

THIS DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR CORAL LAKES ("Master Declaration") is made this _____ day of ^_____ 19, by ORIOLE HOMES CORP., a Florida corporation, its corporate^ successors and assigns ("Developer"), whose principal place of business is 1690 South Congress Avenue, Delray Beach, Florida 33445, and joined in by CORAL LAKES ASSOCIATION, INC., a Florida corporation not for profit ("Corporation"), whose principal place of business is 1690 South Congress Avenue, Delray Beach, Florida 33445.

WHEREAS, Developer is the owner in fee simple of the real property described on Exhibit A attached hereto and made a part hereof ("Total Property"), and intends to develop all or portions thereof, once committed to land use hereunder, as part of the multi-sectioned planned community to be known as "Coral Lakes" (as hereinafter defined); and

**WHEREAS, Developer desires to provide for the preservation of the values and amenities of Coral Lakes as are hereby or as may be hereafter established;
and**

WHEREAS, Developer desires to provide a method whereby portions of the Total Property may become "Committed Property" subject to the provisions of this Master Declaration upon the recording of a "Supplement" (as such terms are hereinafter defined); and

WHEREAS, the execution and recordation of this Master Declaration shall not be construed to require Developer to subject any portions of the Total Property other than the Committed Property to specific land use covenants under this Master Declaration or any other recorded instrument; and

WHEREAS, Developer also desires at this time to provide that a portion of the Total Property more fully described in Exhibit B attached hereto and made a part hereof ("Committed Property") shall become committed to the provisions of this Master Declaration; and

WHEREAS, Developer has deemed it desirable for the efficient preservation of

the values and amenities established to create a corporation known as Coral Lakes Association, Inc., which corporation has joined in this Master Declaration and to which there have been and will be delegated and assigned;

(i) certain powers and duties of ownership, operation, administration, maintenance and repair of portions of the Committed Property, including, but not limited to, the "Corporation Property" (as hereinafter defined); (ii) the enforcement of the covenants and restrictions contained herein; and (iii) the collection and disbursement of the "Operating Expenses" (as hereinafter defined) ;

NOW, THEREFORE, in consideration of the promises and covenants herein contained. Developer hereby declares that such portions of the Total Property, as herein provided, which become Committed Property shall be owned, held, used, transferred, sold, conveyed, demised and occupied subject to the covenants, restrictions, easements, reservations, regulations, burdens and liens hereinafter set forth, which shall run with the Committed Property and be binding on all parties having any right, title or interest in the Committed Property or any portion thereof, their heirs, successors and assigns.

1. EXPLANATION OF TERMINOLOGY

The following words and phrases used in this Master Declaration (unless the context should clearly reflect another meaning) shall have the following meanings:

1.1. "Amendment(s)" means any and all amendments to this Master Declaration, all of which shall be consecutively numbered beginning with the "First Amendment to the Declaration of Protective Covenants and Restrictions for Coral Lakes" and each of which shall be properly adopted pursuant to the terms of the Coral Lakes Documents and recorded in the Public Records; provided, however, the failure to so consecutively number such amendments shall not impair their validity hereunder and such amendments to the extent not otherwise numbered will be deemed to have been numbered in chronological order of their appearance in the Public Records.

1.2. "Articles" mean the Articles of Incorporation of the Corporation, which are attached hereto as Exhibit E.

1.3. "Assessments" mean the assessments for which all Owners are obligated to the corporation and include;

(i) "Annual Assessments" which include the assessments levied for the payment of Dwelling Unit Expenses, if any, and assessments which are levied for the payment of Operating Expenses, as more particularly described in Paragraph 6.1 hereof; and

(ii) "Special Assessments" which are levied by the Corporation for such purposes as are described in Paragraphs 6.2 and 7.11 hereof.

1.4. "Association" means a Florida corporation not for profit responsible for operating one or more condominium sub-communities or one or more non-condominium sub-communities which may be created in Coral Lakes.

1.5. "Association Members" mean all Associations who are members of the Corporation as provided in Article 4 hereof.

1.6. "Board" means the Board of Directors of the Corporation.

1.7. "Building Area" means that portion of Coral Lakes which may hereafter be the subject of a Condominium Declaration or a Community Declaration and upon which a Coral Lakes Condominium or non-condominium community may hereafter be located.

1.8. "Bylaws" mean the Bylaws of the Corporation, which are attached hereto as Exhibit F.

1.9. "Committed Property" means the portions of the Total Property which are committed to the provisions of this Master Declaration, which are legally described in Exhibit B attached hereto and made a part hereof; and those portions of the Total Property which may hereafter become Committed Property pursuant to the recordation of one or more Supplements.

1.10. "Community Declaration" means a document containing a declaration of covenants, restrictions and conditions, and any supplements or amendments thereto,

which may be recorded amongst the Public Records and either executed by Developer or consented to by Developer by written instrument recorded amongst the Public Records with respect and applicable to a portion of Coral Lakes which is part of the Committed Property, which portion does not contain any condominium Dwelling Units.

1.11. "Condominium Declaration" means a Declaration of Condominium, and any amendments thereto, by which a Coral Lakes Condominium is submitted by Developer to the condominium form of ownership.

1.12 "Coral Lakes" means the name given to the planned residential development being developed in stages by Developer on the Total Property in the County, in accordance with the "Plan for Development" set forth in Paragraph 2.1 hereof. Coral Lakes shall initially consist of the land set forth on Exhibit B attached hereto and made a part hereof and may be expanded by the recording of a Supplement' committing additional land.

1.13. "Coral Lakes Condominium" means a particular condominium in Coral Lakes which is the subject of a particular Condominium Declaration.

1.14. "Coral Lakes Documents" mean in the aggregate this Master Declaration, each Condominium Declaration, each Community Declaration, the Articles, Bylaws and Rules and Regulations of the Corporation, the Articles of Incorporation and Bylaws of an Association, and all of the instruments and documents referred to therein and executed in connection with a Coral Lakes Condominium or non-condominium community within Coral Lakes.

1.15. "Corporation" means Coral Lakes Association, Inc., a Florida corporation not for profit, which is NOT a condominium association and is not intended to be governed by Chapter 718, the Condominium Act, Florida Statutes.

1.16. "Corporation Property" means that portion of the Committed Property, as more particularly set forth on Exhibit D hereto, which is not within a Building Area and includes, but is not limited to, the Recreation Areas and those areas described in Paragraph 2.2.2 hereof.

1.17. "County" means Palm Beach County, Florida.

1.18. "Developer" means Oriole Homes Corp., a Florida corporation, its successors, grantees and assigns. An Owner shall not, solely by the purchase of a Dwelling Unit, be deemed a successor or assign of Developer or of the rights of Developer under the Coral Lakes Documents unless such Owner is specifically so designated as a successor or assign of such rights in the instrument of conveyance or any other instrument executed by Developer.

1.19. "Dwelling Unit" means a residential unit in Coral Lakes intended as an abode for one family constructed on a portion of Coral Lakes which is Committed Property including, but not limited, to a zero lot line single-family home, a detached single-family home, a residential unit contained in a duplex, garden-type, townhouse, villa or high-rise building, whether such residential unit is subject to fee simple, condominium, cooperative, rental or other forms of ownership or possession.

1.20. "Dwelling Unit Expenses" mean those expenses which may be assessed against Owners who are not members of an Association and which may be incurred by the Corporation with respect to the operation, administration, maintenance, repair or replacement of certain property under provisions of a Community Declaration.

1.21. "Institutional Mortgagee" means any lending institution having a first mortgage lien upon a Dwelling Unit, including, but not limited to, any of the following institutions or entities: (i) a federal or state savings and loan association or bank or a life insurance company, or bank or real estate investment trust, or a mortgage banking company or any subsidiary thereof, or a national banking association chartered under the laws of the United States of America; or (ii) any and all investing or lending, institutions ("Lender") which have loaned money to Developer in order to enable Developer to acquire, or construct improvements upon, any portion of Coral Lakes and which holds a first mortgage upon such portion of Coral Lakes as security for such loan; or (iii) any pension or profit sharing funds qualified under the Internal Revenue Code; or (iv) the Veterans Administration or the Federal Housing Administration or the Department of Urban

Development or other lenders generally recognized in the community as an institutional lender; or (v) such other Lenders as the Board shall hereafter designate as such in writing which have acquired a mortgage upon a Dwelling Unit; or (vi) any "Secondary Mortgage Market Institution" including Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and such other Secondary Mortgage Market Institution as the Board shall hereafter designate as such in writing which has acquired a mortgage upon a Dwelling Unit; or (vii) Developer, its successors and assigns.

1.22. "Interest" means the maximum nonusurious interest rate allowed by law on the subject debt or obligation and if no such rate be designated by law, then eighteen percent (18%) per annum.

1.23. "Legal Fees" mean (a) reasonable fees for attorney and paralegal services incurred in negotiation and preparation for litigation, whether or not an action is actually begun, through and including all trial and appellate levels and post judgment proceedings; and (b) court costs through and including all trial and appellate levels and post judgment proceedings.

1.24. "Master Declaration" means this document as the same may be supplemented and/or amended from time to time.

1.25. "Operating Expenses" mean, the expenses for which all Owners are liable to the Corporation as described in this Master Declaration and include, but are not limited to, the following:

(i) "Corporation Expenses" which mean those expenses incurred by the Corporation in administering, operating, reconstructing, maintaining, repairing and replacing all portions of the Corporation Property, other than the Recreation Areas, and any and all improvements thereon as well as all personal property for which the Corporation has such obligation as set forth in this Master Declaration, including the costs of administration of the Corporation; and

(ii) "Recreation Expenses" which mean those expenses similarly incurred by the Corporation in regard to the Recreation Areas.

1.26. "Owner" means the owner or owners of fee simple title to a Dwelling Unit and includes Developer for so long as it is the owner of fee simple title to a Dwelling Unit. An Owner shall not mean nor refer to a holder of a mortgage or security deed, its successors or assigns, unless and until such holder has acquired title pursuant to foreclosure proceedings or by deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

1.27 "Plat" means the Plat of Coral Lakes, recorded in Plat Book 67, Pages 197 and 198 of the Public Records.

1.28. "Public Records" mean the Public Records of the County.

1.29. "Recreation Areas" mean those portions of Coral Lakes designated as "Recreation Areas" on the Site Plan which shall be used for recreational and social purposes. The Recreation Areas form a portion of the Corporation Property described on Exhibit D hereto.

1.30. "Site Plan" means the proposed site plan for Coral Lakes attached as Exhibit C hereto.

1.31. "Storm Water Management System" means the drainage areas, drainage easements, lakes, storm drains, well fields and catch basins at Coral Lakes which are intended to control or contain rainfall. The Storm Water Management System is located upon and designed to serve the Committed Property and other areas within the Total Property.

1.32. "Supplement" means a document and the exhibits thereto, which, when recorded in the Public Records with the respect to a portion of the Uncommitted Property, shall commit such property to the provisions of this Master Declaration, and shall be the only method of committing such property to the provisions of this Master Declaration. The Supplement can also add restrictions not

set forth in the Master Declaration or, conversely, provide that certain restrictions of the Master Declaration do not apply.

1.33. "Total Property" means the real property described on Exhibit A attached hereto.

1.34. "Transfer Date" means ninety (90) days after Developer relinquishes control of the Corporation, as more particularly described in the Articles.

1.35. "Uncommitted Property" means the portions of the Total Property other than the Committed Property.

2. PLAN FOR DEVELOPMENT; LAND USE COVENANTS; . CONVEYANCE OF THE CORPORATION PROPERTY

2.1. Plan for Development

2.1.1. Commitment of Property. Developer may cause portions of the real property described in Exhibit A to be developed as part of the overall residential community to be known as Coral Lakes. The Site Plan for Coral Lakes is attached hereto as Exhibit C. Developer plans to develop Coral Lakes in stages. The building lines and dimensions shown on the Site Plan have been drawn for illustrative purposes only and are not to be relied upon for the actual dimensions and legal descriptions of each stage. The actual boundaries for each stage of Coral Lakes other than the property being committed herewith will be set forth and determined only upon the filing of a Supplement for such stage amongst the Public Records. The commitment to use of the land areas within Coral Lakes shall occur only upon the filing of a Supplement, as more particularly described below in Paragraph 2.1.3.

2.1.2. Committed and Uncommitted Property

2.1.2.1. Committed Property. Committed Property shall mean those portions of the Total Property which are now or hereafter committed for specific land use (as hereinafter described) and which are subject and committed to all covenants,

restrictions, terms and conditions of this Master Declaration. The property committed hereby is shown on the Site Plan and is legally described in Exhibit B hereto. By this Master Declaration, Developer declares that the lands comprising the Committed Property, including the Building Areas and the Corporation Property therein, are hereby committed to the plan of development of Coral Lakes and shall be used in accordance with the provisions of this Master Declaration.

2.1.2.2. Uncommitted Property. Uncommitted Property includes those portions of the Total Property which are reserved for future development by Developer. As of the date hereof, the land which comprises Coral Lakes exclusive of the Committed Property[^] is shown on the Site Plan, is Uncommitted Property reserved for future development. At such time as Developer determines to commit a portion of the Uncommitted Property to the plan of development of Coral Lakes, Developer shall file amongst the Public Records, a document entitled Supplement which shall describe, among other things, the property which is being committed to the plan of development of Coral Lakes and the specific land use of the property. The Supplement shall be executed solely by Developer and need not be joined by the Corporation or the Owners.

2.1.2.3. Developer's Reservations of Rights. Notwithstanding the depiction on the Site Plan or any statement herein contained, Developer reserves the right not to incorporate all or any part of the Uncommitted Property as part of Coral Lakes and/or to make such use of all or any part of the Uncommitted Property as shall be permitted by the applicable zoning regulations of the County. Hence, notwithstanding anything to the contrary herein contained or contained in any of the Coral Lakes Documents, only Committed Property shall be subject to the Coral Lakes Documents. Additionally, Developer reserves the right to alter the Site Plan as to the Uncommitted Property as shown thereon without specifically amending this Master Declaration. The manner in which Uncommitted Property shall become part of the Committed Property is described in Paragraph 2.1.3. In addition, Developer reserves the right to add, but in no way shall be obligated to

add, additional lands to the Total Property by an amendment to this Master Declaration describing the additional lands, signed by Developer alone and recorded in the Public Records. Upon recording of an amendment in the Public Records adding additional lands, the additional lands described shall be deemed part of the Total Property and subject to the terms of this Master Declaration and under the control of the Corporation as herein provided.

2.1.3. Supplement. Developer may, from time to time, determine to commit all or any portion of the Uncommitted Property to the land use provisions and other benefits, burdens, restrictions, covenants and provisions contained in this Master Declaration. Such determination shall be made in the sole discretion of Developer. Each commitment of a portion of the Uncommitted Property to this Master Declaration shall be made by a recitation to that effect in a document to be known as a Supplement which shall serve as an amendment to this Master Declaration and shall include a legal description of the portion of the Uncommitted Property then becoming Committed Property. Upon the recording thereof, a portion of the Uncommitted Property in question shall thereupon be Committed Property as fully as though originally designated herein as Committed Property. Should, Developer determine at any time that all or any part of the Uncommitted Property shall not become part of the Committed Property, Developer shall issue a statement to that effect containing the legal description of such property. Upon the recording of such statement amongst the Public Records, the property described therein shall no longer be a part of the Uncommitted Property and may be developed and/or used by Developer for any purpose consistent with the applicable zoning regulations.

2.1.4. Uses of Committed Property. All portions of the Committed Property shall be subject to the use, limitations, restrictions and other provisions imposed thereon as may be set forth in this Master Declaration, a Community Declaration, a Condominium Declaration, or a Supplement. In addition to any other provisions thereof, provisions of this Master Declaration or of a Supplement, Community Declaration, or Condominium Declaration may restrict certain

portions of the Committed Property to specified uses, including, but not limited to, uses as residential property and non-residential property including, but not limited to, property to be maintained as beautification areas, recreation areas in a natural state, or for parking and roadways.

2.2. Land Use Covenants ,

In consideration, of the benefits hereinafter contained and the payment of the various expenses referred to herein. Developer does hereby declare and the Corporation agrees that portions of Coral Lakes, if and when committed to the plan of development of Coral Lakes in accordance with Paragraph 2.1, shall be committed to land use as Residential Property and Corporation Property, as follows:

2.2.1. Residential Property; Portions of Coral Lakes depicted as "Residential Property" on the Site Plan shall be for residential use only and shall be subject to the land use covenants impressed upon Residential Property as contained in a Condominium Declaration or Community Declaration and as follows;

(a) Building Areas; The "Building Areas" are those portions of the Residential Property so designated on the Site Plan which may hereafter be the subject of a Condominium Declaration or Community Declaration and upon which a Coral Lakes Condominium or non-condominium community within Coral Lakes may hereafter be located. Each Building Area shall be reflected on a survey attached as an exhibit to the applicable Condominium Declaration or Community Declaration. Each Building Area shall include the real property upon which a proposed building containing Dwelling Units to be constructed and certain surrounding real property which comprises a portion of the "Common Elements" (as defined in a Condominium Declaration) or "Common Areas" (as defined in a Community Declaration) of that particular Coral Lakes Condominium or non-condominium community.

(b) Parking Areas; The "Parking Areas" are those portions of the Residential Property designated as "Parking" on the Site Plan and include individually

designated parking spaces ("Parking Spaces"). The Parking Areas adjacent to the Recreation Areas shall be maintained, administered and ultimately owned by the Corporation; all other Parking Areas shall be maintained, administered and ultimately owned by the applicable Association as set forth in the applicable Condominium Declaration or Community Declaration.

(c) Roads; Those portions of the Residential Property designated on the Site Plan as "Roads" shall be used, kept and maintained as private roads by Developer, the Corporation, the applicable Association, "Sharing Owners", "Club Members" (as such terms are hereinafter defined) and the Owners in Coral Lakes, their family members, guests, lessees and invitees in accordance with the provisions of the applicable Condominium Declaration or Community Declaration. The Roads shall be maintained, administered and ultimately owned by the applicable Association.

(d) Landscaped Areas: Those portions of the Residential Property designated on the Site Plan as "Landscaped Areas" shall be used, kept and maintained as such by Developer, the Corporation, the applicable Association, Sharing Owners, Club Members and the Owners in Coral Lakes, their family members, guests, lessees and invitees in accordance with the provisions of the applicable Condominium Declaration or Community Declaration. The Landscaped Areas shall be maintained, administered and ultimately owned by the applicable Association.

2.2.2. Corporation Property The portions of Coral Lakes described in this subparagraph 2.2.2. shall constitute the Corporation Property and shall be used solely in accordance with the

covenants impressed upon the Corporation Property as follows;

(a) Recreation Areas: Those portions of Coral Lakes shown on the Site Plan as Recreation Areas shall be part of the Corporation Property and shall be used for recreational purposes by the Corporation and the Owners and their family members, guests, invitees and lessees. Individuals entering any Recreation Area

must carry identification which may be checked by an agent or employee of the Corporation. Such portion, if any, of the Recreation Areas upon which Developer has constructed, or hereinafter constructs improvements shall be kept and maintained for use in a manner consistent with the nature of such improvements located or to be located thereon. The central recreation building shall be utilized as a social and recreational center and meeting area and such proper ancillary uses, including a snack bar, as may be determined by Developer until the Transfer Date and by the Corporation subsequent to the Transfer Date. All remaining portions of the Recreation Areas shown on the Site Plan, including, but not limited to, any pools within Coral Lakes, shall always be kept and maintained by the Corporation for recreational uses or beautification and attendant uses (e.g., parking spaces within the Recreation Areas shall be used for proper purposes by those using the recreational facilities while using such facilities) and shall be used for such purposes and not for residential, commercial or industrial construction of any kind. The Recreation Areas shall be maintained, administered and ultimately owned by the Corporation.

(i) Developer reserves the right to declare that the owners of up to three hundred (300) residential dwelling units ("Sharing Owners") in one or more future communities to be developed by Developer ("Sharing Community") shall have the right to use the central Recreation Area within Coral Lakes ("Central Recreation Area") on a nonexclusive basis with Owners in Coral Lakes and the Club Members until the "Exclusive Use Date" (as hereinafter described). Such declaration of the rights of the Sharing Owners shall be made by Developer in a writing or writings which shall be recorded amongst the Public Records, with a copy thereof furnished to the Corporation within thirty (30) days of the date of such recording. Developer reserves the right to substitute a new Sharing Community for an existing one or have multiple Sharing Communities at once and to replace Sharing Owners from time to time, provided the number of Sharing Owners at any one time does not exceed three hundred (300). In the event that Developer makes such a declaration and in consideration for the sharing of that portion of the Recreation Expenses attributable to the Central Recreation Area ("Central Recreation Expenses") by the

Sharing Owners, as hereinafter described in Paragraph 2.2.2(a)(ii) of **this Article 2**, **the** corporation and all Owners hereby agree that the **Sharing Owners**, their family members, guests, invitees and lessees **shall be permitted** to use the Central Recreation Area to the full **and** same extent as **same** is available to Owners in Coral Lakes until the occurrence of the Exclusive Use Date. For purposes of this Master Declaration, the "Exclusive Use Date" means the date upon which **Developer shall** determine that sufficient amenities **have been** constructed within the Sharing Community to serve such Sharing Community. Upon the occurrence of the Exclusive Use Date for the Sharing Community, all rights and obligations of the Sharing Owners in and to the Central Recreation Area shall terminate, except for the obligation to pay such Central Recreation Expenses as may then be due and owing.

(ii) (A) Any and all **Sharing Owners** having the right to use the Central Recreation Area pursuant to this Master Declaration shall be obligated to pay to the association or entity responsible for the administration of a Sharing Community ("**Sharing Association**") such **Sharing Owners'** portion of the Central Recreation Expenses determined in accordance with the method for allocation, assessment and collection as set forth in Articles 5, 6 and 7 of this Master Declaration as fully as though such Sharing Owners were Owners in a Coral Lakes Condominium or Coral Lakes non-condominium community. The Sharing Association shall assess and collect assessments for its portion of Central Recreation Expenses and shall remit such assessments to the Corporation upon receipt thereof in accordance with this **subparagraph**. The obligations of the Sharing Owners to pay a portion of the Central Recreation Expenses and of the Sharing Association to collect and remit such assessments to the Corporation **shall terminate** upon the Exclusive Use Date for such Sharing Community; provided, however, **that** the Sharing Association shall remain obligated to remit proceeds of any assessments for Central Recreation Expenses herein described made prior to the Exclusive Use Date (or a prorated portion of such assessments in the event the Exclusive Use Date occurs prior to the conclusion of an installment period for **assessments**) and provided further that the

Sharing Association shall be obligated to continue any legal proceedings instituted by it for the enforcement of payment of assessments of Central Recreation Expenses due the Corporation in accordance with this subparagraph. Developer agrees that the provisions hereinabove set forth with respect to the rights and obligations of the Sharing Owners and the Sharing Association shall be included within the documents to be recorded amongst the Public Records which establish the land use covenants and restrictions for a Sharing Community.

(B) Developer may determine that the owners of dwelling units in a Sharing Community shall be given an option to become Sharing Owners. If the use rights of a Sharing Owner who has elected such option are terminated, then Developer may offer such use rights to another owner in the Sharing Community; provided, however, there shall never be more than three hundred (300) Sharing Owners at any one time. The determination as to whether use rights shall be optional to owners of dwelling units in a Sharing Community shall be in Developer's sole discretion.

(iii) In addition to the Sharing Owners described in paragraphs (i) and (ii) above, Developer intends to offer membership rights in the Central Recreation Area ("Club Memberships"), to two hundred fifty (250) owners of dwelling units in other communities developed by Developer ("Club Members") for as long as such communities continue to meet the "Requirements for Exemption" under the "Fair Housing Act" (as such terms are hereinafter defined). Club Members shall be given an opportunity to obtain such Club Membership upon the purchase of a dwelling unit in the respective community.

(iv) Club Members shall be obligated to the Corporation for a portion of the Central Recreation Expenses determined in accordance with the method for allocation, assessment and collection as set forth in Articles 5, 6 and 7 of this Master Declaration as fully as though such Club Members were Owners in a Coral Lakes Condominium or Coral Lakes non-condominium community. The Corporation shall assess and collect assessments from Club Members for their portion of Central Recreation Expenses. Notwithstanding anything contained herein or in any

other Coral Lakes Documents, Club Members shall not be charged a greater assessment than **owners** in a Coral Lakes Condominium or Coral Lakes non-condominium community. No Coral Lakes Document may be amended to provide for a greater assessment to Club Members than **charged** to Owners in a Coral Lakes Condominium or Coral Lakes non-condominium community. Additional obligations and responsibilities of Club Members are more particularly set forth in the form of Club Membership Agreement ("Club Membership Agreement") attached hereto as Exhibit **G** and made a part hereof.

(b) Lakes: The portions of Coral Lakes designated on the Site Plan as "Lakes" shall always be kept and maintained as lakes for water retention, drainage and water management purposes in compliance with all applicable governmental and water management district requirements. The Lakes shall be a part of the Corporation Property and shall be maintained, administered and ultimately owned by the Corporation. In furtherance of the foregoing. Developer hereby reserves and grants an easement in favor of the Corporation throughout all portions of Coral Lakes for the purpose of maintaining and administering the Lakes and no Association or Owner shall do any act which may interfere with the performance by the Corporation of its obligations hereunder.

The South Florida Management District is the local permitting authority for surface water permits. The on site lakes are designed as water management areas and are not designed as aesthetic features. Due to low ground water elevations within the immediate area, lakes located on site may be extremely shallow during several months of the year. Developer has no control over such elevations. In addition, the water levels in the lakes may decline significantly at certain times as a result of the Palm Beach County System 3W Regional Wellfield Pumpage. Since the irrigation system draws from its lakes, this may further affect water levels in the lakes; however, this type of irrigation system is significantly less expensive than using the County's potable water supply.

(e) Street Lights: All "Street Lights" that may be placed

within the Corporation Property shall be maintained, administered and ultimately owned by the Corporation.

(d) **Masonry Walls:** The "Masonry Walls" shown on the Site Plan shall be maintained, administered and ultimately owned by the Corporation.

(e) **Entranceways;** The "Entranceways" shown on the Site Plan and all improvements thereon including, but not limited to, landscape, signage, street lights, walkways, electric gates and telephone entrance system, shall be maintained, administered and ultimately owned by the Corporation.

2.2.3. All costs associated with operating and maintaining the Corporation Property shall be the obligation of the Corporation. The Corporation Property shall be conveyed to the Corporation in accordance with the provisions of Paragraph 2.3 hereof.

2.2.4. **Private Use:** For the term of this Master Declaration the Corporation Property is not for the use and enjoyment of the public, but is expressly reserved for the private use and enjoyment of Developer, the Corporation, each Association, Sharing Owners and Club Members, if any (but with respect to the Central Recreation Area only for Sharing Owners and Club Members), and the Owners in Coral Lakes, their family members, guests, invitees and lessees but only in accordance with this Master Declaration. Subject to the rights and obligations of the Corporation to maintain the Lakes as aforesaid for water retention, drainage and water management purposes for all of Coral Lakes and the right of the Corporation to adopt rules from time to time with respect to the use of the Lakes for such purposes, the Lakes shall be reserved for the private use and enjoyment of Developer, the Corporation, each Association and the Owners in Coral Lakes, their family members, guests, invitees and lessees but only in accordance with this Master Declaration.

2.2.4.1 **Notwithstanding** anything in this Master Declaration to

the contrary, however. Developer hereby expressly reserves the right to use the Corporation Property and Residential Property in connection with the sale and marketing by Developer of Dwelling Units in 'Coral Lakes and other communities developed by Developer, including, but not limited to, the holding of sales and marketing meetings, sales promotions and related activities, which use rights shall continue for so long as Developer is offering any Dwelling Unit for sale in Coral Lakes.

2.2.4.2. Notwithstanding the foregoing, the right is hereby reserved to the Corporation to lease or rent all or such portions of the Corporation Property or facilities now or hereafter constructed thereon ("Leased Property") as the Corporation shall from time to time determine to lessees ("Operators") who shall operate the Leased Property for the purposes herein established and as may be established in any applicable Supplement and the Coral Lakes Documents. Additionally, notwithstanding the foregoing, individual rooms or other facilities contained in buildings now or hereafter constructed on any portion of the Corporation Property as well as the various facilities or improvements now or hereafter located on a portion of the Corporation Property may be reserved or rented for the exclusive use of the party or parties reserving or renting same and their guests if the Corporation permits and then only on such terms and conditions as the Corporation deems appropriate.

2.2.4.3. The administration, management, operation and maintenance of the Corporation Property shall be the responsibility of the Corporation and, if and to the extent applicable, any Operator, all as is provided herein and in the Coral Lakes Documents.

2.2.4.4. The right to use the Corporation Property shall be subject to any such lease or rental of any portion of the Corporation Property or facilities thereon as is hereinbefore set forth and subject to the rules and regulations established by the Corporation.

2.2.5. Rules and Regulations. The Corporation by its Board shall have the

right to promulgate and impose rules and regulations and thereafter to modify, alter, amend, rescind and augment any of the same (collectively the "Corporation Rules") with respect to the use, operation and enjoyment of the Corporation Property and any improvements located thereon (including, but not limited to, establishing reasonable fees for the use of the facilities, establishing hours and manner of operation and establishing requirements as to dress and decorum), and each Operator shall have the right to adopt rules with respect to the Leased Property being leased to such Operator provided same have been approved in writing by the Board and Developer, as long as Developer owns a Dwelling (Unit in Coral Lakes, and are not in violation of the lease in question. The rules and regulations so promulgated shall in all respects be consistent with the use covenants set forth in this Master Declaration and with the architectural and beautification plan for Coral Lakes as may be established by Developer. The Board may modify, alter, amend and rescind such rules and regulations provided such modifications, alterations, amendments and rescissions are consistent with the use covenants set forth herein and, for as long as Developer is offering any Dwelling Units for sale in Coral Lakes, consented to by Developer.

2.3. Conveyance of the Corporation Property

Developer agrees that it shall convey to the Corporation by quit claim deed, and the Corporation is obligated to accept, fee simple title to the Corporation Property subject to; (i) the terms and provisions of this Master Declaration; (ii) all applicable Coral Lakes Documents; (iii) real estate taxes for the year of such conveyance; (iv) all applicable zoning ordinances; (v) such facts as an accurate survey would show; and (vi) all covenants, easements, restrictions and reservations of record or common to the subdivision. While Developer shall have the right to convey all or such portions of the Corporation Property as Developer shall from time to time determine, the conveyance of the Corporation Property shall be effectuated no later than the Transfer Date; provided, however, that those portions of Coral Lakes, if any, which become Corporation Property subsequent to the

Transfer Date shall be conveyed by Developer within thirty (30) days after the property in question becomes Corporation Property.

3. EASEMENTS

3.1. Developer's Right to Grant Easements

Developer reserves the right for itself to grant such easements over, under, in and upon the Committed Property in favor of Developer, the Corporation, their respective **designees**. Owners, Sharing Owners and Club Members, if any (with respect to the Central **Recreation** Area only), and their lessees and their family members, guests and invitees, and **appropriate utility and other service corporations or companies for ingress and egress for persons and vehicles and to provide power, electric, sewer, water and other utility services and lighting facilities, irrigation, television transmission and distribution facilities (including, but not limited to, the installation, maintenance, repair and replacement ,of a "master" television antenna), cable television facilities, telecommunications, security service and facilities in connection therewith, and access to publicly dedicated streets, and the like. Prior to the Transfer Date, Developer (and, at Developer's request, the Corporation) shall execute, deliver and impose, from time to time, such easements and cross-easements for any of the foregoing purposes and at such location or locations as determined by Developer; provided, however, that no such easements shall be granted hereunder with respect to any portion of the Committed Property which shall create a right, nor shall any such easement holder have the right, to cause any buildings or other permanent facilities constructed within Coral Lakes in accordance with this Master Declaration and the other Coral Lakes Documents to be altered or detrimentally affected by any construction or installation pursuant thereto or any of the facilities, equipment or parts thereof nor shall an easement holder have the right to construct or install improvements or any parts thereof under any then-existing structures or buildings so built in accordance with the said Coral Lakes Documents provided that the foregoing shall not preclude Developer or its successors or assigns or any other easement holder from making minor alterations to then-existing improvements other than buildings**

(such as, but not limited to, alterations or temporary removal of a fence or a portion thereof) provided that same is repaired and/or restored as the case may be by Developer or its successors or assigns or any other easement holder at their expense within a reasonable time thereafter. After the Transfer Date, such easements and cross-easements for any of the foregoing purposes as Developer desires to grant shall be at such location as shall be decided by Developer with the advice of the Corporation.

3.2. Perpetual Nonexclusive Easement to Public Ways

3.2.1. The walks, streets and other rights-of-way located upon the Corporation Property now or hereinafter located within Coral Lakes shall be, and the same are hereby declared to be, subject to a perpetual nonexclusive easement for ingress and egress and access to, over and across the same to public ways, including dedicated streets, which easement is hereby created in favor of all of the Owners in Coral Lakes now or hereinafter existing, for the use of Owners, Sharing Owners and Club Members, if any (with respect to the Central Recreation Area only), and for the use of their family members, guests, invitees or lessees for all proper and normal purposes and' for the furnishing of services and facilities for which the same are reasonably intended. The Corporation shall have the right to establish the rules and regulations governing the use and enjoyment of the Corporation Property and all easements over and upon same.

3.2.2. Notwithstanding anything to the contrary contained herein, the easements and assignments described and set forth in this Paragraph 3.2 are intended, if, as and when submitted to condominium ownership as a portion of the condominium property of a Coral Lakes Condominium, to comply with Section 718.104(4) (m) of the Act with regard to all such Coral Lakes Condominiums

3.3 Easements for Encroachments

All of the Committed Property shall be subject to, easements for encroachments, which now or hereinafter exist, caused by settlement or movement of any improvements upon the Corporation Property or improvements contiguous

thereto or caused by inaccuracies in the building or rebuilding of such improvements or caused by changes in the building design or site plan provided such changes have been approved by the appropriate governmental authorities. The above easements shall continue until such encroachments no longer exist.

3.4. Easements for Utilities and Services

For the purpose of performing their authorized services and investigations, ingress and egress over and across the Committed Property is hereby granted to; (i) police and other authorities of the law; (ii) United States mail carriers; (iii) fire protection agencies; (iv) representatives of public utilities, including, but not limited to, telephone, water and electricity and other utilities authorized by Developer; and (v) any other such persons as Developer, from time to time, may designate. The Committed Property shall be subject to such easements for utilities as may be required to properly and adequately serve the Committed Property as it exists from time to time. Said easements, whether heretofore or hereafter created, shall constitute covenants running with the Committed Property and, notwithstanding any other provision of this Master Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with its proper and intended use and purpose and shall survive the termination of this Master Declaration. Notwithstanding anything herein to the contrary, the terms "utilities" and "services" as used in this Paragraph 3.4 shall not include telecommunications nor include cable or master television services.

3.5. Zero Lot Line Easements

Developer hereby grants to the Corporation, the applicable Association and each Owner of a Dwelling Unit designed and site planned as a "zero lot line" home a three (3) foot side yard non-exclusive easement over that portion of the adjacent lot on which the exterior wall of a Dwelling Unit has been located. Such easement is granted for the sole purpose of maintaining the exterior of the Dwelling Unit adjoining the easement area. The easement area shall be used by the Owner of the Dwelling Unit adjoining the easement area or by the Corporation or the applicable

Association, as appropriate. The easement area shall not be used in any manner by the Owner of the lot holding fee simple title to the easement area so as to impede access to the exterior wall.

3.6. Easement for Maintenance of Masonry Walls

An easement is hereby granted over each Lot adjacent to the Masonry Walls, for the benefit of the Corporation for the repair and maintenance of the Masonry Walls by the Corporation.

3.7. Reservation of Rights of Developer

Each Owner by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance consents, agrees to and shall be bound by the exclusive rights, privileges, easements and rights-of-way reserved to and vested in Developer pursuant to the provisions of this Article 3 with all such rights, privileges, easements and rights-of-way being deemed reserved to Developer and excepted from any conveyance or dedication by Developer of any portion of the Committed Property.

To the extent that the creation of any easements permitted to be created hereunder require the joinder of Owners by separate instruments, Developer, by its duly authorized officers may, as the agent or the attorney-in-fact for the Owners execute, acknowledge and deliver such instruments and the Owners, by the acceptance of deeds to their Dwelling Units, irrevocably nominate, constitute and appoint Developer, through its duly authorized officers, as their proper and legal attorney-in-fact for such purpose. Said appointment is coupled with an interest and is therefore irrevocable. Any such instrument executed pursuant to this Paragraph shall recite that it is made pursuant to this Paragraph.

4. THE CORPORATION

4.1. Membership

4.1.1. Each Owner shall be a member of an Association, which Association shall be a member of the Corporation. An Owner, by acceptance of a deed or other

instrument evidencing his ownership interest, and whether or not stated therein, acknowledges the authority of the Corporation as stated in this Master Declaration as the same may be amended or supplemented from time to time, and agrees to abide by and be bound by the provisions of the Coral Lakes Documents. In addition, the family, relatives, guests, invitees and lessees of the Owners (and the family, relatives, guests, and invitees of the lessees). Sharing Owners, if any. Club Members, if any, and the family, relatives, guests, invitees and lessees of the Sharing Owners and Club Members, shall, while in or on any part of the Committed Property, abide and be bound by the provisions of the Coral Lakes Documents.

4.1.2. The members shall consist, of Developer, for so long as Developer owns any Dwelling Units, and the Association Members. The rights of the members regarding voting, corporate meetings, notices and other Corporation matters shall be as set forth in the Coral Lakes Documents.

4.2. Board

The Corporation shall be governed by the Board which shall be appointed, designated or elected as set forth in the Articles and Bylaws.

4.3. Services

The Corporation may perform any of the following services:

4.3.1. Provide maintenance of the Corporation Property and any other areas specifically designated herein or in a Supplement hereto, in a Condominium Declaration or amendment thereto (consented to in writing by Developer) or in a Community Declaration or amendment thereto (consented to in writing by Developer), as the maintenance responsibility of the Corporation. The Corporation may, to the extent permitted by the appropriate governmental authority, also provide maintenance of all city, County, district or municipal properties including, but not limited to publicly dedicated rights of way which are located within or in a reasonable proximity to the Committed Property to the extent that their deterioration!- would adversely affect the appearance of the Committed Property.

Subject to the approval of the **committee**, the Corporation shall adopt and may amend and/or supplement standards of maintenance and operation applicable to the Committed Property which is the maintenance responsibility of an entity or person other than Developer to assure that such maintenance responsibilities are carried forth in a manner so as to maintain the beauty and aesthetic quality of Coral Lakes as established by Developer.

4.3.2. Provide maintenance of any real property located **within** Coral Lakes upon which the Corporation has accepted, in a Supplement hereto or in another writing, an easement for said maintenance.

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4.3.3. Provide maintenance, monitoring and testing of the Storm Water Management System, waterways and Lakes within the Committed Property, and maintenance of the Storm Water Management System, drainage area, retention ponds, waterways or Lakes within the Committed Property if and to the extent permitted or required by any governmental authority having jurisdiction thereof.

4.3.4. Provide insect, pest and aquatic control to the Corporation Property to the extent that it is necessary or desirable in the judgment of the Corporation to supplement any **service provided by the State and local governments in relation thereto**.

4.3.5. Take any and all actions the Board deems necessary to enforce all covenants, conditions and restrictions affecting any part of the Committed Property and to perform any of the functions or services delegated to the Corporation in any of the Coral Lakes Documents.

4.3.6. Conduct the business of the Corporation, including, but not limited to, the hiring of professionals to provide services such as legal, accounting, financial and communication services and inform members of activities, meetings and other important events as the Board deems necessary or appropriate.

4.3.7. Purchase general liability and hazard insurance covering improvements

and activities on the Corporation Property.

4.3.8. Publish and enforce, as the Corporation deems necessary, **the Corporation Rules.**

4.3.9. Provide and maintain lighting of roads, sidewalks and bike paths throughout the Corporation Property.

4.3.10. Provide garbage and trash collection and disposal unless provided by a governmental entity. Owners shall be required to conform to the Corporation Rules dealing with such collection including manner and place of collection for each Dwelling Unit.

4.3.11. Construct, repair and maintain improvements on the Corporation Property.

4.3.12. Enter into Community Declarations and Condominium Declarations to preserve or affirm possessory use interest in the Corporation Property.

4.3.13. Provide, to the extent deemed necessary by the Board, any and all services and do any and all things which are incidental to or in furtherance of things listed above or to carry out the Corporation mandate to keep and maintain the Corporation Property in a proper and aesthetically pleasing condition and to provide the Owners with services, amenities, controls and enforcement which will enhance **thp** quality of life at Coral Lakes.

4.3.14. Enter into a professional management contract for the management and maintenance of the Corporation Property. The contract must include a right of termination clause that the Corporation can exercise at any time after the transfer of control of the Corporation. This right of termination must not require the **paym**ent of any penalty or an advance notice of more than ninety (90) days.

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4.3.15. Establish a transportation system for **Coral** Lakes.

4.4. Obligation of the Corporation

4.4.1. The Corporation may carry out the functions and services as specified in this Article 4 to the extent such functions and services can be provided with the proceeds first from Annual Assessments and then, if necessary, from Special Assessments. The functions and services referred to in this Article 4 to be carried out or offered by the Corporation at any particular time shall be determined by the Board taking into consideration the proceeds of Assessments, the need of the members, and of Coral Lakes. The functions and services which the Corporation is authorized to carry out or to provide may be added to or reduced at any time upon the affirmative vote of a majority of the Board, except that the Corporation shall be obligated to perform the functions necessary to maintain the Storm Water Management System as described in Subsection 4.3.3 above, unless the County and/or the South Florida Water Management District relieves the Corporation from such obligations.

4.4.2. Conveyance to the Corporation

The Corporation is obligated to accept any and all conveyances to it by Developer of a fee simple title, easements or leases to all or portions of the Corporation Property.

4.4.3. Conveyance by the Corporation

The Corporation is empowered to delegate • any of its functions or convey any of its property to any governmental entity as may be required or deemed

necessary from time to time. The Corporation reserves the right to convey any property or personal property to an Association. The Association must accept any such conveyance.

5. ASSESSMENTS FOR OPERATING EXPENSES AND DWELLING UNIT EXPENSES; ESTABLISHMENT AND ENFORCEMENT OF LIENS

5.1. Affirmative Covenant to Pay Operating Expenses

In order to: (i) fulfill the covenants contained in this Master Declaration; and (ii) preserve and maintain the Corporation Property for the recreation, safety, welfare, and benefit of Owners, Sharing Owners and Club Members, if any (with respect to the Central Recreation Area only), their invitees, guests, family members and lessees at Coral Lakes, subject to the terms of this Master Declaration and the services and amenities provided for herein, there is hereby imposed upon Coral Lakes and the Owners (and Club Members and the Sharing Owners with respect to the Central Recreation Expenses only) therein the affirmative covenant and obligation to pay the Assessments, including, but not limited to, the Annual Assessments and Special Assessments. Developer and the Corporation agree that the Coral Lakes Documents, including each Supplement, each Condominium Declaration and each Community Declaration, shall recognize that all of the covenants herein set forth run with the Committed Property.

5.2. Lien

The Annual Assessment and Special Assessments, as determined in accordance with Article 6 herein, together with Interest thereon and costs of collection, including Legal Fees as hereinafter provided, are hereby declared to be a charge on each Dwelling Unit and shall be a continuing lien upon the Dwelling Unit against which each such Assessment is made. Each Assessment against a Dwelling Unit together with such Interest thereon and costs of collection thereof, including Legal Fees shall be the personal obligation of the person, persons or entity owning the Dwelling Unit so assessed. Said lien shall be effective only from and after the **tyimb**

of **recordation** amongst the Public Records of a written acknowledged statement by the Corporation setting forth the amount due to the Corporation as of the date the statement is signed. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a recordable satisfaction of the statement of lien. An Institutional Mortgagee acquiring title to a Dwelling Unit as a result of foreclosure of its first mortgage or deed in lieu of foreclosure shall not be liable for Assessments chargeable to the former Owner which became due prior to such acquisition of title unless such **accrued** Assessments are secured by a claim of lien that is recorded prior to the recording of the mortgage held by such Institutional Mortgagee being foreclosed or for which a deed is given in lieu of foreclosure. Assessments which are not secured by a claim **of** lien recorded prior to the recording of the first mortgage being foreclosed or for which a deed is given in lieu of foreclosure shall be cancelled as to such Dwelling Unit effective with passage of title to such Institutional Mortgagee.

5.3. Enforcement

In the event that any Owner shall fail to pay to the applicable Association any Assessment or installment thereof charged to his Dwelling Unit within fifteen (15) days after the same becomes due, then the Corporation, through its Board, shall have the following remedies:

5.3.1. To advance, on behalf of the Owner in default, funds to accomplish the needs of the Corporation; provided that; **(i)** the amount or amounts of monies so advanced, including Legal Fees which might have been reasonably incurred because of or in connection **with** such payments, together with Interest may thereupon be collected by the Corporation; and **(ii)** such advance by the Corporation shall not waive the default of the Owner in **failing** to make its payments;

5.3.2. To file an action in **equity** to foreclose its **lien** at any time after the effective date thereof or an action in the name of **the** Corporation in like manner as a foreclosure of a mortgage on **real** property;

5.3.3. To file an action at law to collect the Assessment plus Interest and **Legal**

Fees without waiving its lien rights and its right of foreclosure.

5.4. Collection by Developer

In the event for any reason the Corporation shall fail to collect the Assessments from the Associations as required herein, then in that event Developer shall have the right, but not the obligation, to collect the same as set forth in Paragraph 5.3 above. The right of Developer to collect the Assessments shall terminate upon the Transfer Date, except as to those Assessments which were incurred prior to the Transfer Date.

6. METHOD OF DETERMINING, ASSESSING AND COLLECTING ASSESSMENTS

The Assessments as hereinafter set forth and described shall be assessed to and collected from Owners on the following basis:

6.1. Determining Assessment for Operating Expenses

6.1.1. Operating Expenses. The total anticipated Operating Expenses for each calendar year shall be set forth in the annual budget of the Corporation prepared by the Board as described in the Articles and Bylaws. At the discretion of the Board, the Operating Expenses shall be categorized as either Corporation Expenses or Recreation Expenses and set forth on the schedule of such expenses. The total anticipated Operating Expenses shall be that sum necessary for the maintenance and operation of the Corporation Property and such expenses, shall be divided equally except as provided in Paragraph 6.1.3 hereof, among the "Dwelling Units Subject to Assessment" (as that term is hereinafter defined) and the quotient thus arrived at (adjusted quarterly as hereinafter set forth) shall constitute the "Assessment for Operating Expenses." At the discretion of the Board, the Assessment may be assessed in two separate amounts, one representing the Owner's pro rata share of Corporation Expenses and the other the Owner's pro rata share of Recreation Expenses. The Board shall adjust the Assessment on a quarterly basis by dividing the total anticipated Operating Expenses for each of the" remaining quarters of the fiscal year (as determined by the budget for such

expenses) by the number of Dwelling Units Subject to Assessment as of thirty (30) days prior to the end of such quarter, the quotient being the installment of the Assessment for the next quarter. A Dwelling Unit Subject to Assessment which comes into existence during a quarter for which the Assessment has already been assessed shall be deemed assessed the amount of such Assessment prorated from the day the Dwelling Unit Subject to Assessment came into existence. The Assessment may also be adjusted quarterly in the instance where the Board determines that the estimated Operating Expenses are insufficient to meet the actual Operating Expenses being incurred, in which event the anticipated Operating Expenses for the remaining quarters may be increased accordingly in calculating the Assessment.

6.1.2. Dwelling Unit Expenses. The Corporation, by its Board, shall prepare a budget for the operation and management of any Building Area for which it has maintenance and/or operating responsibility pursuant to a Community Declaration, which budget shall be prepared and adopted in accordance with such Community Declaration.

Except as otherwise provided in the Coral Lakes Documents, the Dwelling Unit Expenses of a Building Area shall in turn be allocated to each Owner within such Building Area based upon each Owner's share of Dwelling Unit Expenses, as provided in the applicable Community Declaration.

6.1.3. Dwelling Units Subject to Assessment.

The phrase "Dwelling Units Subject to Assessment" shall mean the Dwelling Units in Coral Lakes for which a Certificate of Occupancy has been issued; provided, however, that where said improvements are to be committed to the condominium form of ownership, then in addition to a Certificate of Occupancy, such Dwelling Units must also be subject to a Condominium Declaration recorded in the Public Records; and provided further that where said improvements are not to be committed to the condominium form of ownership, such Dwelling Units must also be conveyed to Owners other than Developer. Such dwelling units owned by Sharing Owners and Club Members as set forth in Paragraph 2.2.2 hereof shall also

be Dwelling Units Subject to Assessment with respect to Assessments for Central Recreation Expenses only. For the purposes of Assessments the number of Dwelling Units contained in any structure which is subsequently destroyed, damaged or demolished shall be the number of Dwelling Units originally constructed within such structure until such time as such structure is replaced and a new Certificate of Occupancy is issued, whereupon the number of Dwelling Units contained in the replaced structure shall be used in computing the number of Dwelling Units Subject to Assessment.

6.1.4. Assessment Payment. .

Each Owner's share of Operating Expenses and an Owner's share of Dwelling Unit Expenses, if any, as determined in accordance with the Coral Lakes Documents, shall be assessed as the Annual Assessment. The Corporation may at any time require the Owners to maintain a minimum balance on deposit with the Corporation to cover future installments of Assessments. The amount of such deposit shall not exceed one-half (1/2) of then current Annual Assessment for the Dwelling Unit. The Annual Assessment shall be payable quarterly in advance on the first days of January, April, July and October of each year, or at such other time as may be determined by the Board from time to time but in no event less frequently than quarterly. Any Assessments made pursuant to this Master Declaration against any Dwelling Unit constituting part of a Coral Lakes Condominium shall be collected (and the payment of such sums enforced) by the Association in the same manner as a common expense of such condominium and assessable against all of the property so submitted to the condominium form of ownership as a whole and against the Association Member responsible for the operation thereof. Upon collection of any such Assessments by an Association, such Association shall promptly remit such sums to the Corporation. In the event the Association fails to promptly remit such sums to the Corporation, the Corporation shall have all remedies provided in law or in equity or as set forth in Paragraph 5.3 herein. Each Owner, by acceptance of a deed or other instrument of conveyance for a Dwelling Unit, whether or not it shall be so expressed in any such deed or instrument, shall

be so obligated and agrees to pay to the Corporation, through his Association, all assessments determined in accordance with the provisions of the Coral Lakes Documents.

6.2, Special Assessments

Owners shall be obligated to pay in addition to the Annual Assessment such special assessments ("Special Assessments") as shall be levied by the Board against their Dwelling Unit or Dwelling Units either as a result of; (i) extraordinary items of expense; (ii) the failure or refusal of other Owners to pay their Annual Assessment; or (iii) such other reason or basis determined by the Board which is not inconsistent with the terms of the Coral Lakes Documents. Special Assessments for items of Dwelling Unit Expense of one or more Building Areas shall be assessed by the Board against Owners within such Building Area in conformity with applicable requirements of the Community Declaration creating the obligation for such Dwelling Unit Expense. Special Assessments for capital improvements ("Capital Improvements Assessment") shall be levied by the Board for the purpose of defraying in whole or in part the cost of construction or reconstruction of improvements upon the Corporation Property. The Board shall determine the cost of construction or reconstruction and shall assess the same amongst the Dwelling Units subject to Assessment and allocate such Capital Improvement Assessments as described in Paragraph 6.1 above except that there shall be no Capital Improvement Assessments charged to Developer or against Dwelling Units owned by Developer without the consent of Developer. Notwithstanding the fact that Capital Improvement Assessments shall be allocated as described in Paragraph 6.1 above, the number of Dwelling Units Subject to Assessment for purposes of such allocation shall only reflect those Dwelling Units which are subject to the Capital Improvement Assessment in question.

6*3. Working Fund Contribution

Each Owner shall be obligated to pay, in addition to the Annual

Assessments and any Special Assessments, a "Working Fund Contribution" which will be equal to at least two (2) months' share of the annual Operating Expenses applicable to his Dwelling Unit pursuant to the initial budget. The purpose of the Working Fund Contribution is to insure that the Corporation will have cash available to meet unforeseen expenditures or to acquire additional equipment and services deemed necessary or desirable by the Board. Working Fund Contributions are not advance payments of regular Assessments and shall have no effect on future Assessments. The Working Fund Contribution will be collected at the time of conveyance of each Dwelling Unit.

7. OPERATING EXPENSES

The following operating expenses of the Corporation are declared to be Operating Expenses which each Owner (and Club Member and Sharing Owner, if any, with respect to Central Recreation Expenses only), is obligated to pay to the Corporation as provided in this Master Declaration and the Coral Lakes Documents and shall be considered Corporation Expenses when incurred in regard to all portions of the Corporation Property other than the Recreation Areas, and Recreation Expenses when incurred in regard to the Recreation Areas.

7.1. Taxes

Any and all taxes levied or assessed at any and all times by any and all taxing authorities including all taxes, charges, assessments and impositions and liens for public improvements, special charges and assessments and water drainage districts, and in general all taxes and tax liens which may be assessed against the Corporation Property and against any and all personal property and improvements, which are now or which hereafter may be placed thereon, including any interest, penalties and other charges which may accrue thereon shall be considered Operating Expenses.

7.2. Utility Charges

All charges levied for utilities providing services for the Corporation Property whether they are supplied by a private or public firm shall be considered Operating Expenses. It is contemplated "that this obligation will

include all charges for water, gas, electricity, telephone, sewer and any other type of utility or any other type of service charge.

7.3. Insurance

The premiums on any policy or policies of insurance required to be maintained under this Master Declaration and the premiums on any policy or policies the Corporation determines to maintain even if not required to be maintained by the specific terms of this Master Declaration shall be Operating Expenses.

7.4. Destruction of Buildings or Improvements

Any sums necessary to repair or replace, construct or reconstruct damages caused by the destruction of any building upon the Corporation Property by fire, windstorm, flood or other casualty regardless of, whether or not the same is covered in whole or in part by insurance, shall be Operating Expenses. In the event insurance money shall be payable, such insurance money shall be paid to the Corporation who shall open an account with a banking institution doing business in Florida, for the purpose of providing a fund for the repair and reconstruction of the damage. The Corporation shall pay into such account, either in addition to the insurance proceeds or in the event there are no insurance proceeds, such sums as may be necessary so that the funds on deposit will equal the costs of repair and reconstruction of the damage or destruction. The sums necessary to pay for the damage or destruction as herein contemplated shall be considered Operating Expenses but shall be raised by the Corporation under the provisions for Special Assessments as provided in Paragraph 6.2 of this Master Declaration and subject to the limitations therein set forth with respect to Special Assessments. The Corporation agrees that it will levy Special Assessments to provide the funds for the cost of reconstruction or construction within ninety (90) days from the date the destruction takes place and shall go forward with all deliberate speed so that the construction or reconstruction, repair or replacement, shall be completed within a reasonable period (not to exceed two [2] years) from the date of damage.

7.5. Maintenance, Repair and Replacements

Operating Expenses shall include all expenses necessary to keep and maintain, repair and replace any and all buildings, improvements, perimeter walls and fences, personal property and furniture, fixtures and equipment upon the Corporation Property including landscaping, lawn and sprinkler service, in a manner consistent with the development of Coral Lakes and in accordance with the covenants and restrictions contained herein, and in conformity with all orders, ordinances, rulings and regulations of any and all federal, state and city governments having jurisdiction thereover as well as the statutes and laws of the State of Florida and the United States. This shall include any expense attributable to the maintenance and repair and replacement of pumps or other equipment, if any, located upon or servicing Coral Lakes pursuant to agreements with utility corporations. Any expenses for replacements which would not be in the nature of normal repair and maintenance shall be the subject of a Special Assessment as provided in Paragraph 6.2 of this Master Declaration and subject to the limitations thereon set forth with respect to Special Assessments.

7.6. Indemnification

The Corporation covenants and . agrees that it will indemnify and save harmless Developer and the members of the Board from and against any and all claims, suits, actions, damages, and/or causes of action arising from any personal injury, loss of life, and/or damage to property sustained in or about the Committed Property or the appurtenances thereto from and against all costs. Legal Fees, expenses and liabilities incurred in and about any such claim, the investigation thereof or the defense of any action or proceeding brought thereon, and from and against any orders, judgments and/or decrees which may be entered therein. The costs of fulfilling the covenant of indemnification herein set forth shall be deemed to be Operating Expenses, and, further provided, that Developer shall not be liable for any such Assessment for Dwelling Units which Developer may own.

Included in the foregoing provisions of indemnification are any expenses that

Developer may be compelled to incur in bringing suit for the purpose of compelling the specific enforcement of the provisions, conditions and covenants contained in this Master Declaration to be kept and performed by the Corporation.

7.7» Administrative and Operational Expenses

The costs of administration of the Corporation including, but not limited to, any secretaries, bookkeepers and other employees necessary to carry out the obligations and covenants of the Corporation shall be deemed to be Operating Expenses. In addition, it is contemplated that the Corporation may retain a management company or companies or contractors (any of which management companies or contractors may be, but are not required to be, a subsidiary, affiliate or an otherwise related entity of Developer) to assist in the operation of the Corporation Property and other obligations of the Corporation hereunder. The fees or costs of this or any other management company or contractors so retained shall be deemed to be part of the Operating Expenses hereunder.

7.8 Compliance with Laws

The Corporation shall take such action as it determines necessary or appropriate in order for the Corporation Property and the improvements thereon to be in compliance with all applicable laws, statutes, ordinances and regulations of any governmental authority, whether federal, state or local, including, without limitation, any regulations regarding zoning requirements, setback requirements, drainage requirements, sanitary conditions and fire hazards, and the cost and expense of such action taken by the Corporation shall be an Operating Expense.

7.9. Failure or Refusal of Owners to Pay Annual Assessments

Funds needed for Operating Expenses due to the failure or refusal of Owners of Dwelling Units Subject to Assessment to pay the Assessments levied shall, themselves, be deemed to be Operating Expenses and properly the subject of an Assessment; provided, however, that any Assessment for any such sums so needed to make up a deficiency due to the failure of Owners to pay a Special Assessment shall, itself, be deemed to be a Special Assessment subject to the limitations thereon with

respect to Dwelling Units owned by Developer.

7.10. Extraordinary Items

Extraordinary items of expense under this Master Declaration such as expenses due to casualty losses and other extraordinary circumstances shall be the subject of a Special Assessment subject to the limitations thereon with respect to Dwelling Units owned by Developer set forth in Paragraph 6.2.

7.11. Matters of Special Assessments Generally

Amounts needed for capital improvements, as hereinbefore set forth, or for other purposes or reasons as determined by the Board to be the subject of a Special Assessment which are not inconsistent with the terms of any of the Coral Lakes Documents must also be approved by a majority vote (at any meeting thereof having a quorum) of the Corporation members, except that no such approval need be obtained for a Special Assessment for the replacement or repair of a previously existing improvement of the Corporation Property which was destroyed or damaged, it being recognized that the sums needed for such capital expenditures shall be the subject of a Special Assessment.

7.12. Costs of Reserves

The funds necessary to establish an adequate reserve fund ("Reserves") for periodic maintenance, repair, and replacement of the Corporation Property and the facilities and improvements thereupon in amounts determined sufficient and appropriate by the Board from time to time shall be an Operating Expense. Reserves shall be deposited in a separate account to provide such funds and reserves. The monies collected by the Corporation on account of Reserves shall be and shall remain the exclusive property of the Corporation and no Owner shall have any interest, claim or right to such Reserves or any fund composed of same.

7.13. Miscellaneous Expenses

The cost of all items of costs or expense pertaining to or for the benefit of the

Corporation or the Corporation Property, or any part thereof, not herein specifically enumerated and which is determined to be an appropriate item of Operating Expense by the Board (e.g., expenses related to increased security) shall be an Operating Expense.

8. PROVISIONS FOR THE PRESERVATION OF THE VALUES AND AMENITIES OF CORAL LAKES

8.1. Occupancy and Use Restrictions. In order to preserve the values and amenities of Coral Lakes the following provisions shall be applicable to Coral Lakes:

8.1.1. Single-Family Use. The residences shall be for single-family use only. No commercial occupation or activity may be carried on in Coral Lakes except as such occupation or activity is permitted to be carried on by Developer under this Master Declaration. A family is defined to mean any number of persons related by blood, marriage or adoption or not more than two (2) unrelated persons living as a single housekeeping unit.

8.1.2. Occupancy of Dwelling Unit. The Fair Housing Amendments Act of 1988 (Public Law 100-430, approved September 13, 1988) ("Fair Housing Act"), which became effective in March, 1989, provides that communities cannot reject families with children younger than eighteen (18) years of age. However, the Fair Housing Act provides that a community is exempt from this requirement if the following factors exist: (a) at least eighty percent (80%) of the units are occupied by at least one (1) person fifty-five (55) years of age or older per unit; (b) significant facilities and services specifically designed to meet the physical or social needs of older persons are available in the community; and (c) the publication of, and adherence to, policies and procedures which demonstrate an intent by the owner or manager to provide housing for persons fifty-five (55) years of age or older (hereinafter collectively referred to as the "Requirements for Exemption"). For so long as such provisions of the Fair Housing Act are in effect. Developer intends that Coral Lakes will be a community which falls within this exemption to the Fair

Housing Act. Therefore, for so long as such provisions of the Fair Housing Act are in effect, (i) at least one occupant in each Dwelling Unit in Coral Lakes must be at least fifty-five (55) years of age or older, except as hereinafter set forth; (ii) the Corporation must provide for or arrange for the provision of facilities within Coral Lakes and services within Coral Lakes specifically designed to meet the physical or social needs of older persons as contemplated by the Fair Housing Act and the regulations promulgated thereunder in order to satisfy the Requirements for Exemption; and (iii) the Corporation must publish and adhere to policies and procedures which demonstrate an intent by the Corporation to provide housing for persons fifty-five (55) years of age or older.

8.1.2.1. Association Board Discretion. The Requirements for Exemption contemplate that up to twenty percent (20%) of the units may be occupied by persons all of whom are under the age of fifty-five (55) without loss of the exemption. Accordingly, the Board of Directors of each Association ("Association Board"), upon application by an Owner, tenant, purchaser or proposed lessee, shall have absolute discretion to allow a Dwelling Unit to be occupied only by individuals under the age of fifty-five (55) based upon criteria that such Association Board shall determine, which criteria shall include, by way of example and not by limitation, information then known to the Association Board concerning potential or pending changes in occupancy of other Dwelling Units in the Coral Lakes Condominium or non-condominium community due to known adverse medical conditions or domestic relations and the ages of any likely remaining occupants of such Dwelling Units; other known prospective changes in occupancy of Dwelling Units for whatever reasons; proximity to age fifty-five (55) of those occupants of other Dwelling Units in the Condominium or non-condominium community then under such age; and any other information known to and deemed relevant by the Association Board in carrying out its duty to monitor and control the percentage of the Dwelling Units becoming occupied only by persons under the age of fifty-five (55). However, for so long as the age provisions of the Fair Housing Act are in effect, the Board shall

comply with the Requirements for Exemption, including, but not limited to, insuring that not more than twenty percent (20%) of the Dwelling Units *in* each Coral Lakes Condominium or non-condominium community will be occupied only by individuals under the age of fifty-five (55).

8.1.2.2. Developer Rights; Limitations. Notwithstanding the provisions of **subparagraph 8.1.2.1** above. Developer shall have the right to convey a Dwelling Unit owned by Developer to a purchaser who intends that the Dwelling Unit be occupied only by persons under fifty-five (55) years provided that, for so long as the Fair Housing Act is in effect, after the conveyance not more than twenty percent (20%) of the Dwelling Units shall be occupied only by persons under fifty-five (55) and, provided further that, such conveyance meets the Requirements for Exemption. Such Dwelling Unit shall at the first change of occupancy **thereafter, be subject to the requirement that at least one (1) occupant be fifty-five (55) or over unless waived by the Association Board pursuant to the provisions of this subparagraph 8.1.2.2.**

8.1.2.3. Association Board Responsibility. It shall be the responsibility of each Association Board to monitor the percentage of Dwelling Units with occupants all of whom are under the age of fifty-five (55) to insure that each Association Board does not permit more than twenty percent (20%) of the Dwelling Units in each Coral Lakes Condominium or non-condominium community to be occupied only by persons under the age of fifty-five (55). In the event there is a change in the occupants of the Dwelling Unit (e.g., a death or a divorce) so that at least one (1) of the occupants is no longer fifty-five (55) years of age or older, the Owner must immediately notify the Association of said change in writing. The Board shall have the right to promulgate rules and regulations necessary to comply with the **requirements** for Exemption so that the provisions of Paragraph 8.1.2.4 hereof limiting the number of days that children eighteen (18) years of age or younger may stay in a Dwelling Unit are enforceable. ,

8.1.2.4. Children. As long as Coral Lakes falls within the exemption, no children eighteen (18) years of age or younger shall be permitted to reside in any of

the Dwelling Units, except for a period of time not to exceed a total of sixty (60) days per calendar year. In addition, children shall be allowed to play only in those areas of Coral Lakes designated from time to time by the Association.

8.1.2.5. Notwithstanding the foregoing, if it is determined by a court or governmental agency that Coral Lakes is not in compliance with the above described Requirements for Exemption, then no limitation on the number of days children eighteen (18) years of age or younger may reside in a Dwelling Unit in Coral Lakes is enforceable and neither the Corporation, the Associations nor Developer shall have any liability in connection therewith.

8.1.3. Landscaping. NO LANDSCAPING WHATSOEVER SHALL BE PERMITTED WITHOUT THE WRITTEN PERMISSION OF THE BOARDS OF THE CORPORATION AND THE APPLICABLE ASSOCIATION because there are underground utilities which may present a hazard. If an Owner wishes to landscape an area which is located upon a utility easement, such Owner must obtain the appropriate approval for the landscaping from the provider of the utility service in addition to Board approval.

8.1.4. Nuisance. Neither an Owner nor an Association shall permit or suffer anything to be done which will increase the insurance rates on any portion of Coral Lakes, obstruct or interfere with the rights of other Owners or the Corporation, or commit or permit any nuisance, immoral or illegal act on Coral Lakes.

8.1.5. Removal of Sod and Shrubbery; Alteration of Drainage, Etc. Except for Developer's acts and activities with regard to the development of Coral Lakes, no sod, top soil, muck, trees or shrubbery shall be removed from Coral Lakes and no change in the condition of the soil or the level of land of any Coral Lakes area shall be made which would result in any permanent change in the flow or drainage of surface water within Coral Lakes without prior written consent of the Board.

8.1.6. Antenna and Aerial. No antennae, satellite dish, aerials or the like shall be placed upon Coral Lakes (unless wholly contained within a Dwelling Unit and not visible from outside the Dwelling Unit), except as may be required in connection with the provision of a cable television or master antennae system servicing Coral Lakes.

8.1.7. Garbage and Trash. Each Owner shall regularly pick up all garbage, trash, refuse or rubbish around his Dwelling Unit, and no Owner or resident shall place or dump any garbage, trash, refuse or other materials on any other portions of Coral Lakes, including any Corporation Property or any property contiguous to Coral Lakes. Garbage, trash, refuse or rubbish that is required to be placed at the front of a dwelling unit in order to be collected may be placed and kept at the curb after 5:00 p.m. on the day before the scheduled day of collection, but not sooner, and any trash facilities must be removed on the collection day after the pick up. All garbage, trash, refuse or rubbish must be placed in appropriate trash facilities or bags. All containers, dumpsters or garbage facilities shall be stored inside a Dwelling 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.

8.1.8. Radio Transmission. No ham radios or radio transmission equipment shall be operated or permitted to be operated within Coral Lakes without the prior written consent of the Board.

8.1.9. Signs. Owners, other than Developer, shall not display any other sign, advertisement or notice of any type in Coral Lakes except as may be previously and specifically approved in writing by the Board; provided, however, the Board shall not approve any request to display "For Sale" signs.

8.1.10. Animals and Pets. Only common household pets (i.e., dogs, cats, birds and fish) may be kept in any Dwelling Unit, but in no event for the purpose of breeding or for any commercial purposes whatsoever. No other animals, livestock or poultry of any kind shall be kept, raised, bred or maintained on any portion of Coral Lakes. Permitted pets shall only be kept subject to and in accordance with such rules and regulations as shall be promulgated from time to time by the Corporation and/or the applicable Association. Under no circumstances may a pit bull be permitted on any portion of Coral Lakes. Any pet

must be carried or kept on a leash when outside of a Dwelling Unit or fenced-in area. No pet shall be kept outside of a Dwelling Unit or in any screened area unless someone is present in the Dwelling Unit.

Any pet must not be an unreasonable nuisance or annoyance to other Owners in Coral Lakes. All Owners shall immediately pick up and remove any solid animal waste deposited by his pet. If any pet interferes with the Corporation's maintenance responsibility, the applicable Owner will be required to assume the obligations for such maintenance, without reduction in Assessments for Operating Expenses.

Each Owner who determines, to keep a pet thereby agrees to indemnify the Corporation and Developer and hold them harmless against any loss or liability of any kind or character whatsoever arising from or growing out of his having any animal in Coral Lakes.

8.1.11. Clotheslines. No clothesline or clothes drying which is visible from outside a Dwelling Unit shall be undertaken or permitted on any portion of Coral Lakes.

6.1.12. Temporary Buildings, Etc. No tents, trailers, shacks or other temporary buildings or structures shall be constructed or otherwise placed within Coral Lakes except in connection with construction, development, leasing or sales activities permitted under this Master Declaration or with the prior written consent of the Board. No temporary structure may be used as a residence.

8.1.13. Lakes. Owners shall not be permitted to operate watercraft of any kind upon any Lake located within Coral Lakes.

8.1.14. Garages. No garage shall be erected which is separate from the Dwelling Unit. No garage shall be permanently enclosed so as to make such garage unusable by an automobile, and no portion of a garage originally intended for the parking of an automobile shall be converted into a living space or storage space without the consent of Developer or the applicable Association. No individual air

conditioning units which are visible from outside the Dwelling Unit shall be permitted in a garage. All garage doors shall remain closed when not in use.

8.1.15. Drainage or Utility Easements. No structures, trees or shrubs shall be placed on any drainage or utility easements, as set forth on the Plat for Coral Lakes.

8.1.16. Boats, Recreational Vehicles and Commercial Vehicles. No motorcycle, trailer, boat, van, truck, camper, "jeep"-like vehicle or other vehicle, other than four-wheel passenger automobiles and other four-wheel passenger vehicles determined acceptable by the Board, shall be permitted on any portion of Coral Lakes, except for trucks furnishing goods and services during the daylight hours and except as the Corporation may designate for such use by appropriate rules and regulations. In addition, the Board shall adopt rules and regulations from time to time regulating and limiting the size, weight, type and place and manner of operation of vehicles in Coral Lakes.

8.1.17. Window Decor. All draperies, curtains, shades or other window or door coverings installed within a Dwelling Unit which are visible from the exterior of the Dwelling Unit shall have a white or beige backing, unless otherwise approved in writing by the Board. No newspaper, aluminum foil, sheets or other temporary window treatments shall be permitted, except for periods not exceeding two (2) weeks after an Owner or a lessee first moves into a Dwelling Unit or when permanent window treatments are being cleaned or repaired.

8.1.18. Board's Rule-Making Power. The foregoing use restrictions shall not be deemed to be all inclusive nor restrict the right of the Corporation to adopt such reasonable rules and regulations governing the use of Coral Lakes as the Board may determine from time to time, provided that such rules and regulations: (i) are not in conflict with the provisions hereof; (ii) apply equally to all lawful Coral Lakes residents without discriminating on the basis of whether a Dwelling Unit is occupied by an Owner or his lessee; and (iii) for so long as Developer holds any Dwelling Units within Coral Lakes for sale in the ordinary course of its business, have the prior written approval of Developer. Developer

shall approve any such amendment which does not adversely affect sales of Dwelling Units. The determination of whether a regulation is detrimental to sales shall be within Developer's sole discretion.

8.1.19. Certain Rights of Developer. The provisions, restrictions, terms and conditions of this Paragraph 8.1 shall not apply to Developer as an Owner.

8.2. Board Approval of Improvements to Lots, Dwelling Units, Etc.

In order to preserve the values and appearance of Coral Lakes, the following restrictions upon the Committed Property are hereby established:

8.2.1. Requirement of Board Approval. Except for Dwelling Units, buildings and other structures and improvements constructed, installed or placed by or with the approval of Developer; landscaping and plantings by or with the approval of Developer; and additions, alterations, modifications and changes to any of the foregoing by or with the approval of Developer (collectively "Developer Improvements"), which Developer Improvements are not subject to the approval of the Board, no improvement or structure of any kind, including, without limitation, any building, wall, fence, swimming pool, tennis court, or screen enclosure, shall be erected, placed or maintained on any portion of the Committed Property; no landscaping or planting shall be commenced or maintained upon any portion of the Committed Property; and no addition, alteration, modification or change to any such improvement, structure, landscaping or planting shall be made without the prior written approval of the Board. Developer Improvements are deemed to conform to the plan of development for Coral Lakes.

8.2.2. Method of Obtaining Board Approval. In order to obtain the approval of the Board, two (2) complete sets of plans and specifications for proposed construction and/or landscaping shall be submitted to the Board for its review. Such plans and specifications shall include, as appropriate, the proposed plans, approximate costs, and nature, type and color of materials to be used ("Plans And Specifications"). The Board may also require the submission of additional

information and materials as may be reasonably necessary for the Board to evaluate the proposed construction, landscaping or alteration ("Additional Information"), The Plans And Specifications together with the Additional Information are referred to herein as the "Plans." The Board shall evaluate all Plans as to the aesthetics and as to suitability and harmony of location, structures and external design in relation to surrounding topography, structures and landscaping:

8.2.3. Approval or Disapproval by the Board. The Board shall have the right to refuse to approve any proposed Plans which, in its sole discretion, are not suitable or desirable. Any and all approvals or disapprovals of the Board shall be in writing and shall be sent to the respective Owner. In the event the Board fails to approve or to disapprove in writing any proposed Plans within thirty (30) days after submission to the Board of (i) the Plans; and (ii) a written request from the Owner or his attorney for a determination by the Board as to approval of the Plans, which written request cites the provisions of this Paragraph 8.2.3, then said Plans shall be deemed to have been approved by the Board and the appropriate written approval delivered forthwith. The Board shall also have the right to refuse to approve any contract or if said contractor has failed to comply with Board requirements in the past.

8.2.4. Board to Adopt Rules and Regulations. The Board shall promulgate such further rules and regulations as it deems necessary and shall adopt a schedule of reasonable fees for the processing of applications to the Board.

9. MAINTENANCE AND REPAIR PROVISIONS

9.1 By Owners

The responsibility of an Owner is as follows:

9.1.1. Maintenance and Repair.

9.1.1.1. As to Dwelling Units within a Coral Lakes Condominium. Owners shall maintain in good condition, and repair and replace at his expense, all portions of his Dwelling Unit, including any screening on any balcony, terrace or porch, all window panes and all interior surfaces within or surrounding his Dwelling Unit (such as the surfaces of the walls, ceilings and floors); and maintain and repair the fixtures therein, including the air conditioning equipment serving only his Dwelling Unit whether or not located within the Dwelling Unit; and to pay for any utilities which are separately metered to his Dwelling Unit. Every Owner must promptly perform all maintenance and repair work within his Dwelling Unit, as aforesaid, which if not performed would affect any other portion of Coral Lakes or a Dwelling Unit belonging to another Owner. Each Owner shall be expressly responsible for the damages and liabilities that his failure to perform his above-mentioned responsibilities may engender Said Dwelling Unit shall be maintained and repaired in accordance with the building plans and specifications utilized by Developer, copies of which are to be on file in the office of the Corporation, except for changes or alterations approved by the Board as provided in this Master Declaration. In the event that any maintenance, repair or replacement of an Owner's driveway is rendered necessary by the Owner's act, neglect or carelessness, or by that of his lessee, or any member of their families or their guests, employees or agents, the Owner shall be fully responsible for remedying same or, in the alternative, the Owner shall be liable to the Corporation or the applicable Association for all expenses incurred by the Corporation or the Association of such maintenance, repair or replacement of the driveway.

9.1.1.2. Other Dwelling Units. Owners of non-condominium Dwelling Units covenant and agree hereby that Owners or a governing non-condominium Association shall at all times maintain in good condition and at their own expense all exterior portions of their Dwelling Units, including, but not limited to, painting exterior walls and replacement of damaged windows and screens.

9.1.2. Alterations. Owners shall not: (i) make any alterations in any improvement or landscaping within the Corporation Property or which is to be maintained by the Corporation; or (ii) remove any portion thereof or make any

additions thereto; or (iii) do anything which would or might jeopardize or impair the safety or soundness of such property or the Corporation Property or which, in the sole opinion of the Board, would detrimentally affect the architectural design of a building within Coral Lakes without first obtaining the written consent of the Board.

9.1.3 Plantings. Notwithstanding anything to the contrary, Owners, after obtaining permission of the Board, may have plantings in the flower beds adjacent to their Dwelling Unit, provided that the plantings are maintained, repaired and replaced in a proper manner by the Owner. The Board may withdraw its approval of the plantings areas if not maintained properly. If the Corporation has to remove and replace such plantings, the cost of such removal and replacement will be a Special Assessment against the Owner.

9.1.4. Painting and Board Approval. Owners shall not paint, refurbish, stain, alter, decorate, repair, replace or change the improvements within a Building Area or the Corporation Property or any outside or exterior portion of any building maintained by the Corporation, including, but not limited to, any terraces, balconies,, porches, doors or window frames (except for replacing window panes or screening), etc. without the approval of the Board. Owners shall not have any exterior lighting fixtures, mailboxes, window screens, screen doors, enclosures, awnings, hurricane shutters, hardware or similar items installed which are not consistent with the general architecture of the building as determined by the Board without first obtaining specific written approval of the Board. The Board shall not grant approval if, in its opinion, the effect of any of the items mentioned herein will be unsightly.

9.1.5. Duty to Report. Owners shall promptly report to the Corporation or its agents any defect or need for repairs, the responsibility for the remedying of which lies with the Corporation.

9.1.6. Liability for Actions. An Owner shall be liable for the expense incurred by the Corporation of any maintenance, repair or replacement of any real

or personal property within Coral Lakes and rendered necessary by his act, neglect or carelessness, or by that of his lessee or any member of their families, or their guests, employees or agents (normal wear and tear **excepted**) but only to the extent that such expense is not met by the proceeds of insurance carried by the Corporation. An, Owner shall also be liable for any personal injuries caused by his negligent acts or those of his lessee or any member of their families, or their guests, employees or agents. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

9.2. By the Corporation

The responsibility of the Corporation is to repair, maintain and replace any and all improvements and facilities located upon the Corporation Property, including the Recreation Areas, as otherwise provided herein, including, but not limited to, maintaining, repairing and replacing utility services including the operation of the Storm Hater Management System and the maintenance of the sanitary sewer service laterals leading to the buildings, but excluding therefrom appliances and plumbing fixtures within a Building Area. Maintenance includes, but is not limited to, the following; cleanup, landscape care and replacement, lawn care, dredging, chemical treatment and other services related to Lakes, drainage areas, painting, structural upkeep, roads, sidewalks, parking areas, driveways (subject to the provisions of Paragraph 9.1.1.1 hereof), covers on parking spaces, if any, and Recreation Areas. In the event that an Association or an Owner fails to maintain such portions of Coral Lakes as the Association or an Owner is required to maintain in accordance with a Condominium Declaration or Community Declaration, the Corporation shall have the right, but not the obligation, upon thirty (30) days' written notice to the Association or an Owner, to enter upon the subject property for the purpose of performing the maintenance and/or repairs described in such notice to the Association or Owner. The cost of performing such maintenance and/or repairs and the expense of collection (including, but not limited to. Legal Fees) shall be assessed by the Corporation against the Association or Owner as if same were a Special Assessment and shall be assessed, levied, collected and enforced by the Corporation in the same manner as the Association might assess, levy, collect and enforce same,

with the Corporation having all of the rights of the Association to so assess, levy, collect and enforce the same.

10. INSURANCE

The Corporation shall purchase and maintain, or, alternatively, in the event Developer so elects, the Corporation shall be covered under Developer's insurance with respect to the following insurance coverages subject to the following provisions, and the cost of the premiums therefor shall be a part of the Operating Expenses. Notwithstanding the foregoing, in the event the Corporation determines that the cost of insurance is economically unwarranted or is not obtainable, the Corporation may determine to either reduce the amount of such insurance, increase the deductible amount or discontinue coverage.

10.1. Public Liability Insurance

A comprehensive policy or policies of general liability insurance naming the Corporation and, until the Transfer Date, Developer as named insureds thereof and including the Owners as insureds thereunder insuring against any and all claims or demands made by any person or persons whomsoever for injuries received in connection with, or arising from, the operation, maintenance and use of the Corporation Property and any improvements and buildings located thereon and for any other risks insured against by such policies with limits of not less than (i) One Million Dollars (\$1,000,000) for damages incurred or claimed by any one person for any one occurrence; (ii) not less than Five Million Dollars (\$5,000,000) for damages incurred or claimed by more than one (1) person for any one occurrence; and (iii) One Hundred Thousand Dollars (\$100,000) for property damage for any single occurrence. Such coverage shall include as appropriate, without limitation, protection against any legal liability that results from lawsuits related to employment contracts in which the Corporation is a party; bodily injury and property damage liability that results from the operation, maintenance or use of the Corporation Property; liability for non-owned and hired automobiles; liability for property of others and such other risks as are customarily covered with respect

to areas similar to the Corporation Property in developments similar to Coral Lakes in construction, location and use. The insurance purchased shall contain a "Severability of Interest Endorsement," or equivalent coverage, which would preclude the insurer from denying the claim of an Owner because of the negligent acts of either the Corporation, Developer or any other Owners or deny the claim of either Developer or the Corporation because of negligent acts of the other or the negligent acts of an Owner.

10.2. Casualty Insurance

Insurance for all buildings and fixtures, equipment and other personal property which comprise a portion of the Corporation Property in an amount equal to one hundred percent (100%) of the "Replacement Value" thereof with an "Agreed Amount and Inflation Guard Endorsement," if available, a "Construction Code Endorsement" (including a "Demolition Cost Endorsement," "Contingent Liability from Operation of Building Laws Endorsement" and an "Increased Cost of Construction Endorsement") or its equivalent, if necessary. The term "Replacement Value" shall mean one hundred percent (100%) of the current replacement costs exclusive of land, foundation, excavation, and other items normally excluded from coverage. The Board may determine the kinds of coverage and proper and adequate amount of insurance including, but not limited to;

(i) loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage; and

(ii) such other risks as shall customarily be covered with respect to areas similar to the Corporation Property and in developments similar to Coral Lakes in construction, location and use.

10.3. Flood Insurance

If determined appropriate by the Board or if required by an Institutional Mortgagee, a master or blanket policy of flood insurance covering the Corporation Property, if available, under the National Flood Insurance Program, which flood insurance shall be in the form of a standard policy issued by a

member of the National Flood Insurers Association, and the amount of the coverage of such insurance shall be the lesser of the maximum amount of flood insurance available under such program, or one hundred percent (100%) of the current replacement cost of all buildings and other insurable property located in the flood hazard area.

10.4. Conditions of Insurance

All insurance purchased by the Corporation pursuant to this Article shall be subject to the following provisions;

10.4.1. The Corporation, shall have the right to designate an insurance trustee ("Insurance Trustee") to act in the manner provided in this Master Declaration, which Insurance Trustee (if required) shall be a commercial bank or trust company which is authorized to do business in the State of Florida and which has its principal office in the County, Broward County or Dade County, Florida, and thereafter, at any time and from time to time, the Corporation shall have the right to change the Insurance Trustee to another such bank or trust company, provided, however, for so long as Developer owns, any Dwelling Unit (s), Developer shall have the right, but not the obligation, to require the Corporation to designate an Insurance Trustee other than the Board. Notwithstanding anything in this Master Declaration to the contrary, the Board may act as the Insurance Trustee hereunder unless otherwise required by written request of an Institutional Mortgagee or the Board. If no Insurance Trustee is required, the Board shall receive, hold and expend insurance proceeds in the manner hereinafter provided as if it were the Insurance Trustee.

10.4.2. If an Insurance Trustee other than the Board is required, pursuant to the request of either an Institutional Mortgagee or the determination of the Corporation, then, in that event, all policies of insurance purchased by the Corporation shall be deposited with the Insurance Trustee upon its written acknowledgment that the policies and any proceeds thereof will be held in accordance with the terms hereof. Said policies shall provide that all insurance

proceeds payable on account of loss or damage shall be payable to the Insurance Trustee, and the Insurance Trustee may deduct from the insurance proceeds collected a reasonable fee for its services as Insurance Trustee. The Board is hereby irrevocably appointed agent for each Owner to adjust all claims arising under insurance policies purchased by the Corporation in which Owners have or may have an interest. The Insurance Trustee shall not be liable in any manner for the payment of any premium on policies, the renewal of policies, the sufficiency of the coverage or any such policies or any failure to collect any insurance proceeds under any policies.

10.4.3. The duty of the Insurance Trustee shall be to receive any and all proceeds from the insurance policies held by it as such Insurance Trustee and to hold such proceeds in trust for the Corporation, Owners and mortgagees under the following terms;

10.4.3.1. In the event that a loss of One Hundred Thousand Dollars' (\$100,000) or less, as determined by detailed estimates or bids for repair and reconstruction obtained by the Board, occurs to any portion of the Corporation Property, the Insurance Trustee shall pay the proceeds received as a result of such loss to the Corporation. Upon receipt of such proceeds, the Corporation shall promptly cause the necessary repairs to be made to the Corporation Property. In the event the insurance proceeds are insufficient to pay for the cost of repair of the Corporation Property, the Board shall hold a special meeting of the Board to determine a special charge against all of the Dwelling Units to obtain any necessary funds to repair and restore the damaged Corporation Property. Upon the determination by the Board of the amount of such special charge the Board shall immediately levy such special charge against the respective Dwelling Units setting forth the date or dates for payment of same.

10.4.3.2. In the event the Insurance Trustee receives proceeds in excess of One Hundred Thousand Dollars (\$100,000), as a result of damages to the Corporation Property, then the Insurance Trustee shall hold in trust all insurance proceeds received with respect to such damages, together with any and

all other monies paid to the Insurance Trustee as provided below and shall distribute such funds in the following manners

(i) The Board shall obtain detailed estimates or bids for the cost of rebuilding and reconstruction of such damaged property for the purpose of determining whether such insurance proceeds are sufficient to pay for the same.

(ii) In the event the insurance proceeds are sufficient to rebuild and reconstruct all of such damaged improvements or if the insurance proceeds, together with the funds as described below are sufficient for such purpose, then such damaged improvements shall be completely repaired and restored. The Board shall negotiate for the repair and restoration of such damaged Corporation Property and the Corporation shall negotiate and enter into a construction contract(s) with a contractor or contractors to do the work on a fixed price basis or on any other reasonable terms acceptable to the Board, which contractor(s) shall post a performance and payment bond with respect to such work. The Insurance Trustee shall disburse the insurance proceeds and other applicable funds held in trust in accordance with provisions for progress payments to be contained in such construction contract(s); provided, however, prior to any payment of such funds, the payees of such funds shall deliver to the Insurance Trustee any paid bills, waivers of liens under any lien laws and executed affidavits required by law, the Corporation or any respective Institutional Mortgagees.

(iii) In the event the insurance proceeds are insufficient to repair and replace all of the damaged improvements, the Board shall hold a special meeting to determine a Special Assessment against the Dwelling Units to obtain any necessary funds to repair and to restore such damaged improvements. Upon the determination by the Board of the amount of such special charge, the Board shall immediately levy such Special Assessment against the respective Dwelling Units setting forth the date or dates of payment of the same, and any and all funds received from the Owners pursuant to such Special Assessment shall be delivered to the Insurance Trustee and disbursed as provided in the Paragraph immediately preceding. In the event the deficiency between the estimated cost of the repair and

replacement of the damaged improvements and the insurance proceeds exceeds the sum of One Hundred Thousand Dollars (\$100,000), and three-fourths (3/4) of the Owners subject to such Special Assessment advise the Board in writing on or before the date for the first payment thereof that they are opposed to a special charge, then the Insurance Trustee shall disburse the net insurance proceeds to the Corporation, whereupon the Corporation shall use such proceeds for as much of the damaged improvements as possible. In making such Insurance Proceeds Distribution to the Owners subject to such special charge and their Institutional Mortgagees, the Insurance Trustee may rely upon a certificate of an abstract company as to the names of the then Owners involved and their respective Institutional Mortgagees.

10.4.3.3. In the event that after the completion of and payment for the repair and reconstruction of the damage to the Corporation Property and after the payment of the Insurance Trustee's fee with respect thereto, any excess insurance proceeds remain in the hands of the Insurance Trustee, then such excess shall be disbursed to the Owners in proportion to their contributions. In the event, however, such repairs and replacements were paid for by any special charge as well as by the insurance proceeds, then it shall be presumed that the monies disbursed in payment of any repair, replacement or reconstruction were first disbursed from insurance proceeds and any remaining funds held by the Insurance Trustee shall be distributed to the Owners in proportion of their contributions by way of special charge.

10.4.3.4. In the event the Insurance Trustee has on hand, within ninety (90) days after any casualty or loss, insurance proceeds and, if necessary, funds from any special charge sufficient to pay fully for any required restoration and repair with respect to such casualty or loss, then no mortgagee shall have the right to require the application of any insurance proceeds or special charge to the payment of its loan. Any provision contained herein for the benefit of any Institutional Mortgagee may be enforced by an Institutional Mortgagee.

10.4.3.5. Any repair, rebuilding or reconstruction of

damaged improvement(s) upon the Corporation Property shall be substantially in accordance with the architectural plans and specifications for; (i) the originally constructed improvements; (ii) the improvements as such were previously reconstructed; or (iii) new plans and specifications approved by the Board; provided, however, any material or substantial change in new plans and specifications approved by the Board from the plans and specifications of the previously constructed buildings and/or improvements (except such as are required by applicable law or building codes) shall require approval by the Institutional Mortgagee holding mortgages thereon. Neither the Board nor its members shall incur any liability with regard to the approval of any plans and specifications. Additionally, until the Transfer Date, any such material or substantial change in new plans and specifications approved by the Board from the plans and specifications of the previously constructed building or improvements (except such changes as are required by applicable law or building codes) shall also require the consent of fifty percent (50%) of the Association Members, which consent may be evidenced by a writing signed by the required number of Association Members or by the affirmative vote of the required number of Association Members at any regular or special meeting of the Corporation called and held in accordance with the Bylaws evidenced by a certificate of the Secretary or an assistant Secretary of the Corporation.

10.5. Form of Policies

10.5.1. Nothing herein contained shall prohibit the Corporation from obtaining a "master" or "blanket" form of insurance for all of Coral Lakes or portions thereof, provided that the coverages required hereunder are fulfilled.

10.5.2. Notwithstanding anything in this Article 10 to the contrary, the amounts set forth for the purchase of insurance hereunder are the minimum amounts to be purchased. Therefore, Owners or the Corporation, as the case may be, may purchase insurance in excess of the amounts set forth herein. The amounts set forth do not constitute a representation or warranty of any kind by, Developer or the Corporation as to the proper amount or kinds of insurance required.

10.5.3. Policies insuring the Corporation Property purchased pursuant to the requirements of this Article 10 shall provide that any insurance trust agreement shall be recognized; the right of subrogation against Owners will be waived; the insurance will not be prejudiced by any acts or omission of individual Owners who are not under the control of the Corporation; and the policy will be primary, even if an Owner has other insurance that covers the same loss.

10.6. Fidelity Coverage

Adequate fidelity coverage to protect against dishonest acts of the officers and employees of the Corporation and the Directors and all others who handle and are responsible for handling funds of the Corporation (whether or not they receive compensation), shall be maintained. Such coverage shall be in the form of fidelity bonds which meet the following requirements: (i) such bonds shall name the Corporation as an obligee and premiums therefor shall be paid by the Corporation; (ii) such bonds shall be written in an amount equal to at least three (3) months aggregate assessments for all Dwelling Units plus reserve funds, but in no event, less than Ten Thousand Dollars (\$10,000) for each such person; and (iii) such bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. notwithstanding the foregoing, in the event the Corporation determines that the cost of such insurance is economically unwarranted or is not obtainable, the Corporation may determine to either reduce the amount of such insurance, increase the deductible amount or discontinue coverage.

10.7. Cancellation or Modification

All insurance policies purchased by the Corporation shall provide that they may not be cancelled (including for nonpayment of premiums) or substantially modified without at least ten (10) days' prior written notice to the Corporation and to each first mortgage holder named in the mortgage clause.

11. PROVISIONS RELATING TO CONDEMNATION OR EMINENT DOMAIN PROCEEDINGS

11.1. Deposit of Awards With Insurance Trustee

The taking of any portion of the Corporation Property by condemnation shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance resulting from the casualty and shall be deposited with the Insurance Trustee.

11.2. Corporation Property

In the event the Corporation receives any award or payment arising from the taking of the Corporation Property or any part thereof as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of such taken areas and improvements thereon to the extent deemed advisable by the Corporation and approved by Owners owning at least two-thirds (2/3) of the Dwelling Units and the remaining balance thereof, if any, shall then be held by the Corporation.

12. PROVISIONS SETTING FORTH CERTAIN RIGHTS OF DEVELOPER

Developer reserves and shall have the right to enter into and transact within Coral Lakes any business necessary to consummate the sale, lease or encumbrance of Dwelling Units being developed and sold by Developer in other portions of Coral Lakes and in other communities developed by Developer, including the right to maintain models and ,a sales and/or leasing office, place signs, employ sales and leasing personnel and show Dwelling Units and including the right to carry on construction activities of all types necessary to construct all buildings in Coral Lakes pursuant to this Master Declaration. Any such models, sales office, signs and any other items pertaining to such sales efforts shall not be considered a part of Coral Lakes and shall remain the property of Developer. In addition. Developer reserves and shall have the right to use the Corporation*" Property for marketing Club Memberships (e.g. holding promotional parties). This Article 12 may not be suspended, superseded or modified in any manner by any amendment to this Master Declaration, unless such amendment is consented to in writing by Developer. This right of use and transaction of business as set forth herein may be

assigned in writing by Developer in whole or in part.

13. GENERAL PROVISIONS

13.1. Duration

All of the covenants, agreements and restrictions covering the Committed Property, including the land use covenants and the affirmative covenants to pay Operating Expenses, shall run with and bind the Committed Property and shall inure to the benefit of and be binding upon Developer, the Corporation and all Owners, their respective legal representatives, heirs, successors and assigns for a term of seventy-five (75) years from the date this Master Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless after the seventy-five (75) year term or any ten (10) year extension thereof an instrument signed by the persons or entities then owning two-thirds (2/3) of all Dwelling Units Subject to Assessment is recorded amongst the Public Records, agreeing to terminate said covenants and restrictions. No such instrument shall be effective, however, unless made and recorded at least one (1) year in advance of the effective date of such termination.

13.2. Plan of Development

Developer, the Corporation and all Owners and their respective grantees, successors or assigns, by acceptance of their instrument of conveyance for a Dwelling Unit, acknowledge that Coral Lakes is being developed under a common plan as set forth in Article 2 herein and in the other Coral Lakes Documents. Such parties further acknowledge that the easement rights, use covenants and obligations to pay Operating Expenses are an integral part of the common plan of development and are required to provide access to and from the various portions of Coral Lakes and publicly dedicated rights-of-way as well as the operation and maintenance of Coral Lakes. Accordingly, such parties hereby covenant that no amendment or termination of any Condominium Declaration,

Community Declaration or other Coral Lakes Document shall be made which will interfere with such common plan or the rights and obligations constituting an integral part of such common plan without the approval of the Corporation and, until the Transfer Date, of Developer, as well.

13.3. Compliance With Regulations of Public Bodies

The Corporation shall perform such acts and do such things as shall be lawfully required in the Corporation Property by any public body having jurisdiction over the same in order to comply with sanitary requirements, fire hazard requirements, zoning requirements, setback requirements, drainage requirements and other similar requirements designed to protect the public. The cost of the foregoing shall be an Operating Expense.

13.4. Lawful Use of Land

The Corporation covenants and agrees that it will conform to and observe all ordinances, rules, laws and regulations of the County, the State of Florida, and the United States of America, and all public authorities and boards of officers relating to the Corporation Property and improvements upon the same. or use thereof, and will not during such time permit the same to be used for any illegal or immoral purpose, business or occupation.

13.5. Amendment and Modification

The process of amending or modifying this Master Declaration shall be as follows:

13.5.1. Prior to Transfer Date. Until the Transfer Date, all amendments or modifications shall only be made by Developer without the requirement of the consent of the Corporation or the Owners; provided, however, that the Corporation shall, forthwith upon request of Developer, join in any such amendments or modifications and execute such instruments to evidence such joinder and consent as Developer shall, from time to time, request.

13.5.2. After Transfer Date. After the Transfer Date, this Master

Declaration may be amended by the approval of three-quarters (3/4) of the Association Members provided there are at least four (4) Association Members. If, however, there are fewer than four (4) Association Members, Developer shall vote for each unformed but planned Association. Notwithstanding the foregoing, for so long as Developer controls an Association, no Amendments to this Master Declaration shall be passed in this manner without the consent of Developer.

13.5.3. Scrivener's Error. Notwithstanding anything to the contrary herein contained, Developer reserves the right to amend this Master Declaration and any exhibits thereto so as to correct any scrivener's or other errors or omissions not affecting the rights of Owners, lienors, or mortgagees. Such amendment need be executed and acknowledged only by Developer and need not be approved by the Corporation, Owners, lienors, or mortgagees, whether or not elsewhere required for amendment. Such right shall pass to the Board after the Transfer Date.

13.5.4 Impairment or Prejudice. Notwithstanding anything to the contrary herein contained, no amendment to this Master Declaration shall be effective which shall impair or prejudice the rights or priorities of Developer, the Corporation, or any Institutional Mortgagee under this Master Declaration or any other Coral Lakes Document without the specific written approval of Developer, the Corporation, or such Institutional Mortgagee(s) affected thereby. Furthermore, notwithstanding anything to the contrary herein contained, no amendment to this Master Declaration shall be effective which would increase the liabilities of a then Owner or prejudice the rights of a then Owner or his guests, invitees and lessees to utilize or enjoy the benefits of the then existing Corporation Property unless the Owner or Owners so affected consent to such amendment in writing or unless such amendment is adopted in accordance with the procedures required for adoption of an amendment to this Master Declaration after the aforesaid Transfer Date. In addition, for as long as Developer owns any Dwelling Units in Coral Lakes, no amendment shall be passed which shall grant the Corporation or an Association, the right to approve or in any manner screen tenants or lessees of any Owner without the specific written approval of Developer. Any amendment that would

affect the surface water management system, including the water management portions of the Corporation Property, must have the prior approval of the South Florida Water Management District.

13.5.5. Amendments Required by Secondary Mortgage Market Institutions. Notwithstanding anything contained herein to the contrary,

Developer may, without the consent of the Owners, file any amendment which may be required by an Institutional Mortgagee for the purpose of satisfying its Planned Unit Development criteria or such criteria as may be established by such mortgagee's secondary mortgage market purchasers, including, without limitation, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; provided, however, that any such Developer filed amendments must be in accordance with any applicable rules, regulations and other requirements promulgated by the United States Department of Housing and Urban Development.

13.6. Subordination

Developer and the Corporation agree that their respective interests in this Master Declaration shall be subordinated to the lien and encumbrance of any existing mortgages and additional or subsequent mortgages obtained by Developer for the purpose of the financing the construction of improvements to take place in whole or in part upon Coral Lakes and any replacement mortgages. While the provisions of this Paragraph are self-operative, the Corporation nevertheless agrees to execute such instruments as may be necessary to evidence the subordination of its interest to such mortgages.

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13.7. Severability

Invalidation of any one of these covenants or restrictions or of any of the terms and conditions herein contained, or the reduction in time by reason of any rule of law known as the "rule against perpetuities" shall in no way affect any other provision which shall remain in full force and effect for such period of time as may

be permitted by law. In the event any court should hereafter determine any provisions as originally drafted herein in violation of the rule of law known as the "rule against perpetuities" or any other rule of law because of the duration of the period involved, the period specified in this Master Declaration shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rule of law, and for such purpose, "measuring lives" shall be those of the incorporators of the Corporation.

13.8. Delegation

The Corporation, pursuant to a resolution duly adopted by the Board, shall have the continuing authority to delegate all or any portion of its responsibilities for maintenance, operation and administration, as provided herein, to any managing agency or entity selected by the Board from time to time and whether or not related to Developer.

13.9 Rights of Mortgagees

13.9.1. Right to Notice. The Corporation shall, make available for inspection upon request, during normal business hours or under reasonable circumstances, the Coral Lakes Documents and the books, records and financial statements of the Corporation to Owners and the holders, insurers or guarantors of any first mortgages encumbering Dwelling Units. In addition, evidence of insurance shall be issued to each Owner and mortgagee holding a mortgage encumbering a Dwelling Unit upon written request to the Corporation.

13.9.2. Rights of Listed Mortgagee. Upon written request to the Corporation, identifying the name and address of the holder, insurer, guarantor (such holder, insurer or guarantor is herein referred to as a "Listed Mortgagee") of a mortgage encumbering a Dwelling Unit and the legal description of such Dwelling Unit, the Corporation shall provide such Listed Mortgagee with timely written notice of the following:

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

Corporation;

13.9.2.2. Any proposed action which would require the consent of mortgagees holding a mortgage encumbering a Dwelling Unit; and

13.9.2.3. Any failure by an Owner owning a Dwelling Unit encumbered by a mortgage held, insured or guaranteed by such Listed Mortgagee to perform his obligations under the Coral Lakes Documents, including, but not limited to, any delinquency in the payment of Assessments or any other charge owed to the Corporation by said Owner where such failure or delinquency has continued for a period of sixty (60) days.

13.9.3. Right of Listed Mortgagee to Receive Financial Statement. Any Listed Mortgagee shall, upon written request made to the Corporation, be entitled to financial statements of the Corporation for the prior fiscal year free of charge and the same shall be furnished within a reasonable time following such request.

13.10. Owner Approval of Corporation Action

Notwithstanding anything contained herein to the contrary, the Corporation shall be required to obtain the approval of the Owners of three-fourths (3/4) of all Dwelling Units (at a duly called meeting called by the Members on behalf of the Corporation at which a quorum is present) prior to the payment of or contracting for legal or other fees to persons or entities engaged by the Corporation for the purpose of suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit other than for the following purposes!

- (i) the collection of Assessments;
- (ii) the collection of other charges which Owners are obligated to pay pursuant to the Coral Lakes Documents;
- (iii) the enforcement of the use and occupancy restrictions contained in the Coral Lakes Documents;

(iv) the enforcement of the restrictions on the sale and other transfer of Dwelling Units contained in the Coral Lakes Documents;

(v) in an emergency where waiting to obtain the approval of the Owners creates a substantial risk of irreparable injury to the Corporation Property or to Owner(s) (the imminent expiration of a statute of limitations shall not be deemed an emergency obviating the need for the requisite vote of three-fourths [3/4] of the Owners); or

(vi) filing a compulsory counterclaim.

13.11. Developer Approval of Corporation Actions

If Developer holds Dwelling Units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by Developer;

13.11.1. Assessment of Developer as an Owner for capital improvements; and

13.11.2. Any action by the Corporation that would be detrimental to the sales of Dwelling Units by Developer. The determination as to what actions would be detrimental to sales shall be in the sole discretion of Developer; provided, however, that an increase in assessments for Operating Expenses without discrimination against Developer, shall not be deemed to be detrimental to the sales of Dwelling Units.

13.12. Declarations of Nonexclusive Use Rights to Other Recreation Areas

Owners shall have the option to use the recreational facilities in either Palm Isles or Huntington Pointe, as more particularly set forth below. This right of use shall terminate upon the construction of the Central Recreation Area and its availability to the Owners.

13.12.1. Palm Isles

Pursuant to Paragraphs 2.2.2.(a)(i) and (ii) of Article 2 of the Declaration of Protective Covenants and Restrictions for Palm Isles, recorded in Official Records Book 6658, Page 1414 of the Public Records, as amended ("Palm Isles Declaration"), Developer hereby exercises its reserved right to declare Coral Lakes to be developed as a "Sharing Community" as to Palm Isles. Owners in Coral Lakes shall have the option to become "Sharing Owners" (as defined in the Palm Isles Declaration and referred to herein as "Sharing Palm Isles Owners"). Such Sharing Palm Isles Owners shall have the right to use the "Recreation Areas" (as defined in the Palm Isles Declaration) and, in consideration for this nonexclusive right to share the Recreation Areas in Palm Isles, the Sharing Palm Isles Owners, shall pay their pro rata share of the "Operating Expenses" as set forth in the Palm Isles Declaration. Pursuant to the Palm Isles Declaration, there shall be no more than two hundred (200) Sharing Community Owners. Developer shall declare from time to time which Owners in Coral Lakes are Sharing Palm Isles Owners in a writing or writings to be recorded amongst the Public Records, with a copy thereof furnished to the Corporation within thirty (30) days of the date of such recording.

13.12.2. Huntington Pointe

Pursuant to Paragraph 2.2.2.(a) of Article 2 of the Declaration of Protective Covenants and Restrictions for Huntington Pointe, recorded in Official Records Book 5892, Page 1410 of the Public Records ("Huntington Pointe Declaration"), Developer hereby exercises its reserved right to declare Coral Lakes to be developed as a "Sharing Development" as to Huntington Pointe. Owners in Coral Lakes shall have the option to become "Sharing Owners" (as defined in the Huntington Pointe Declaration and referred to herein as "Sharing Huntington Pointe Owners"). Such Sharing Huntington Pointe Owners shall have the right to use the "Recreation Areas" (as defined in the Huntington Pointe Declaration) and, in consideration for this nonexclusive right to share the Recreation Areas in Huntington Pointe, the Sharing Huntington Pointe Owners, shall pay their pro rata share of the "Recreation Expenses" as set forth in the Huntington Pointe Declaration. Pursuant to the Huntington Pointe Declaration, there shall be no more

than three hundred (300) Sharing Development Owners. Developer shall declare from time to time which Owners in Coral Lakes are Sharing Huntington Pointe Owners in a writing or writings to be recorded amongst the Public Records, with a copy thereof furnished to the Corporation within thirty (30) days of the date of such recording.

. 13.13 Security

The Corporation may, but shall not be obligated to, maintain or Support certain activities within the Committed Property designed to make the Committed Property safer than it otherwise might be. Developer shall not in any way or manner be held liable or responsible for any violation of this Master Declaration by any person other than Developer. Additionally, NEITHER DEVELOPER NOR THE CORPORATION MAKE ANY REPRESENTATIONS WHATSOEVER AS TO THE SECURITY OF THE PREMISES OR THE EFFECTIVENESS OF ANY MONITORING SYSTEM OR SECURITY SERVICE. ALL OWNERS, CLUB MEMBERS AND SHARING OWNERS AGREE TO HOLD DEVELOPER AND THE CORPORATION HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE CORPORATION, DEVELOPER, NOR ANY SUCCESSOR DEVELOPER SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE COMMITTED PROPERTY. NEITHER THE CORPORATION, DEVELOPER, NOR ANY SUCCESSOR DEVELOPER SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY. ALL OWNERS, CLUB MEMBERS, SHARING OWNERS AND OCCUPANTS OF ANY DWELLING, UNIT, AND TENANTS, GUESTS AND INVITEES OF AN OWNER, ACKNOWLEDGE THAT THE CORPORATION AND ITS BOARD, DEVELOPER, OR ANY SUCCESSOR DEVELOPER DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM, IF ANY, DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY

DEVELOPER OR THE CORPORATION MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER, CLUB MEMBER, SHARING OWNER AND OCCUPANT OF ANY DWELLING UNIT AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, ACKNOWLEDGES AND UNDERSTANDS THAT THE CORPORATION, ITS BOARD, DEVELOPER, OR ANY SUCCESSOR DEVELOPER ARE NOT INSURERS AND THAT EACH OWNER, CLUB MEMBER, SHARING OWNER AND OCCUPANT OF ANY DWELLING UNIT AND EACH TENANT, GUEST AND INVITEE OF AN OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO DWELLING UNITS AND TO THE CONTENTS OF DWELLING UNITS AND FURTHER ACKNOWLEDGES THAT THE CORPORATION, ITS BOARD, DEVELOPER, OR ANY SUCCESSOR DEVELOPER HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, CLUB MEMBER, SHARING OWNER OR OCCUPANT OF ANY DWELLING UNIT, OR ANY TENANT, GUEST OR INVITEE OF AN OWNER RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED, IF ANY, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE COMMITTED PROPERTY, IF ANY.

13.14. Notices

Any notice or other communication required or permitted to be given or delivered hereunder shall be deemed properly (-given and delivered upon the mailing thereof by United States mail, postage prepaid, to» (i) any Owner, at the address of the person whose name appears as the Owner on the records of the

Corporation at the time of such mailing and, in the absence of any specific address, at the address of the Dwelling Unit owned by such Owner;

(ii) the Corporation, certified mail, return receipt requested, at 1690 South Congress Avenue, Delray Beach, Florida 33445, or such other address as the Corporation shall hereinafter notify Developer and the Owners of in writing;

and (iii) Developer, certified mail, return receipt requested, at 1690 South Congress Avenue, Delray Beach, Florida 33445, or such other address or addresses as Developer shall hereafter notify the Corporation of in writing, any such notice to the Corporation of a change in Developer's address being deemed notice to the Owners. Upon request of an Owner, the Corporation shall furnish to such Owner the then current address for Developer as reflected by the Corporation records.

13.15. Enforcement

Each Coral Lakes Condominium, non-condominium community. Dwelling Unit, and all Owners shall be governed by and shall comply with the applicable Coral Lakes Documents. The covenants and restrictions herein contained may be enforced by Developer, the Corporation, an Association, any Owner and any Institutional Mortgagee holding a mortgage on any portion of the Committed Property in any judicial proceeding seeking any remedy recognizable at law or in equity, including damages, injunction or any other form of relief against any person, firm or entity violating or attempting to violate any covenant, restriction or provision hereunder. The Corporation shall have the right to enter any premises in Coral Lakes to remove and abate any violation. The failure by any party to enforce any such covenant, restriction or provision herein contained shall in no event be deemed a waiver of such covenant, restriction or provision or of the right of such party to thereafter enforce such covenant, restriction or provision. The prevailing party in any such litigation shall be entitled to all costs thereof including, but not limited to. Legal Fees. The failure of the Board to object to Owners or other parties failure to comply with covenants or restrictions contained herein or in any other of the Coral Lakes Documents now or hereafter promulgated shall in no event be

deemed to be a waiver by the Board or of any other party having an interest therein of its rights to object to same and to seek compliance therewith in accordance with the provisions of the Coral Lakes Documents.

13.16. Captions, Headings and Titles

Article and Paragraph captions, headings and titles inserted throughout this Master Declaration are intended as a matter of convenience only and in no way shall such captions, headings or titles define, limit or in any way affect the subject matter or any of the terms and provisions thereunder or the terms and provisions of this Master Declaration.

13.17. Context

Whenever the context so requires or admits, any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof, and the singular form of any nouns and pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa. Whenever reference is made to this Master Declaration, any Condominium Declaration, any Community Declaration, Articles, Bylaws and Rules, Articles and Bylaws of an Association or any other document pertaining to Coral Lakes, such reference shall include any and all amendments and supplements thereto.

13.18. Disputes as to Use

In the event there is any dispute as to whether the use of the Committed Property or any portion or portions thereof complies with the covenants, restrictions, easements or other provisions contained in this Master Declaration, such dispute shall be referred to the Board, and a determination rendered by the Board with respect to such dispute shall be final and binding on all parties concerned therewith. Notwithstanding anything to the contrary herein contained, any use by Developer of Coral Lakes or any parts thereof in accordance with Paragraph 2.2.4.1 hereof shall be deemed a use which complies with this Master Declaration and shall not be subject to a contrary determination by the Board.

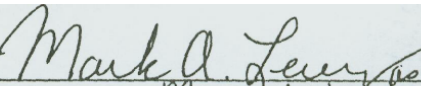
13.19. Assignment of Developer's Rights

Developer shall have the right to assign, in whole or in part, any rights granted it under this Master Declaration.

IN WITNESS WHEREOF, this Master Declaration has been signed by Developer and the Corporation on the respective dates set forth below.

WITNESSES» ' ,

ORIOLE HOMES CORP.

By: 
Print name: Mark A. Leary