such seven (7) day period, if the Owner or tenant fails to commence and diligently proceed to completely cure such violation as soon as practicable within seven (7) days after written notice by the Association, or if any similar violation is thereafter repeated, the Association may, at its option:

8.2.1. Impose a fine against the Owner or tenant as provided in Paragraph 8.3.; and/or

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

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

8.2.4. Take any and all actions reasonably necessary to correct such failure, which action may include, where applicable, but is not limited to, removing any addition, alteration, improvement or change which has not been approved by the Association, or performing any maintenance required to be performed by this Declaration.

All expenses incurred by the Association in connection with the correction of any failure, plus a service charge of ten (10%) percent of such expenses, and all expenses incurred by the Association in connection with any legal proceedings to enforce this Declaration, including reasonable attorneys' fees, shall be assessed against the applicable Owner, and shall be due upon written demand by the Association. The Association shall have a lien for any such Assessment and any interest, costs or expenses associated therewith, including attorneys' fees incurred in connection with such Assessment, and may take such action to collect such Assessment or foreclose said lien as in the case and in the manner of any other Assessment as provided above. Any such lien shall only be effective from and after the recording of a claim of lien in the public records of the county in which the Subject Property is located.

8.3. Fines/Suspension of Members' Rights.

8.3.1. The Association may suspend, for a reasonable period of time, the rights of an Owner or an Owner's tenants, guests, or invitees, or both, to use the Common Areas and facilities and may levy reasonable fines, not to exceed $50.00 per violation, against any Owner or any tenant, guest or invitee. Such fine or suspension may not be imposed without notice of at least fourteen (14) days to the person sought to be fined or suspended and an opportunity for a hearing before a committee of at least three members appointed by the Board who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother, or sister of an officer, director or employee. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed.

8.3.2. This subsection does not apply to the imposition of suspensions or fines upon any Owner because of the failure of the Owner to pay assessments or other charges when due.

8.3.3. Suspension of the Common Area use rights shall not impair the right of an Owner or tenant of a Lot to have vehicular and pedestrian ingress to and egress from the Lot, including, but not limited to, the right to park.

8.3.4. The Association may not suspend the voting rights of an Owner.

8.4. Negligence. An Owner shall be liable and may be assessed by the Association for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, to the extent otherwise provided by law and to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liabilities shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Lot or Unit, or the Common Areas.

8.5. Responsibility of an Owner for Occupants, Tenants, Guests and Invitees. Each Owner shall be responsible for the acts and omissions, whether negligent or willful, of any person residing in his Unit, and for all guests, tenants and invitees of the Owner or any such resident, and in the event the acts or omissions of any of the foregoing shall result in any damage to the Common Areas, or any liability to the Association, the Owner shall be assessed for same as in the case of any other Assessment, limited where applicable to the extent that the expense or liability is not met by the proceeds of insurance carried by the Association. Furthermore, any violation of any of the provisions of this Declaration, of the Articles, or the By-Laws, by any resident of any Unit, or any guest, tenant or invitee of an Owner or any resident of a Unit, shall also be deemed a violation by the Owner, and shall subject the Owner to the same liability as if such violation was that of the Owner.

8.6. No Waiver. The failure of the Association to enforce any right, provision, covenant or condition which may be granted by this Declaration, the Articles or the By-Laws, shall not constitute a waiver of the right of the Association to enforce such right, provision, covenant or condition in the future.

8.7. Rights Cumulative. All rights, remedies and privileges granted to the Association pursuant to any terms, provisions, covenants or conditions of this Declaration, the Articles or the By-Laws, shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude the Association from executing any additional remedies, rights or privileges as may be granted or as it might have by law.

8.8. Enforcement By or Against Other Persons.

8.8.1. Each Member and the Member's tenants, guests, and invitees, and the Association, are governed by, and must comply with, Chapter 617.305, this Declaration, the Articles and By-Laws, and the rules of the Association. Actions at law or in equity, or both, to redress alleged failure or refusal to comply with these provisions may be brought by the Association or by any member against (a) the Association; (b) a Member; (c) any Director or Officer of the Association who willfully and knowingly fails to comply with these provisions; and (d) any tenants, guests, or invitees occupying a Lot or Unit or using the Common Areas. The prevailing party in any such litigation is entitled to recover reasonable attorney's fees and costs. This section does not deprive any person of any other available right or remedy.

8.8.2. The Association may suspend, for a reasonable period time, the rights of a Member or a Member's tenants, guests, or invitees, or both, to use the Commons Areas and facilities and may levy reasonable fines, not to exceed $50.00 per violation, against any Member or any tenant, guest or invitee.

(a) A fine or suspension may not be imposed without notice of at least fourteen (14) days to the person sought to be fined or suspended and an opportunity for a hearing before a committee of at least three (3) Members appointed by the Board who are not Officers, Directors, or employees of the Association, or the spouse, parent, child, brother, or sister of an Officer, Director or employee. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed.

(b) The requirements of this section do not apply to the imposition of suspension or fines upon any Member because of the failure of the Member to pay assessments or other charges when due.

(c) Suspension of Common Area use rights shall not impair the right of an Owner or tenant of a Lot to have vehicular and pedestrian ingress to and egress from the parcel, including, but not limited to, the right to park.

(d) The Association may not suspend the voting rights of a Member.

9. TERM OF DECLARATION. All of the foregoing covenants, conditions, reservations and restrictions shall run with the land and continue and remain in full force and effect at all times as against all Owners, their successors, heirs or assigns, regardless of how the Owners acquire title, in perpetuity from the date of the recording of this Declaration in the Public Records of Palm Beach County, Florida.

10. AMENDMENT.

10.1. This Declaration may be amended upon the approval of not less than two-thirds (2/3) of the Owners. In addition, so long as Declarant owns any portion of the Subject Property, this Declaration may be amended from time to time by Declarant and without the consent of the Association or any Owner, and no amendment may be made by the Owners without the written joinder of Declarant. Such right of Declarant to amend this Declaration shall specifically include, but shall not be limited to, (i) amendments adding any property contiguous to the Subject Property which will be developed in a similar manner as the Subject Property, or deleting any property from the Subject Property which will be developed differently than the Subject Property (provided that any such amendment shall require the joinder of the Owners of such property or any portion thereof if different than Declarant, and further provided that Declarant shall not have the obligation to add any property to or delete any property from the Subject Property), and (ii) amendments required by any Institutional Lender or governmental authority in order to comply with the requirements of same. In order to be effective, any amendment to this Declaration must first be recorded in the public records of the county in which the Subject Property is located, and in the case of an amendment made by the Owners, such amendment shall contain a certification by the President and Secretary of the Association that the amendment was duly adopted.

10.2. No amendment shall discriminate against any Owner or class or group of Owners, unless the Owners so affected join the execution of the amendment. No amendment shall change the number of votes of any Owner or increase any Owner's proportionate share of the Common Expenses, unless the Owners affected by such amendment join in the execution of the amendment. No amendment may prejudice or impair the priorities of Institutional Lenders granted hereunder unless all Institutional Lenders join in the execution of the amendment. No amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, Declarant, unless Declarant joins in the execution of the amendment.

11. SPECIAL PROVISIONS REGARDING INSTITUTIONAL LENDERS.

11.1. Notice of Action. Upon written request to the Association by an Institutional Lender holding, insuring or guaranteeing a first mortgage encumbering any Lot, identifying the name and address of the holder, insurer or guarantor and the Lot number or address, any such holder, insurer or guarantor will be entitled to timely written notice of:

11.1.1. Any condemnation or casualty loss which affects a material portion of the Subject Property or the Lot;

11.1.2. Any sixty (60) day default in the payment of Assessments or charges owed to the Association or in the performance of any obligation hereunder by the Owner of the Lot;

11.1.3. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

11.1.4. Any proposed action which would require the consent of a specified percentage of Institutional Lenders.

11.2. Consent of Institutional Lenders. Whenever the consent or approval of any, all or a specified percentage or portion of the holders of any mortgages encumbering any Lots is required by this Declaration, the Articles, the By-Laws or any applicable statute or law, to any amendment of the Declaration, the Articles or the By-Laws, or to any action of the Association, or to any other matter relating to the Subject Property, the Association may request such consent or approval of such holders by written request sent certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by such holders). Any holder receiving such request shall be required to consent to or disapprove the matter for which the consent or approval is requested, in writing, by certified mail, return receipt requested, (or equivalent delivery evidencing such request was delivered to and received by the Association, which response must be received by the Association within thirty (30) days after the holder receives such request, and if such response is not timely received by the Association, the holder shall be deemed to have consented to and approved the matter for which such approval or consent was requested. Such consent or approval given or deemed to have been given, where required, may be evidenced by an affidavit signed by all of the Directors of the Association, which affidavit, where necessary may be recorded in the public records of the county where the Subject Property is located, and which affidavit shall be conclusive evidence that the applicable consent or approval was given as to the matters therein contained. The foregoing shall not apply where an Institutional Lender is otherwise required to specifically join in an amendment to this Declaration.

11.3. Payment of Taxes and Insurance. Any Institutional Lender may pay any taxes or Assessments which are in default, or any overdue insurance premiums, or may secure new insurance upon the lapse of a policy, and shall be owed immediate reimbursement therefor from the Association, plus interest at the highest rate permitted by law and any costs of collection, including attorneys' fees.

12. CABLE TELEVISION SERVICE.

12.1. Exclusive Right and Easement. Declarant reserves and shall have the exclusive right to provide cable television service to the Units. In connection therewith, Declarant hereby reserves and shall have the exclusive right and easement over, upon, under and in the Subject Property and the Units, and all other improvements constructed upon the Subject Property, for the location, placement, replacement, maintenance and operation of any and all wires, cables, amplifiers, terminal boxes, antennas, satellite dishes, and other electrical or personal property, necessary or usable for providing CATV Service to the Units.

12.2. Any CATV Service shall be provided pursuant to an agreement with the Association on such terms and conditions as Declarant and the Association may agree, which agreement shall include the following:

12.2.1. The Association will pay a monthly service fee as a Common Expense for each Unit within the Subject Property, which monthly service fee shall not exceed the monthly service fee generally charged by cable television companies to its customers on an individual basis for similar service as may be provided by Declarant, from time to time.

12.2.2. In consideration for the monthly service fee, Declarant shall provide basic cable television service similar to that provided by other cable television companies as Declarant is able to and desires to offer.

12.2.3. In addition to the monthly service fee, Declarant may offer additional optional services to the residents of the Units, such as premium pay TV channels and other similar services. Declarant shall have the right to charge any Owner or tenant of a Unit directly an additional fee for any additional optional services purchased by the Owner or tenant, and shall further have the right to charge any Owner or tenant additional fees such as installation fees, fees for additional outlets, deposit fees for converters or other equipment, special service fees, and other fees generally charged by other cable television companies for similar services.

12.3. Consent to Other Cable Television Suppliers. In lieu of Declarant itself providing the CATV Service, Declarant may assign its exclusive right and easement as provided herein, temporarily or permanently, in whole or in part, to any other person or entity to provide CATV service for the Subject Property, on such terms and conditions as Declarant may agree upon with any such other person or entity, and in consideration for such assignment or consent, Declarant may receive from such person or entity such consideration as Declarant and such other person or entity may agree. In any event, without the prior written consent of Declarant, the Association and any Owner shall not enter into any contract or agreement with any other person or entity for cable television services.

12.4. Limitation of Liability. Declarant, whether it supplies the CATV Services, or whether any other person or entity supplies the CATV Services pursuant to an assignment or consent by Declarant, shall not be liable in any respect to the Association or any Owner, tenant or occupant of any Unit, for any matters relating to the CATV Service.

13. MISCELLANEOUS.

13.1. Conflict with Articles or By-Laws. In the event of any conflict between the Articles and the By-Laws and this Declaration, this Declaration, the Articles, and the By-Laws, in that order, shall control.

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

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

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

13.5. Assignment of Declarant's Rights. Any or all of the rights, privileges, or options provided to or reserved by Declarant in this Declaration, the Articles, or the By-Laws, may be assigned by Declarant, in whole or in part, as to all or any portion of the Subject Property, to any person or entity pursuant to an assignment recorded in the public records or the county in which the Subject Property is located. Any partial assignee of any of the rights of Declarant shall not be deemed the Declarant and shall have no other rights, privileges or options other than as are specifically assigned. No assignee of Declarant shall have any liability for any acts of Declarant or any prior Declarant unless such assignee is assigned and agrees to assume such liability.

13.6. Performance of Association's Duties by Declarant. Declarant shall have the right, from time to tome, at its sole discretion, to perform at Declarant's expense the duties and obligations required hereunder to be performed by the Association, and in connection therewith to reduce the budget of the Association and the Assessments for Common Expenses payable by the Owner; provided, however, that any such performance on the part of Declarant may be discontinued by Declarant at any time, and any such performance shall not be deemed to constitute a continuing obligation on the part of Declarant.

13.7. Actions Against Declarant. The Association shall not institute any legal proceedings against Declarant, or spend or commit to spend any Association funds in connection with any legal proceedings against Declarant, or make a Special Assessment for funds to pay for costs or attorneys' fees in connection with any legal proceedings against Declarant, without the consent of seventy-five (75%) percent of the votes of all of the Owners obtained at a meeting of the Owners called expressly for the purpose of approving such action.

13.8. Modification of Development Plan. Declarant reserves the right at any time and from time to time to modify the development plan for all or any portion of the Subject Property, and in connection therewith to develop Units upon the Subject Property which are substantially different from the Units planned for the Subject Property from time to time, and in the event Declarant changes the type, size, or nature of the Units or other improvements to be constructed upon the Subject Property, Declarant shall have no liability therefor to any Owner. In addition, Declarant makes no representations or warranties as to the manner in which any other property outside of the Subject Property will be developed, and shall have no liability to any Owner as regards the development of any other property in or around the Subject Property.

IN WITNESS WHEREOF, Declarant has executed this Declaration of Covenants and Restrictions of Cypress Estates of Palm Springs this 24th day of September, 1996.

Witnesses:

Bon Chauvin
(print name) BON CHAUVIN

Charles L Patterson
(print name) CHARLES L PATTERSON

AURORA HOMES, INC., a Florida corporation

By: [signature] V.P.
Lennard J. Kligler, V.P.

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 24th day of September, 1996, by LENNARD J. KLIGLER as Vice President of AURORA HOMES, INC., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced personally known as identification.

Bonnie Chauvin
BONNIE CHAUVIN (print name)
Notary Public, State of Florida
My Commission Expires:

BONNIE CHAUVIN
Comm. No. CC 570247
My Comm. Exp. July 23, 1999
Bonded thru Pichard Ins. Agcy.

LEGAL DESCRIPTION

OF

SUBJECT PROPERTY

TRACT "A", LESS THE WESTERLY 350 FEET THEREOF, ANNA-JOHNS ESTATES, AS RECORDED IN PLAT BOOK 23, PAGE 219, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

CONTAINING 323,139 SQUARE FEET, OR 7.418 ACRES, MORE OR LESS.

SUBJECT TO EASEMENTS, RESTRICTIONS, RESERVATIONS, AND RIGHT OF WAY OF RECORD.

EXHIBIT "A"

AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

CYPRESS ESTATES OF PALM SPRINGS HOMEOWNERS' ASSOCIATION, INC.
(a Florida corporation not-for-profit)

The amendments contained herein were adopted by the Board of Directors on September 24, 1996. Membership approval was not required as there is no membership at this time.

The following constitutes the Amended and Restated Articles of Incorporation of CYPRESS ESTATES OF PALM SPRINGS HOMEOWNERS' ASSOCIATION, INC., a corporation not-for-profit. The date that the original Articles of Incorporation were filed is July 11, 1996. The specific Articles being amended are identified by the word "Amended".

The undersigned incorporator, for the purpose of forming a corporation not-for-profit pursuant to the laws of the State of Florida, Florida Statutes, Chapter 617, hereby adopts the following Articles of Incorporation:

PREAMBLE

AURORA HOMES, INC., a Florida corporation ("DECLARANT") intends to execute and record a Declaration of Covenants and Restrictions of Cypress Estates of Palm Springs (the "DECLARATION"). This Association is being formed as the Association to administer the DECLARATION, and to perform the duties and exercise the powers pursuant to the DECLARATION, as and when the DECLARATION is recorded in the Public Records of Palm Beach County, Florida, with these Articles of Incorporation attached as an exhibit. All of the definitions contained in the DECLARATION shall apply to these Articles of Incorporation, and to the Bylaws of the Association.

ARTICLE I - NAME

The name of the corporation is CYPRESS ESTATES OF PALM SPRINGS HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit, hereinafter referred to as the "ASSOCIATION".

ARTICLE II - PURPOSE

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

1. To operate as a corporation not-for-profit pursuant to Chapter 617 of the Florida Statutes.

2. To enforce and exercise the duties of the ASSOCIATION as provided in the DECLARATION.

3. To promote the health, safety, welfare, comfort, and social and economic benefit of the members of the ASSOCIATION.

ARTICLE III - POWERS AND DUTIES

The ASSOCIATION shall have the following powers and duties:

1. All of the common law and statutory powers of a corporation not-for-profit under the laws of the State of Florida.

2. To administer, enforce, carry out and perform all of the acts, functions, rights and duties provided in, or contemplated by, the DECLARATION, including but not limited to, the following:

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

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

2.3. To enforce the provisions of the DECLARATION, these ARTICLES, and the BYLAWS.

2.4. To make, establish and enforce reasonable rules and regulations governing the use of COMMON AREAS, UNITS and other property under the jurisdiction of the ASSOCIATION.

2.5. To grant and modify easements, and to dedicate property owned by the ASSOCIATION to any public or quasi-public agency, authority or utility company for public, utility, drainage and cable television purposes.

2.6. To borrow money for the purposes of carrying out the powers and duties of the ASSOCIATION.

2.7. To exercise control over exterior alterations, additions, improvements, or changes in accordance with the terms of the DECLARATION.

2.8. To obtain insurance as provided by the DECLARATION.

2.9. To employ personnel necessary to perform the obligations, services and duties required of or to be performed by the ASSOCIATION and for proper operation of the properties for which the ASSOCIATION is responsible, or to contract with others for the performance of such obligations, services and/or duties.

2.10. To sue and be sued.

ARTICLE IV - MEMBERS

1. The members of the ASSOCIATION shall consist of all of the recorded owners of UNITS. Membership shall be established upon the recording of the DECLARATION. Upon the transfer of ownership of fee title to, or fee interest in, such property, whether by conveyance, devise, judicial decree, foreclosure, or otherwise, and upon the recordation in the Public Records of Palm Beach County, Florida, of the deed or other instrument establishing such acquisition, the new OWNER designated in such deed or other instrument shall thereupon become a member of the ASSOCIATION, and the membership of the prior OWNER designated shall be terminated; provided, however, that the ASSOCIATION shall not have the responsibility or obligation of recognizing any such change in membership until it has been delivered a true copy of the applicable deed or other instrument, or is otherwise informed of the transfer of ownership of such property. Prior to the recording of the DECLARATION, the incorporator shall be the sole member of the ASSOCIATION.

2. The share of each member in the funds and assets of the ASSOCIATION, and the COMMON SURPLUS, and any membership in this ASSOCIATION, cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to such member's property for which that membership is established.

3. On all matters upon which the membership shall be entitled to vote, there shall be only one vote for each UNIT. In the event any such property is owned by more than one person and/or by an entity, the vote for such property shall be cast in the

manner provided by the BYLAWS. Any person or entity owning more than one UNIT shall be entitled to one vote for each UNIT OWNED.

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

ARTICLE V - TERM OF EXISTENCE

The ASSOCIATION shall have perpetual existence.

ARTICLE VI - INCORPORATOR

The name and street address of the incorporator is: AURORA HOMES, INC., Suite 1302, 2640 Gately Drive, West, West Palm Beach, Florida, 33415.

ARTICLE VII - DIRECTORS
(Amended)

1. The property, business and affairs of the ASSOCIATION shall be managed by a BOARD which shall consist of not less than three (3) directors. The BYLAWS may provide for a method of determining the number of directors from time to time. In the absence of a determination as to the number of directors, the BOARD shall consist of three (3) directors. Directors are not required to be members of the ASSOCIATION.

2. All of the duties and powers of the ASSOCIATION existing under the DECLARATION, these ARTICLES and the BYLAWS shall be exercised exclusively by the BOARD, its agents, contractors or employees, subject to approval by the members only when specifically required.

3. Members other than the DECLARANT are entitled to elect at least a majority of the members of the BOARD OF DIRECTORS when the earlier of the following event occurs:

3.1. seventy-five (75%) percent of the Lots in the Subject Property have been conveyed to members; or

3.2. June 30, 2000.

4. The DECLARANT is entitled to elect at least one (1) member of the BOARD OF DIRECTORS as long as the DECLARANT holds for sale in the ordinary course of business at least five (5%) percent of the UNITS. After the DECLARANT relinquishes control of the homeowners' association, the DECLARANT may exercise the right to vote any DECLARANT-owned voting interests in the same manner as any other member, except for purposes of reacquiring control of the homeowners' association or selecting a majority of the members of the BOARD.

5. The DECLARANT may waive its right to elect one or more directors by written notice to the ASSOCIATION, and thereafter such directors shall be elected by the members. When the DECLARANT no longer owns any UNIT within the SUBJECT PROPERTY, all of the directors shall be elected by the members in the manner provided in the BYLAWS.

6. Directors may be removed and vacancies on the BOARD shall be filled in the manner provided by the BYLAWS; however, any director appointed by the DECLARANT may only be removed by the DECLARANT, and any vacancy on the BOARD shall be appointed by the DECLARANT if, at the time such vacancy is to be filled, the DECLARANT is entitled to appoint the directors.

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

VICTOR GINSBERG	3500 Galt Ocean Drive, #1517 Ft. Lauderdale, FL 33308
LENNARD J. KLIGLER	1750 N. Florida Mango Road, #402 West Palm Beach, FL 33409
RICHARD GINSBERG	1750 N. Florida Mango Road, #402 West Palm Beach, FL 33409

ARTICLE VIII - OFFICERS

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

President/Treasurer	LENNARD J. KLIGLER
Vice President/Secretary	VICTOR GINSBERG

ARTICLE IX - INDEMNIFICATION

1. The ASSOCIATION shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the ASSOCIATION) by reason of the fact that he is or was a director, employee, officer or agent of the ASSOCIATION, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the ASSOCIATION; and with respect to any criminal action or proceeding, if he had no reasonable cause to believe his conduct was unlawful; except, that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misfeasance or malfeasance in the performance of his duties to the ASSOCIATION unless and only to the extent that the court in which the action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, in and of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the ASSOCIATION; and with respect to any criminal action or proceeding, that he had no reasonable cause to believe that his conduct was unlawful.

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

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

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

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

ARTICLE X - BYLAWS

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

ARTICLE XI - AMENDMENTS
(Amended)

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

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

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

3. At such meeting, a vote of the members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of 2/3 of the votes of the entire membership of the ASSOCIATION.

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

5. If all of the directors and all of the members eligible to vote sign a written statement manifesting their intention that an amendment to these ARTICLES be adopted, then the amendment shall thereby be adopted as though the above requirements had been satisfied.

6. No amendment shall make any changes in the qualifications for membership nor in the voting rights of members without approval by all of the members and the joinder of all INSTITUTIONAL LENDERS holding mortgages upon the UNITS. No amendment shall be made that is in conflict with the DECLARATION. Prior to the closing of the sale of all the UNITS within the PROPERTY, no amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, the DECLARANT, unless the DECLARANT shall join the execution of the amendment, including, but not limited to, any right of the DECLARANT to appoint directors pursuant to Article VII.

7. No amendment to these ARTICLES shall be made which discriminates against any OWNER(S), or affects less than all of the OWNERS within the PROPERTY, without written approval of all of the OWNERS so discriminated against or affected.

8. Upon the approval of an amendment to these ARTICLES, the articles of amendment shall be executed and delivered to the Department of State as provided by law, and a copy certified by the Department of State shall be recorded in the Public Records of Palm Beach County, Florida.

9. So long as the Declarant is entitled to appoint a majority of the Directors, annexation of additional properties, mergers and consolidations, mortgaging of Common Areas and dissolution and amendment of these Articles shall require prior approval of HUD/VA.

ARTICLE XII - DISSOLUTION

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

ARTICLE XIII
INITIAL REGISTERED OFFICE ADDRESS AND NAME OF REGISTERED AGENT: PRINCIPAL OFFICE

The principal office of the Association shall be at Suite 1302, 2640 Gately Drive, West, West Palm Beach, Florida, 33415. The initial registered office of the ASSOCIATION shall be at Suite 204, 11380 Prosperity Farms Road, Palm Beach Gardens, Florida, 33410. The initial registered agent of the ASSOCIATION at that address is JAMES R. MEROLA, ESQ.

WHEREFORE, the incorporator, and the initial registered agent, have executed these ARTICLES on this 24th day of September, 1996.

CYPRESS ESTATES OF PALM SPRINGS
HOMEOWNERS' ASSOCIATION, INC.

By: ______________________ V.P.
Lennard J. Kligler, V.P.

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STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 24th day of September, 1996, by LENNARD J. KLIGLER, Vice President of AURORA HOMES, INC., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced Personally Known as identification.

BONNIE CHAUVIN
Comm. No. CC 570247
My Comm. Exp. July 23, 1999
Bonded thru Pichard Ins. Agcy.

Bonnie Chauvin
BONNIE CHAUVIN (print name)
Notary Public, State of Florida
My Commission Expires:

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CERTIFICATE DESIGNATING PLACE OF BUSINESS FOR SERVICE OF PROCESS WITHIN THE STATE, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED

In pursuance of Chapter 48.091, Florida Statutes, the following is submitted in compliance with said Act:

THAT, CYPRESS ESTATES OF PALM SPRINGS HOMEOWNERS' ASSOCIATION, INC., desiring to organize under the laws of the State of Florida, with its principal offices as indicated in the Articles of Incorporation, at Palm Beach County, Florida, has named: JAMES R. MEROLA, Suite 204, 11380 Prosperity Farms Road, Palm Beach Gardens, Florida, 33410, as its Agent to accept service of process within the State.

ACKNOWLEDGMENT

Having been named to accept service of process for the above-stated corporation, at the place designated by this Certificate, I hereby accept to act in this capacity, and agree to comply with the provisions of said Act relative to keeping open said office.

James Merola
James R. Merola
~~~~~~

BY-LAWS

OF

CYPRESS ESTATES OF PALM SPRINGS HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit

1. GENERAL PROVISIONS.

1.1. Identity. These are the By-Laws of CYPRESS ESTATES OF PALM SPRINGS HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit, hereinafter referred to as the Association. The Association has been organized for the purposes stated in the Articles and shall have all of the powers provided in these By-Laws, the Articles, the Declaration, and any Statute or law of the State of Florida, or any other power incident to any of the above powers.

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

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

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

1.5. Inspection of Books and Records. The books and records of the Association shall be open to inspection by all Owners or their authorized representatives, and all holders, insurers or guarantors of any first mortgage encumbering any property subjected to the terms of the Declaration, upon request, during normal business hours or under other reasonable circumstances. Such records of the Association shall include current copies of all official records required by law to be kept. The Association shall be required to make available to prospective purchasers of Lots current copies of the Declaration, Articles and By-Laws, and the most recent annual financial statement of the Association.

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

2. MEMBERSHIP IN GENERAL.

2.1. Qualification. Qualification for membership is as set forth in the Articles.

2.2. Member Register. The secretary of the Association shall maintain a register in the office of the Association showing the names and addresses of the members of the Association. It shall be the obligation of each member of the Association to advise the secretary of any change of address of the member, or of the change of ownership of the member's Lot, as set forth above.

3. MEMBERSHIP VOTING.

3.1. Majority Vote and Quorum Requirements. The acts approved by a majority of the voting interests present in person or by proxy at a meeting at which a quorum is present shall be binding upon all members and Owners for all purposes, except where otherwise provided by law, in the Declaration, in the Articles, or in these By-Laws. Unless otherwise so provided, at any regular or special meeting, the percentage of voting interests required to constitute a quorum shall be thirty (30%) percent of the total voting interests.

3.2. Determination as to Voting Rights.

3.2.1. In the event any Lot is owned by one person, his right to cast the vote for the Lot shall be established by the record title to his Lot.

3.2.2. In the event any Lot is owned by more than one person or by an entity, the vote for the Lot may be cast at any meeting by any co-owner of the Lot provided, however, that in the event a dispute arises between the co-owners as to how the vote for the Lot shall be cast, or in the event the co-owners are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to cast the vote for the Lot on the matter being voted upon at that meeting, but their membership shall be counted for purposes of determining the existence of a quorum. For purposes of this paragraph, the principals or partners of any entity (other than a corporation) owning a Lot shall be deemed co-owners of the Lot, and the directors and officers of a corporation owning a Lot shall be deemed co-owners of the Lot.

3.2.3. Proxies. Every member entitled to vote at a meeting of the members, or to express consent or dissent without a meeting, may authorize another person or persons to act on the member's behalf by a proxy signed by such member or his attorney-in-fact. Any proxy shall be delivered to the secretary of the meeting at or prior to the time designated in the order of business for delivering proxies. Any proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meeting thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the member executing it. Every proxy shall specifically set forth the name of the person voting by proxy, and the name of the person authorized to vote the proxy for him. Every proxy shall contain the date, time, and place of the meeting for which the proxy is given, and if a limited proxy, shall set forth those items which the proxy holder may vote, and the manner in which the vote is to be cast.

3.3. Approval of Declarant. Notwithstanding anything contained herein to the contrary, so long as Declarant owns any Lot, no vote or other action taken by the Owners shall be effective without the written consent of Declarant, except for the election of any directors which the Owners are entitled to elect pursuant to the Articles.

4. MEMBERSHIP MEETINGS.

4.1. Who May Attend. In the event any Lot is owned by more than one person, all co-owners of the Lot may attend any meeting of the members. In the event any Lot or other property subject to the Declaration is owned by a corporation, any director or officer of the corporation may attend any meeting of the members. However, the vote for any Lot shall be cast in accordance with the provisions of Paragraph 3 above. Institutional Lenders have the right to attend all members' meetings.

4.2. Place. All meetings of the members shall be held at the principal office of the Association or at such other place and at such time as shall be designated by the Board and stated in the notice of meeting.

original meeting, without giving notice to the members which were present at such meeting. Notice must be given to all persons who are entitled to vote and are members as of the new record date but were not members as of the previous record date.

4.8. <u>Organization.</u> At each meeting of the members, the president, the vice president, or any person chosen by a majority of the members present, in that order, shall act as chairman of the meeting. The secretary, or in his absence or inability to act, any person appointed by the chairman of the meeting, shall act as secretary of the meeting.

4.9. <u>Order of Business.</u> The order of business at the annual meetings of the members shall be:

4.9.1. Determination of chairman of the meeting;

4.9.2. Calling of the role and certifying of proxies;

4.9.3. Proof of notice of meeting or waiver of notice;

4.9.4. Reading and disposal of any unapproved minutes;

4.9.5. Election of inspectors of election;

4.9.6. Determination of number of directors;

4.9.7. Election of directors;

4.9.8. Reports of directors, officers or committees;

4.9.9. Unfinished business;

4.9.10. New business; and

4.9.11. Adjournment.

4.10. <u>Minutes.</u> The minutes of all meetings of the members shall be kept in a book available for inspection by the members or their authorized representatives and the directors, at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.

4.11. <u>Actions Without a Meeting.</u> Any action required or permitted to be taken at any annual or special meeting of the members of the Association, may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the members having not less than the minimum number of votes that would be necessary to authorize to take such action at a meeting at which all members entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization by written consent, notice shall be given to those members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. If a Lot is owned by more than one person or by a corporation, the consent for such Lot need only be signed by one person who would be entitled to cast the vote for the Lot as a co-owner pursuant to Paragraph 3.2.2. of these By-Laws.

5. <u>DIRECTORS.</u>

5.1. <u>Membership.</u> The affairs of the Association shall be managed by a Board of not less than three (3) nor more than nine (9) directors. So long as the Declarant is entitled to appoint any director pursuant to the Articles, the number of directors will be determined, and may be changed from time to time, by the Declarant by written notice to the Board. After the Declarant is no longer entitled to appoint any director, the number of directors may be changed at any meeting where the members are to elect any directors (i) by the then existing Board, if prior to such meeting of the members the Board votes to change the number of directors and such change is indicated in the notice of the meeting sent to the members, or (ii) by the members at the meeting prior to the election of directors. If the number of directors on the Board is not changed, then the number of directors shall be the same as the number on the Board prior to such meeting (plus any unfilled vacancies created by the death, resignation or removal of a director). In any event, there shall always be an odd number of directors.

5.2. <u>Election of Directors by Members.</u> Election of directors to be elected by the members of the Association shall be conducted in the following manner:

5.2.1. Within sixty (60) days after the members other than the Declarant are entitled to elect any directors, as provided in the Articles, or within sixty (60) days after the Declarant notified the Association that it waives its right to appoint one or more directors, the Association shall call, and give not less than thirty (30) days' nor more than forty (40) days' notice of, a special meeting of the members to elect any directors the members are then entitled to elect, or to replace the appropriate number of directors previously appointed by the Declarant. Such special meeting may be called and the notice given by any member if the Association fails to do so. At such special meeting the members shall be required to elect any directors which they are entitled to elect, and if they fail to do so, any directors appointed by the Declarant who would have been replaced by any directors elected by the members may resign without further liability or obligation to the Association. In the event such a special meeting is called and held, at the meeting the members may elect not to hold the next annual meeting of the members if such next annual meeting would be less than four (4) months after the date of the special meeting, and upon such election the next annual meeting of the members shall not be held.

5.2.2. Except as provided above, the members shall elect directors at the annual members' meetings.

5.2.3. Prior to any special or annual meeting at which directors are to be elected by the members, the existing Board may nominate a committee, which committee shall nominate one person for each director to be elected by the members, on the basis that the number of directors to serve on the Board will not be altered by the members at the members' meeting. Nominations for additional directorships created at the meeting shall be made from the floor, and other nominations may be made from the floor.

5.2.4. The election of directors by the members shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast. Each member voting shall be entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

5.3. <u>Term of Office.</u> All directors elected by the members shall hold office until the next annual meeting of the members and until their successors are duly elected, or until such directors' death, resignation or removal, as hereinafter provided or as otherwise provided by statute or by the Articles.

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

5.5. Regular Meetings. Regular meetings of the Board may be at such time and place as shall be determined, from time to time, by a majority of the directors.

5.6. Special Meetings. Special meetings of the Board may be called by any director, or by the President, at any time.

5.7. Notice of Meetings. Notice of each meeting of the Board shall be given by the secretary, or by any other officer or director, which notice shall state the day, place and hour of the meeting. All meetings of the Board must be open to all members except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege. Notices of all Board meetings must be posted in a conspicuous place on the Subject Property at least 48 hours in advance of a meeting, except in an emergency. In the alternative, if notice is not posted in a conspicuous place on the Subject Property, notice of each Board meeting must be mailed or delivered to each member at least seven (7) days before the meeting, except in an emergency. An assessment may not be levied at a Board meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessments. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the election of officers. This section also applies to the meetings of any committee or other similar body.

5.8. Quorum and Manner of Acting. A majority of the directors determined in the manner provided in these By-Laws shall constitute a quorum for the transaction of any business at a meeting of the Board. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number of directors is required by statute, the Declaration, the Articles, or by these By-Laws. A director may join by written concurrence in any action taken at a meeting of the Board, but such concurrence may not be used for the purposes of creating a quorum.

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

5.10. Presiding Officer. The presiding officer of the Board meeting shall be the chairman of the Board if such an officer is elected, and if none, the president of the Association shall preside. In the absence of the presiding officer, the directors shall designate one of their members to preside.

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

5.11.1. Calling of role;

5.11.2. Proof of due notice of meeting;

5.11.3. Reading and disposal of any unapproved minutes;

5.11.4. Reports of officers and committees;

5.11.5. Election of officers;

5.11.6. Unfinished business;

5.11.7. New business; and

5.11.8. Adjournment.

5.12. Minutes of Meetings. The minutes of all meetings of the Board shall be kept in a book available for inspection by the members of the Association, or their authorized representatives, and the directors at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.

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

5.14. Resignation. Any director may resign at any time by giving written notice of his resignation to another director or officer. Any such resignation shall take effect at the time specified therein or, if the time when such resignation is to become effective is not specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

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

5.15.2. Any director, other than a director appointed by the Declarant, may be removed with or without cause by the vote of a majority of the members of the Association at a special meeting of the members called by not less than ten percent of the members of the Association expressly for that purpose. The vacancy on the Board caused by any such removal may be filled by the members at such meeting or, if the members shall fail to fill such vacancy, by the Board, as in the case of any other vacancy on the Board.

5.16. Vacancies.

5.16.1. Vacancies in the Board may be filled by a majority vote of the directors then in office, though less than a quorum, or by a sole remaining director, and a director so chosen shall hold office until the next annual election and until his successor is duly elected, unless sooner displaced. If there are no directors, then a special election of the members shall be called to elect the directors. Notwithstanding anything contained herein to the contrary, the Declarant at all times shall have the right to appoint the maximum number of directors permitted by the Articles, and any vacancies on the Board may be filled by the Declarant to the extent that the number of directors then serving on the Board which were appointed by the Declarant is less than the number of directors the Declarant is then entitled to appoint.

5.16.2. In the event the Association fails to fill vacancies on the Board sufficient to constitute a quorum in accordance with these By-Laws, then any member may apply to the Circuit Court of the County in which the Property is located for the appointment of a receiver to manage the affairs of the Association. At least thirty (30) days prior to applying to the Circuit Court, the member shall mail to the Association a notice describing the intended action giving the Association the opportunity to fill the vacancies. If during such time the Association fails to fill the vacancies, the members may proceed with the petition. If a receiver is appointed, the court costs, and attorney s' fees shall be paid by the Association. The receiver shall have all powers and duties of a duly constituted member of the Board, and shall serve until the Association fills vacancies on the Board sufficient to constitute a quorum.

5.17. Directors Appointed by the Declarant. Notwithstanding anything contained herein to the contrary, the Declarant shall have the right to appoint the maximum number of directors in accordance with the privileges granted to the Declarant pursuant to the Articles. All directors appointed by the Declarant shall have the absolute right, at any time, and in their sole discretion, to remove any director appointed by it, and to replace such director with another person to serve on the Board. Replacement of any director appointed by the Declarant shall be made by written instrument delivered to any officer or any other director, which instrument shall specify the name of the person designated as successor director. The removal of any director and the designation of his successor by the Declarant shall become effective immediately upon delivery of such written instrument by the Declarant.

5.18. Compensation. The Directors shall not be entitled to any compensation for serving as Directors unless the members approve such compensation; provided, however, the Association may reimburse any Director for expenses incurred on behalf of the Association without the approval of the members.

5.19. Powers and Duties. The Directors shall have the right to exercise all of the powers and duties of the Association, express or implied, existing under these By-Laws, the Articles, the Declaration, or as otherwise provided by statute or law.

6. OFFICERS.

6.1. Members and Qualifications. The officers of the Association shall include a president, a vice president, a treasurer and a secretary, all of whom shall be elected by the directors, and may be preemptively removed from office, with or without cause, by the directors. Any person may hold two or more offices except that the president shall not also be the secretary. The Board may, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be appropriate to manage the affairs of the Association, from time to time. Each officer shall hold office until the meeting of the Board following the next annual meeting of the members, or until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall have resigned, or until he shall have been removed, as provided in these By-Laws.

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

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

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

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

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

6.7. The Treasurer. The treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board for examination at reasonable times. He shall submit a Treasurer's Report to the Board at reasonable intervals and shall perform all other duties incident to the office of treasurer. He shall collect all Assessments and shall report to the Board the status of collections as requested.

6.8. Compensation. The officers shall not be entitled to compensation unless the Board specifically votes to compensate them. However, neither this provision, nor the provision that directors will not be compensated unless otherwise determined by the members, shall preclude the Board from employing a director or an officer as an employee of the Association and compensating such employee, nor shall they preclude the Association from contracting with a director for the management of property subject to the jurisdiction of the Association, or for the provision of services to the Association, and in either such event to pay such director a reasonable fee for such management or provision of services.

7. FINANCES AND ASSESSMENTS.

7.1. Assessment Roll. The Association shall maintain an Assessment roll for all property subject to the Declaration, designating the name and current mailing address of the Owner, the amount of each Assessment against such Owner, the dates and amounts in which the Assessments come due, the amounts paid upon the account of the Owner, and the balance due.

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

7.3. Application of Payments and Commingling of Funds. All sums collected by the Association from Assessments may be commingled in a single fund or divided into more than one fund, as determined by the Board.

7.4. Accounting Records and Reports. The Association shall maintain accounting records according to good accounting practices. The records shall be open to inspection by Owners and Institutional Lenders or their authorized representatives, at reasonable times. The records shall include, but not be limited to, (a) a record of all receipts and expenditures, and (b) the Assessment roll of the members referred to above. The Board may, and upon the vote of a majority of the members shall, conduct a review of the accounts of the Association by a certified public accountant, and if such a review is made, a copy of the report shall be furnished to each member, or their authorized representatives, within fifteen (15) days after same is completed.

7.5. Reserves. The budget of the Association shall provide for a reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Areas and those other portions of the Subject Property which the Association is obligated to maintain. The reserves may not be waived without the consent of Declarant so long as Declarant owns any Lot, and in any event reserves must comply with the requirements of any Institutional Lender.

8. PARLIAMENTARY RULES.

8.1. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with any Declaration, the Articles or these By-Laws.

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

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

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

9.3. Adoption of Amendments.

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

9.3.2. Notwithstanding anything contained herein to the contrary, so long as the Declarant is entitled to appoint a majority of the directors, the Declarant shall have the right to unilaterally amend these By-Laws without the joinder or approval of the Board of any member, and so long as the Declarant owns any Lot, no amendment to these By-Laws shall be effective without the written approval of the Declarant. Additionally, so long as the Declarant is entitled to appoint a majority of the Directors, HUD/VA shall have the right to veto all amendments.

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

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

9.6. <u>Execution and Recording.</u> No modification of, or amendment to, the By-Laws shall be valid until recorded in the public records of the county in which the Property is located.

10. <u>MISCELLANEOUS.</u>

10.1. <u>Tenses and Genders.</u> The use of any gender or of any tense in these By-Laws shall refer to all genders or to all tenses, wherever the context so requires.

10.2. <u>Partial Invalidity.</u> Should any of the provisions hereof be void or become unenforceable at law or in equity, the remaining provisions shall, nevertheless, be and remain in full force and effect.

10.3. <u>Conflicts.</u> In the event of any conflict, the Declaration, the Articles, and these By-Laws, shall govern, in that order.

10.4. <u>Captions.</u> Captions are inserted herein only as a matter of convenience and for reference, and in no way are intended to or shall define, limit or describe the scope of these By-Laws or the intent of any provisions hereof.

10.5. <u>Waiver of Objections.</u> The failure of the Board or any officers of the Association to comply with any terms and provisions of the Declaration, the Articles, or these By-Laws which relate to time limitations shall not, in and of itself, invalidate the act done or performed. Any such failure shall be waived if it is not objected to by a member of the Association within ten (10) days after the member is notified, or becomes aware, of the failure. Furthermore, if such failure occurs at a general or special meeting, the failure shall be waived as to all members who received notice of the meeting or appeared and failed to object to such failure at the meeting.

The foregoing was adopted as the By-Laws of the Association at the meeting of the Board on the 24th day of September, 1996.

Lennard J. Kligler, Director

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