

**SAIL HARBOUR HOMEOWNERS'
ASSOCIATION, INC.**

**HOMEOWNER ASSOCIATION
DOCUMENTS**

Continental Homes
Welcome Home



This Instrument Prepared By:
Juan E. Rodriguez, Esquire
SALOMON, KANNER, DAMIAN & RODRIGUEZ, P.A.
2550 Brickell Bay View Centre
80 S.W. 8th Street
Miami, Florida 33130

03/19/2002 15:01:21 20020142491
OR BK 13518 PG 0414
Palm Beach County, Florida

SAIL HARBOUR
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION,

Made on the date hereinafter set forth by CONTINENTAL HOMES OF FLORIDA, INC., a Florida corporation, whose mailing address is 1192 East Newport Centre Drive, Suite 150, Deerfield Beach, Florida 33442, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner in fee simple of the property described in Exhibit "A" located in Palm Beach County, Florida; and

WHEREAS, Declarant will convey Lots, as the term is hereinafter defined, in the said property, subject to certain covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth;

NOW THEREFORE, Declarant hereby declares that all of the above described property is hereby made subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the real property. These easements, covenants, restrictions, and conditions shall run with the real property and shall be binding on all parties having or acquiring any rights, title or interest in the described property or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Articles of Incorporation" shall mean and refer to the Amended and Restated Articles of Incorporation of Sail Harbour Homeowners' Association, Inc., all exhibits which are attached thereto and made a part thereof, and shall include such amendments, if any, as may be adopted from time to time pursuant to the terms thereof.

Section 2. "Association" shall mean and refer to Sail Harbour Homeowners' Association, Inc., a non-profit Florida corporation, its successors and assigns.

Section 3. "Briar Bay" means that multi-stages planned community known as Briar Bay planned for development upon the property now part of (or future property which is subject to) the Briar Bay Documents described below, which includes the Property.

Section 4. "Briar Bay Documents" are in the aggregate the Master Declaration for Briar Bay any supplements and amendments thereto, this Declaration, the Articles and By-Laws, the Articles of Incorporation and By-Laws of the Master Association, the Rules, and all of the instruments referred to in any of the foregoing, including, but not limited to, amendments and supplements to any of the foregoing, as applicable.

Section 5. "By-Laws" shall mean and refer to the By-Laws of Sail Harbour Homeowners' Association, Inc., all exhibits which are attached thereto and made a part thereof, and shall include such amendments, if any, as may be adopted from time to time pursuant to the terms thereof.

Section 6. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association and all improvements constructed thereon, and includes the Limited Common Area as hereinafter defined and specifically excludes the Lots as such term is hereinafter defined. The Common Area is more particularly described in Exhibit "A-1" attached hereto and made a part hereof.

Section 7. "Declarant" shall mean and refer to Continental Homes of Florida, Inc., a Florida corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development or Golden West Limited Partnership, a Virginia limited partnership, or Other Developer(s) as said term is hereafter defined, if they elect to become a Declarant under Article XV, Section 1 hereof.

Section 8. "Declaration" shall mean and refer to this instrument, together with those exhibits which are attached hereto and made a part hereof and shall include such amendments, if any, as may be adopted from time to time pursuant to the terms hereof. The within Declaration may be referred to in any other document as Sail Harbour Declaration of Covenants, Conditions and Restrictions.

Section 9. "Development Period" shall mean the period of time until the Declarant or a successor declarant has sold the last Lot within the Property or any property annexed to the Property and becoming a part of the Property.

Section 10(a). The term "Institutional First Mortgagee" means a bank, or savings and loan association, or any insurance company, or credit union, or pension fund, or real estate trust, or any other party which is engaged in the business of mortgage financing, which owns or holds a first and prior mortgage encumbering a Lot, and shall include any corporate subsidiary of such entity. Additionally, any mortgagee to whom the Declarant or any successor declarant or Golden West Limited Partnership, a Virginia limited partnership or Other Developer(s) gives a mortgage shall be deemed to be an Institutional First Mortgagee.

(b). The term "Institutional First Mortgage" means a mortgage executed in favor of a bank, or a savings and loan association, or any insurance company, or credit union, or a pension fund, or a real estate trust, or any other party engaged in the business of mortgage financing, which is a first and prior mortgage encumbering a Townhouse or a Lot.

Section 11. "Limited Common Area" shall mean and refer to those parking spaces designated as the parking spaces for a particular Lot and shall exclude those parking spaces designated for guest parking.

Section 12. "Lot" is a designated lot within the Property or any property annexed thereto and becoming a part of the Property, conveyed or to be conveyed to an Owner upon which there has been constructed or may be constructed a Townhouse.

Section 13. "Master Association" is Briar Bay Community Association, Inc., a Florida not-for-profit corporation.

Section 14. "Master Association Assessments" are the Annual Assessments, Special Assessments and any and all other assessments which are levied and assessed by the Master Association in accordance with the provisions of the Master Declaration.

Section 15. "Master Declaration" is the Master Declaration for Briar Bay to be recorded in the Public Records of Palm Beach County, Florida.

Section 16. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 17. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of any obligations.

Section 18. "Plat" is The Renaissance Section 4, Plat 1 according to the Plat thereof to be recorded in the Public Records of Palm Beach County, Florida and any other plat of property which is brought under the jurisdiction of the Association and made subject to this Declaration.

Section 19. "Property" shall mean and refer to the property described in Exhibit "A", and such additions thereto as may hereafter be brought within the jurisdiction of the Association and subject to the terms of this Declaration.

Section 20. "Rules" are collectively the rules and regulations which the Board of Directors of the Association may promulgate or impose and thereafter modify, alter, amend, rescind and augment any of the same with respect to the use, operation, and enjoyment of the Property, though excluding the Common Area, and any improvements located thereon.

Section 21. "Sail Harbour" means the planned community planned for development upon the property described in Exhibit "A" or any property annexed as provided herein; the said Sail Harbour being within Palm Beach County, Florida.

Section 22. "Townhome" or "Townhouse" shall mean and refer to the single family dwelling constructed upon a Lot.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Initial Property. The Property shall be held, transferred, sold, conveyed and occupied subject to the terms and conditions of this Declaration, and any and all supplements and lawful amendments hereto and subject to the applicable terms and conditions of the Master Declaration as specified therein and any and all supplements and lawful amendments thereto. By receipt of delivery of a deed to any of the Property or other instrument evidencing ownership, whether or not it shall be so expressed in any such deed or other conveyance or adjudication, each Owner hereby agrees to abide by and accept title to such portion of the Property and all terms and provisions of this Declaration and the Briar Bay Documents. The filing of this Declaration and subjecting the Property to the covenants, conditions, restrictions, reservations, easements, liens and charges contained herein shall not be construed in any way as inhibiting or prohibiting the Declarant from conveying the Lots or improvements within the Property to third parties free and clear of any covenants, conditions, restrictions, reservations, easements, liens and charges, except for those specifically provided for in this Declaration and all of the terms and provisions of the Briar Bay Documents. Lots so conveyed by the Declarant to third parties shall be used and held by said third parties in accordance with this Declaration and the Briar Bay Documents.

Section 2. Additional Property. Additional property may become subject to this Declaration in the following manner:

A. Future Phases. The Declarant shall have the right (if it should acquire the real property described in Exhibit "B"), so long as there is a Class B Membership, or Golden West Limited Partnership, a Virginia Limited Partnership, and Other Developers, as defined in Article XV, Section 1 herein, shall have the right without any consent of the Association being required, to subject to this Declaration, additional properties as future phases of Sail Harbour. The additional property shall automatically become subject

to this Declaration by filing in the Public Records of Palm Beach County, Florida, a Supplemental Declaration of Covenants, Conditions, and Restrictions with respect to the additional property (the "Supplemental Declaration") by the fee simple owner of said additional property. Such future phase may include the property more particularly described in Exhibit "B" (the "Golden West Property") which Declarant has a contract to acquire from Golden West Limited Partnership. The Golden West Property shall be subject to this Declaration upon Declarant's acquisition and Declarant shall record a Supplement Declaration. The Supplement Declaration may contain such complementary additions and modifications of the covenants, conditions, and restrictions contained in this Declaration as may be necessary or convenient, in the judgment of the Declarant, to reflect the different character, if any, of the additional property. Any such modification shall have no effect on the real property described in Exhibit "A" except as may be consistent with this Declaration.

ARTICLE III

MEMBERSHIP

Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject to the covenants, conditions, restrictions, reservations, easements, liens and charges, of this Declaration, including contract sellers, shall be a Member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership for each Lot owned. Membership shall be appurtenant to a Lot and may not be separated from ownership of the Lot. Ownership of a Lot shall be the sole qualification for membership. The Owner of record of each Lot shall be subject to assessment by the Corporation and the Master Association, as hereinafter provided, and shall be subject to enforcement by the Corporation and Master Association in accordance with the terms and provisions of this Declaration and the applicable terms and provisions of the Master Declaration.

ARTICLE IV

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all those Owners as defined in Article III with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article III. When more than one person holds such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant, its successors and assigns. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Article III, PROVIDED, that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when ninety (90%) percent of the Lots have been conveyed to outside third-party purchasers; or
- (b) on December 31, 2010; or
- (c) Thirty (30) days after Declarant elects to terminate the Class B

membership subject to the provisions of Article XV, Section 7 wherein if Declarant does not acquire the property described in Exhibit "B", Declarant shall not have the right to terminate the Class B Membership without the prior written consent of Golden West and/or Other Developers (as such terms are hereafter defined).

ARTICLE V

PROPERTY RIGHTS

Section 1. Members Easements of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) The right of the Association, in accordance with its Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Area, and in aid thereof to mortgage said Common Area and the rights of such mortgagee in said Common Area shall be subordinate to the rights of the Owners hereunder; the right to mortgage the Common Area provided herein shall not become effective until a Townhouse has been constructed upon each Lot within the Property and each Lot has been conveyed from the Declarant to a purchaser. No such rights to mortgage shall be effective unless an instrument shall be signed by two-thirds (2/3) of the Members other than the Declarant.
- (b) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of the Class A membership and two-thirds (2/3) of the votes of the Class B membership, if any, has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every Member no less than 30 days nor more than 60 days in advance of the duly called meeting at which the vote on such dedication or transfer is held, provided however that such dedication or transfer shall be subject to easement of ingress and egress in favor of the Owners.
- (c) The right of the individual Members and/or Owners to use certain parking spaces located in the Common Area as provided for in Section 3, herein;
- (d) The right of the individual Members and/or Owners to use the mailbox located in the Common Area and designated by the Association or the Declarant for use by each Townhouse, as provided in Section 7 herein;
- (e) The right of the Declarant or the Association to establish, from time to time, certain easements over the Common Area for utilities broadband communications, cable television and other common services purposes;
- (f) The right of the Association to charge reasonable fees for the use of designated facilities (if any) on the Common Area;
- (g) The right to the use and enjoyment of the Common Area and facilities thereon shall extend to all Members and their family, tenants, contract purchasers and invited guests, provided there is delegation of the right of enjoyment in accordance with the By-Laws and subject to regulation from time to time by the Association in its Rules;
- (h) Existing easements and agreements of record, including those more

particularly described in the Master Declaration;

- (i) Easements referred to in Article X hereof;
- (j) Access to certain Common Area within the Property may not be obtained from an Owner's or Member's Lot or other Common Area or publicly dedicated streets or properties. Thus, to obtain access to certain Common Area for which access can not be obtained from the Owner's or Member's Lot, other Common Area or publicly dedicated streets or properties, the Owner or Member shall need to obtain the permission of a Lot Owner whose Lot is contiguous to said Common Area. The fact that a Member or Owner shall not have access to certain Common Area from his or her Lot, Common Area or publicly dedicated streets or properties does not allow an Owner to escape liability for assessments provided for in Article VI of this Declaration; and
- (k) The other provisions of this Declaration, the Articles and By-Laws.

Section 2. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area to the Association, free and clear of all encumbrances and liens prior to the conveyance of the first Lot to a third party. The Association shall maintain the Common Area.

Section 3. Parking Rights. The ownership of any Lot shall entitle the Owner, or Owners, thereof to the exclusive use of two parking spaces designated as the parking spaces for the Townhouse on a particular Lot. This limitation is absolute, and notwithstanding any other provisions contained herein, may never be removed from or abrogated by the Owner, from time to time, of the individual Lot. Additionally, there shall be other parking spaces within the Common Area which shall be designated for guests and not deemed Limited Common Areas, and which shall be for the general use of all Owners, their tenants, and/or guests, subject to the provisions and restrictions contained herein.

Section 4. Declarant's Reserved Rights. Notwithstanding any provision herein to the contrary the property rights under this Article V shall be subject to:

- (a) The right of the Declarant to execute all documents and take such actions and do such acts affecting the Property which, in the Declarant's sole discretion, are desirable or necessary to facilitate the Declarant's actual construction of development of the Property. However, nothing contained herein shall authorize the Declarant to take any action that would diminish the rights of any lienholder or the holder of any mortgage on any Lot or on the Common Area, take any action that will affect title to any of the Lots after conveyance to third parties, or unilaterally change the Declaration, Articles or By-Laws after the Class B Membership has terminated;
- (b) Easements of record on the date hereof and any easements which may hereafter be granted by Declarant to any public or private utilities or governmental bodies for the installation and maintenance of cable television, electrical and telephone conduits and lines, sewers or water pipes, or any other utilities or services to any Lots within the Property or any portion of the Common Area or such easements as Declarant may determine are necessary or beneficial for the maintenance or preservation of the Property;
- (c) The Declarant shall have full rights of ingress and egress to and through, over and about the Common Area during such time as the Declarant is engaged in any construction or improvement work on or within the Property; and shall further have an easement thereon for the purpose of the storage of materials, vehicles, tools, equipment, etc., which are being utilized in such development or construction;

- (d) The Declarant shall have full rights of ingress and egress to and through the Common Area during such time as the Declarant is engaged in any construction or improvement work on or within any property contained within the Plat and shall further have an easement thereon for the purpose of the storage of materials, vehicles, tools, equipment, etc., which are being utilized in such development or construction; and
- (e) The Declarant shall have full right to assign all of its right, title and interest in the Property both as Declarant and as a member of the Association to another party by the execution and recording of a proper instrument in the Public Records of Palm Beach County, Florida. This provision shall not, however, be construed to allow Declarant to assign a membership in the Association in a transaction separate from ownership of a Lot.

Section 5. No Dedication to Public Use. Nothing contained in the within Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Common Area to or for any public use or purpose whatsoever.

Section 6. Incorporation of Easements by Reference. Reference in the respective deeds of conveyance, or any mortgage or trust deeds or other evidence of obligation, to the easements and covenants herein described shall be sufficient to create and reserve such easements and covenants to the respective grantees, mortgagees or trustees of said parcels as fully and completely as though said easements and covenants were fully recited and set forth in their entirety in such documents.

Section 7. Mailbox on Common Areas. There will be located on portions of the Common Areas, to be designated by Declarant in accordance with United States Postal Service requirements, mailboxes to serve certain Lots which shall be designated by the Declarant or the Association.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments to be Paid to the Association. The Declarant, for each Lot owned by it within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance (including any purchaser at a judicial sale), is deemed to covenant, which covenant shall run with the land and be binding on every Owner, and agrees to pay to the Association: (1) any regular assessments or charges; and (2) any special assessments for improvements, or to fund any deficits between the amount collected for regular assessments in accordance with the capital annual budget and the amount determined necessary by the Association for the proper management and maintenance of the Common Area, together with other costs and/or expenses levied or imposed against the Association or property of the Association; and (3) any regular assessments or charges to effect payment of property taxes which may be assessed against Common Area or any personal property which may in the future be owned by the Association. Such assessments shall be fixed, established and collected from time to time as hereinafter provided. The regular and special assessments, together with such interest thereon and costs of collection thereof, including attorney's fees, as hereinafter provided and any applicable late fee imposed by the Board of Directors of the Association, shall be a charge on the Property and shall be a *continuing lien* upon any Lot against which each such assessment is made, and said lien may be enforced in the same manner in which mortgages are enforced. Any claim of lien shall be subordinate to any claim of lien filed by the Master Association no matter when filed in the Public Records of Palm Beach County, Florida. Each such assessment, together with such interest, costs (including applicable late fees), and reasonable attorneys' fees for its collection, including attorneys' fees involved at all appellate levels and whether or not suit is instituted, shall also be the personal obligation of the person or entity who was the Owner of the Lot at the

time when the assessment becomes due.

Section 2. Purpose of Assessments. The assessments to be levied by the Association shall be used exclusively for the purpose of prompting the recreation, health, safety, and welfare of the residents of the Property and shall specifically include, but not limited to: the maintenance and operation of the private roads serving the Property; maintenance of all lighting and parking facilities in the Common Areas; the payment of taxes and insurance for the Common Areas; payment for the improvement and maintenance of the Property, and services for facilities related to the use and enjoyment of the Common Area.

Section 3. Basis of Annual Assessments. Until December 31, 2002 the monthly assessment shall be the amount as set forth in the initial budget of the Association for its initial year of operation. From and after January 1, 2003, the annual assessment shall be determined in accordance with the Articles of Incorporation and By-Laws of the Association taking into account current maintenance costs and future needs of the Association. The maintenance costs shall include and shall mean all operating costs of the Association, maintenance costs of the Common Area, payment of insurance premiums for the Common Area, payment of any personal property taxes on the Common Area, and obligations with respect to the Townhouses. The annual assessment shall also include a sum required to provide an adequate reserve fund for the maintenance, repair and replacement of the Common Areas and any improvements thereon, if any, or any personal property owned by the Association or obligations of the Association for the repainting of the exterior of the Townhouses, and for which payments are to be made in regular installments rather than by special assessment.

Section 4. Special Assessment for Capital Improvements. In addition to the annual assessment authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, PROVIDED that any such assessments shall have the assent to two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly, quarterly or semi-annual basis as determined by the Board of Directors. Payments of all assessments will be made directly to the Association or its designated management company and in no instance shall any mortgagees have the obligation to collect assessments.

Section 6. Quorum for Any Action Authorized Under Section 4. At each meeting called, as provided in Section 4 hereof, the presence of the meeting of Members or of proxies entitled to cast one-third (1/3) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth in Section 4 and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments. Due Dates. The annual assessments provided for herein shall commence as to a Lot on the first day of the month following the earliest of the following events to occur: a) a Certificate of Occupancy being issued for a Townhouse constructed on the Lot; or b) the occupancy by an Owner of a Townhouse constructed on a Lot; or c) the conveyance by the Declarant of a Lot; provided, however, that notwithstanding anything to the contrary contained above, the Owner of a Lot shall pay 1/50th of the annual assessment as to a Lot until a Certificate of

Occupancy is issued for the Townhouse constructed on the Lot or until the Townhouse is occupied by an Owner, whichever first occurs. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors of the Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due date shall be established by the Board of Directors. The Board of Directors, if necessary to insure cash flow, may institute reasonable late payment fees for monthly payment of the annual assessment. The Association shall upon demand at any time furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within five (5) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen (18%) percent per annum and the Association, acting through its Board of Directors, may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot to which the assessment is levied, and interest, costs and reasonable attorneys' fees, including at all appellate levels and whether or not suit is instituted, in collection or enforcement shall be added to the amount of such assessment. Additionally, the Board of Directors of the Association may at its discretion impose the maximum late fee allowed under Florida Statutes for each month that assessments are delinquent, and notify any mortgagees or lenders of Owner, any co-borrowers and/or guarantor(s) without recourse to Declarant and/or the Association. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his or her Lot.

Section 9. Special Assessment Against a Particular Owner of Lot. In the event an Owner of any Lot in the Property shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the Lot, and the exterior of the buildings and any other improvements erected thereon. The costs of such exterior maintenance to which such Lot is subject.

Section 10. Transfer of Property After Assessment. The Association's lien shall not be affected by the sale or transfer of any Property, in the event of any such sale or transfer, both the new owner and the prior owner shall be jointly and separately liable for all assessments, interest and other costs and expenses owed to the Association which are attributable to the Property purchased, bought or transferred to new such new owner.

Section 11. Subordination of the Lien. The lien of the assessments provided for herein shall be superior to all other liens save and except tax liens, Master Association liens and the liens of any bona fide Institutional First Mortgage to an Institutional First Mortgagee, provided, however, that said mortgage liens are first liens against the property encumbered thereby, subject only to tax liens. The Association's lien or its rights to lien for any assessments, interest, expenses or other monies owed to the Association by any Owner will be extinguished by the lien of an Institutional First Mortgage or Master Association lien through foreclosure or a deed in lieu of foreclosure by an Institutional Mortgagee or by an affiliate of subsidiary of an Institutional First Mortgagee or the Master Association. If the Association's lien or right to lien is extinguished by the lien of an Institutional First Mortgagee or the Master Association through foreclosure or deed-in-lieu of foreclosure, then such sums due shall be common expenses collectible from all Owners including the party who extinguishes the Association's lien and its successors and/or assigns.

Section 12. Exempt Property. The following Property subject to this Declaration shall be exempt from the assessments created herein: (a) any portion of the Property dedicated to and accepted by a local public authority; (b) the Common Area; (c) any portion of the Property which is designated and/or reserved for easements; and (d) any portion of the Property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Florida. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 13. Assessments and Other Charges Under Master Declaration. In addition to the assessments and other charges provided for in Sections 1 through 10 of Article VI, each Owner of a Lot shall be obligated to pay the assessments and other charges at the times and in the manner provided for in the Master Declaration.

Section 14. Declarant's Guarantee of Deficit. Notwithstanding any provision that may be contained to the contrary in this Declaration, for as long as Declarant is the owner of any Lot, the Declarant shall not be liable for assessment against such Lot, provided that the Declarant funds any deficit in operating expenses, exclusive of reserves, cost of capital improvements and non-budgeted repairs or replacement and management fees (if the Declarant is entitled to same). For the purposes hereof, a deficit shall be computed by subtraction from said expenses (exclusive of the items described in the foregoing sentence) all assessments, contributions and other sums received or receivable by the Association. The Declarant may not earlier than the time that 90% of the Lots contained within the property described in Exhibit "A" have been conveyed to outside third party purchasers commence such assessments to Lot(s) that it owns and thereby automatically terminate its obligations to fund a deficit in the operating expenses of the Association, or any time or from time to time elect again to fund deficits as aforesaid. When all Lots within the Property are sold and conveyed to purchasers, the Declarant shall have no further liability of any kind to the Association for the payment of assessments or deficits other than those that arose prior to such time.

ARTICLE VII

CAPITAL CONTRIBUTION

At the time of the closing of a Townhouse pursuant to an original sale by the Declarant, each purchaser shall pay to the Declarant on behalf of the Association a sum equal to the aggregate of One Hundred Fifty and No/100 (\$150.00) Dollars as the amount of working capital contribution. These monies (hereinafter called "**Capital Contribution**") shall be the Association's property, and shall be held by the Association through its Board of Directors, pursuant to the powers described in the Articles and By-Laws. The Capital Contribution shall be deemed ordinary association income and need not be separated from or held or applied differently than assessments. No refund of a Capital Contribution will be made on re-sale.

ARTICLE VIII

ARCHITECTURAL CONTROL

Section 1. Review of Proposed Construction. Subject to Section 2 below, no improvement or alteration of any kind, including, but not limited to, a fence, wall or other addition, structure, or equipment (including landscaping, antennas, awnings, and shutters) shall be installed, painted, erected, removed or maintained within the Property, until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to, and approved in writing by, a majority of the Board of Directors of the Association. The Board of Directors of the Association shall approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alterations or additions contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area of the Property

and that the appearance of any improvement or other structure affected thereby will be in harmony with surrounding structures and improvements (or the surrounding area contemplated by Declarant, if within the Development Period) and it otherwise desirable. The Board of Directors of the Association may condition its approval of proposals and plans and specifications as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Board of Directors of the Association may also issue rules or guidelines setting forth procedures for the submission of plans for approval. The Board of Directors of the Association may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, drainage plans, elevation drawings and descriptions or samples of exterior materials and colors. Until receipt by the Board of Directors of the Association of any required plans and specifications, the Board of Directors of the Association may postpone review of any plans submitted for approval. The Board of Directors of the Association shall have thirty (30) days after delivery of all required materials to approve or reject any such plans, and if not rejected within such 30-day period, said plans shall be deemed approved. All changes and alterations shall be subject independently to all applicable governmental laws, statutes, ordinances, rules, regulations, orders and decrees. Any alteration or modification to the location and/or placement of exterior walls of any Townhouse shall be further conditioned on compliance with Metropolitan Palm Beach County ordinances and the obtaining of applicable governmental approvals, if any.

Section 2. No Waiver of Future Approvals. The approval of the Board of Directors of the Association of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Board of Directors of the Association, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters whether subsequently or additionally submitted for approval or consent.

Section 3. Liability of the Board of Directors of the Association. No member of the Board of Directors of the Association (or Declarant or any successor declarant) shall be liable to any Owner or other person by reason of mistake in judgment, failure to point out deficiencies in plans, or any other act or omission in connection with the approval of any plans. Any Owner submitting plans hereunder by the submitting of same, agrees (i) not to seek any damages or make any claim arising out of approval of plans hereunder, and (ii) to indemnify and hold the Board of Directors of the Association, the Association and Declarant harmless from any cost, claim, damage, expense or liability whatsoever, including attorneys' fees and costs at all tribunal and appellate levels (and whether or not suit is instituted), arising out of the approval of any plans regardless of the negligence of the committee members, their representatives, or appointing entity.

Section 4. Approval by the Master Association. If the Board of Directors of the Association approves in writing the proposed improvements or alterations as provided herein, then the Owner shall proceed to obtain approval thereof as required by the Master Association. Approval by the Board of Directors of the Association must be obtained by the Owners prior to submitting to the Master Association a request for approval of proposed improvements.

Section 5. Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

(a) Upon the completion of any work for which approved plans are required hereunder the applicant for such approval ("**Applicant**") shall give written notice of completion to the Board of Directors of the Association.

(b) Within thirty (30) days thereafter, the Board of Directors of the Association (or its duly authorized representative) may inspect such completed work. If the Board of Directors of the Association finds that such work was not effected in substantial compliance with the approved plans, it shall notify the Applicant in writing of such noncompliance within

such thirty (30) day period, specifying the particulars of noncompliance, and shall require the Applicant to remedy the same.

(c) If a noncompliance exists, Applicant shall remedy or remove the same within a period of not more than forty-five (45) days from the date of announcement of the Board ruling. If Applicant does not comply with the Board of Directors of the Association ruling within such period, the Board, at its option, may either remove the noncomplying improvement or remedy the noncompliance (an easement therefor being hereby created), and Applicant shall reimburse the Association, upon demand, for all expenses incurred in connection therewith. This amount, together with interest thereon at the rate of eighteen (18%) percent per annum from the date the noncompliance was to have been remedied or removed, the maximum late fee allowed under Florida Statutes for each month that a violation exists if payment is not made within thirty (30) days after announcement, and all costs and reasonable attorneys' fees incurred by the Association in collection, enforcement or abatement, as appropriate (including attorneys' fees incurred at all appellate levels and whether or not suit is instituted) shall be a personal obligation of Owner and shall not pass to the successors in title of Owner unless expressly assumed by such successors. Such amount (including interest, costs, late fees and attorneys' fees as provided above) shall also be a *continuing lien* and run with the land on the Owner's Property if not paid within thirty (30) days after announcement and may be enforced in the same manner in which mortgages are enforced by foreclosure, or by bringing an action at law or equity against the Owner.

(d) If for any reason the Board of Directors of the Association fails to notify the Applicant of any noncompliance within forty-five (45) days after receipt of written notice of completion from the Applicant, the improvement shall be deemed to have been made in accordance with the approved plans.

Section 6. Variances. The Board of Directors of the Association may authorize variances from compliance with any of the architectural provisions of this Declaration when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. Such variance must be evidenced in writing and must be signed by at least two (2) members of the Board of Directors of the Association. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provisions hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting his use of the Lot and Townhome, including, but not limited to, zoning ordinances and lot setback lines or requirements imposed by any governmental or municipal authority.

Section 7. Exemption. Notwithstanding anything to the contrary, this Article does not apply to the Declarant, a successor declarant, Golden West Limited Partnership, a Virginia limited partnership or any Other Developer(s) as said term is hereinafter defined.

ARTICLE IX

USE RESTRICTIONS

Section 1. No Lot shall be used except for residential purposes. No building shall be erected altered, placed or permitted to remain on any Lot other than a Townhouse.

Section 2. No structure of a temporary character, trailer, basement, tent, shack, barn, shed or other out-building shall be used on any Lot at any time as a residence or appendage to such residence, either temporary or permanent, except for temporary construction trailer of Declarant, Golden West or any Other Developer, as said term is hereinafter defined.

Section 3. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood within the Plat, or any matter which affects the health, safety or welfare of the owners or occupants of the Property, in the Association's reasonable discretion.

Section 4. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that up to two (2) household pets in total (and not of each type) consisting of dogs, cats or other household pets may be kept provided they are not kept, bred or maintained for any commercial purpose.

Section 5. No sign of any kind shall be displayed to the public view on any Lot, except one sign of not more than 18" X 24" advertising that property for sale or rent, or signs used by the Declarant to advertise the Property during the construction and sale of Townhouses.

Section 6. No Lot shall be used or maintained as a dumping ground for rubbish. All trash and garbage shall be regularly removed from each Lot and shall not be allowed to accumulate thereon. Trash, garbage or other waste shall be kept in a sanitary, covered containers. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. In no event shall such equipment and/or containers be visible from the Common Area streets, from neighboring Property or within property contained in the Plat, except for a reasonable time immediately prior to and after scheduled trash collection, and in all events in compliance with Metropolitan Palm Beach County Code.

Section 7. No garments, rugs or any other materials may be hung, exposed or dusted from the windows or from the front facade of any Townhouse. Further, no outside clotheslines or other facilities for drying or airing clothes shall be erected in the front yard or back yard of any Townhome.

Section 8. There shall be no parking on any portion of any sidewalk within the Property. There shall not be parked upon any of the parking spaces set aside for general use within the Common Area, if any, any trailer, commercial vehicle, recreational vehicle, boat or boat trailer. This restriction shall not be deemed to limit the use of such parking areas, if any, for service vehicles whose purpose is to perform maintenance and delivery service to the Lot Owners or the Association during normal working hours or for work performed for the Declarant or the Association which are necessary in the development, maintenance or management of the Association. The term "commercial vehicle" includes trucks and vehicular equipment or other vehicles which shall be used or which are ordinarily intended to be used for commercial purposes and shall be further defined, but not limited to, any motor vehicle bearing commercial lettering, logo, commercially identifiable coloring, or any vehicle, motorized or otherwise, clearly designed for a purpose other than the transportation of persons, including, but not limited to, pick-up trucks, modified automobiles or trucks or conversion flatbed automobiles which clearly contain materials regularly used in trade or business. Such materials may include, but are not limited to, ladders, scaffolding, mechanical or trade tools, supplies or any other such materials which would represent commercial activity.

Section 9. No septic tanks or individual wells will be permitted on any Lot.

Section 10. No garage may be improved for purposes of making same a living area, nor shall garage doors be removed except for replacement (in which case the Owner must obtain approval of any replacement door from the Board of Directors of the Association).

Section 11. No external window covering, reflective or other covering may be placed or permitted to remain on any window of any building (either interior or exterior) without the prior written approval of the Board of Directors of the Association.

Section 12. No flags or banners other than American Flags subject to approval (as to size and location) from the Board of Directors of the Association. Any permanent

installed flag pole is also subject to approval (as to size, type and location) by the Board of Directors of the Association. The foregoing two (2) sentences shall not apply to the Declarant.

Section 13. All use restrictions contained in the Master Declaration shall be applicable to the Property and shall apply even if said Master Declaration use restrictions are more restrictive and stringent than those contained in this Declaration.

ARTICLE X

EASEMENTS

Section 1. Ingress and Egress and Utility Easements. Easements for ingress and egress and for the installation and maintenance of all utilities and drainage facilities are reserved. The right is also reserved to the Declarant and the Association to create additional utility easements by separate instrument as may be required from time to time.

Section 2. Encroachment Easements. Notwithstanding any other provisions contained in this Declaration, in the event that any Townhouse, as constructed by the Declarant on a Lot, encroaches upon any portion of the Common Area or adjoining Lot, then a perpetual easement appurtenant to such Lot shall exist for the continuance of any such encroachment on the Common Area or adjoining Lot. In the event any fence, roof, overhanging roof, or portion of the Townhouse, as constructed upon any Lot by Declarant, encroaches or overlaps upon any other Lot or the Common Area, then, in such event, a perpetual easement appurtenant to the Lot upon which the fence, roof, overhanging roof, or Townhouse is constructed shall exist for the continuation of any such encroachment or overlapping upon the adjoining Lots and Common Area.

Section 3. Master Association Easements. Easements for ingress and egress are granted to the Master Association for the Master Association to perform any and all obligations under the Master Declaration or to exercise any rights reserved to the Master Association under the Master Declaration.

Section 4. Maintenance of Drainage Easements and Facilities. The Association shall have the responsibility to maintain all drainage easements, drainage facilities and drainage pipes and equipment within the Property and the expense for same will be a common expense of the Association.

ARTICLE XI

PROVISIONS RESPECTING TOWNHOUSES

Section 1. Wherever one Townhouse is separated from another by a common wall or party-wall, the obligations of the Owners of each of the Townhouses with respect to the party-wall shall be governed by this Section. The party-wall shall be the joint obligation of each of the Owners of the adjoining Townhouses. Each Owner shall be responsible for the repair and maintenance of the surface portion of the party-wall which is contained within his Townhouse. Any repairs, maintenance and the like, including repairs or maintenance to the paint, plaster or wall-board of the surface portion of the party-wall which is contained within his Townhouse shall be the obligation of that Owner. The Owners shall be jointly responsible for the structure of the party-wall, i.e. repair or maintenance of concrete block or mortar. Each of the Townhouse Owners shall be responsible for keeping in force insurance respecting such party-wall. In the event of damage or destruction to the party-wall, it shall be repaired as the common expense of each of the Owners thereof, said expense being divided equally. There shall be no subrogation or contribution between such Townhouse Owners for the negligence or negligent acts of the Townhouse Owners where such damage is fully covered by insurance and to the extent of such insurance coverage. To the extent that it is not covered by

insurance, the negligent party shall bear the cost. This Agreement shall be deemed the Party-Wall Agreement among and between each of the Owners of the Townhouses, their successors and assigns.

Section 2. In order to maintain a uniform appearance and to maintain the high standards of maintenance within the community, it shall be the duty and obligation of the Association to undertake periodic exterior painting of all of the Townhouses. The Association shall have the sole discretion to determine the time at which such painting shall take place, the manner and color to be used. Re-painting of any individual Townhouse, which is necessitated by deterioration of existing paint, shall also be the responsibility of the Association. However, the Association shall be entitled to reimbursement from the Owner of the Townhouse where the painting is required as a result of the deliberate or repeated acts of the Owner.

Section 3. It shall be the duty of the Association to maintain and cut the grass located on the Townhouse Owner's property, the cost of such grass maintenance on the Townhouse Owner's property being assumed by the Association for the benefit of the entire Property as if same were Common Area, and such costs being considered with the budget as part of grounds' maintenance. The Owner shall not plant any trees or shrubbery on his Lot without first obtaining the prior written consent of the Association. The Association is hereby granted an easement over and across the Owner's Lot for the purpose of maintaining and cutting the grass, and the Owner shall not place any obstruction, fence, wall, tree or shrubbery on such ground without the consent of the Association, the said consent being conditioned on the Association having free access to the property for the purpose of maintaining and cutting the grass.

Section 4. Each Lot Owner shall be responsible for maintaining and repairing the screen enclosure in a clean, sanitary, neat, safe and orderly condition. If any Lot Owner breaches these covenants, the Association may enforce these covenants in accordance with the provisions of this Declaration.

Section 5. It shall be the duty of the Association to undertake periodic repair of the surface of each drivestrip, in order to maintain a uniform appearance and to maintain the high standards of maintenance within the community. The Association shall have the sole discretion to determine the time at which said maintenance shall take place and the manner of its completion. The Association shall be entitled to reimbursement from the individual Owner where the maintenance is required as a result of the deliberate or repeated negligent acts of the Owner.

Section 6. Repair and maintenance of townhouse roofs shall be the obligation of the Owners. In the event that roof repairs are necessary where there is a commonality of roof line and necessity for repairing sections of roof that may overlap more than one townhouse, then responsibility and repair and maintenance shall be divided equally between the owners of the properties as is described in the party-wall agreement in Section 1 above.

ARTICLE XII

PROVISIONS RELATING TO FIRST MORTGAGEES

Section 1. The following actions will require the prior written approval of two-thirds (2/3) of the holders of record of Institutional First Mortgages on Lots within the Property, (based upon one vote for each Institutional First Mortgage owned): the abandonment, partition, subdivision, encumbrance, sale or transfer of the Common Areas by the Association, other than the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Areas; the material change in the method of determining the assessment or other charges that may be levied against an Owner; the waiver or abandonment of any scheme of regulation or the enforcement thereof, pertaining to the architectural design or control of the exterior appearance of the

Townhouses constructed upon the Property, or pertaining to the maintenance of the Common Areas and any fences, driveways or lawns located thereon; the failure of the Association to maintain fire and extended coverage on the Common Areas and any insurable improvements thereon in an amount that shall not be less than one hundred percent (100%) of the insurable value, based on the current replacement costs; the use of the insurance proceeds paid to the Association for any loss to the Common Areas, or the improvements thereon, for any purpose other than the repair, replacement or reconstruction of such Common Areas and the improvements thereon; the amendment of the Declaration in any manner which materially affects or impairs the rights of an Institutional First Mortgagee; the conveyance, encumbrance or hypothecation in any manner of the Common Areas.

Section 2. The holder of record of an Institutional First Mortgage on any Lot in the Property may, singly or jointly with other Institutional First Mortgagees: pay the taxes or other charges which are in default, and who may or have become a charge against the Common Areas; pay overdue premiums on hazard insurance policies for the Common Areas; or secure new hazard insurance coverage for the Common Areas after lapse of the existing coverage. In the event any Institutional First Mortgagee makes any of the aforementioned payments, such Institutional First Mortgagee shall be entitled to immediate reimbursement from the Association for the payment advance, and such Mortgagee shall be subrogated to the assessment and lien rights of the Association against the Owners for the repayment of such advance, and the expense of making such reimbursement to the Institutional First Mortgagee shall be deemed a common expense of the Association.

Section 3. No provision of this Declaration shall be interpreted to give an Owner, or any other party, priority over the rights of any Institutional First Mortgagee pursuant to the terms of its Mortgage on any Lot on the Property in the event of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Areas.

Section 4. Any Institutional First Mortgagee of a Lot on the Property who obtains title to a Lot pursuant to the remedies provided in said Mortgagee's Institutional First Mortgage on that Lot, or obtains title by deed in lieu of foreclosure, shall not be liable for any unpaid assessment or charges accrued against said Lot prior to the acquisition of title to said Lot by such Mortgagee.

Section 5. The Institutional First Mortgagee of any Lot on the Property is entitled, upon request, to written notification from the Association of any default in the performance by the Institutional First Mortgage, of any of such Owner's obligations pursuant to the terms of this Declaration, which default is not cured after sixty (60) days notice to such Owner.

Section 6. Any Institutional First Mortgagee who succeeds the Declarant in title to any portion of the Property, or acquires title to any portion of the Property by way of foreclosure, deed in lieu of foreclosure, or otherwise, shall be entitled to any exemption from the terms or restriction of the Declaration to the same extent that Declarant would be exempt from such terms or restrictions.

Section 7. Any agreement for professional management, or any other contract providing for services of the Developer may not exceed three (3) years. Any such agreement must provide for the termination by either party without cause and payment of termination fee on ninety (90) days or less written notice.

ARTICLE XIII

MEMBERSHIP AND VOTING RIGHTS IN THE MASTER ASSOCIATION

Section 1. Master Declaration for Briar Bay. The Property is located within an area encumbered by the Master Declaration. Notwithstanding anything contained in this Declaration, the provisions of the Master Declaration, the Articles of Incorporation of the

Master Association and the By-Laws of the Master Association, as they may exist from time to time, shall supersede and control this Declaration. Any conflicts between the Master Declaration, and the aforementioned Articles and By-Laws of the Master Association, shall supersede and control this Declaration and the Articles and By-Laws of the Corporation.

Section 2. Parcel Association. The Association is a Parcel Association as defined in the Master Association.

ARTICLE XIV

LEASE AND OCCUPANCY RESTRICTIONS

Section 1. Leases. All leases shall be in writing, be approved by the Association and shall provide that the Association shall have the right to terminate the lease in the name of and as agent for the lessor upon default by tenant in observing any of the provisions of the Declaration, the Articles of Incorporation, By-Laws of the Association and applicable rules and regulations, if any. Leasing of Lots and Townhomes shall also be subject to the prior written approval of the Association. The Association shall require an interview of the prospective tenant. The Owner or lessee requesting the approval shall pay to the Association a fee of One Hundred and No/100 (\$100.00) Dollars or an amount designated by the Florida Statutes, whichever is greater, to cover the costs of reviewing the lease, examining records and interviewing the tenant. No lease shall be approved for a term of less than six (6) month. The prior written approval of the Association for a lease shall not apply to Lots and/or Townhomes acquired by an Institutional Mortgagee who has acquired title to the Lot and/or Townhome through foreclosure or deed in lieu of foreclosure. The Owner will be jointly and severally liable with the tenant to the Association for any sum which is required by the Association to effect such repairs or to pay any claim for injury or damage to property caused by the negligence of the tenant. The Board of Directors may by a majority vote establish a requirement that a sum of money not to exceed One Thousand and No/100 (\$1,000.00) Dollars or one month's rent, whichever is greater, be deposited in escrow with the Association to repay any damage to the Common Area or other portions of the Property resulting from acts or omissions of tenants (as determined in the sole discretion of the Corporation). The number of occupants must comply with the Palm Beach County Code regarding the size of the Townhome.

ARTICLE XV

RIGHTS OF GOLDEN WEST

Section 1. Golden West Property. It is acknowledged that as of the recording of this Declaration, the property described in Exhibit "B" (the "Golden West Property") is owned by Golden West Limited Partnership, a Virginia limited partnership ("Golden West"). Reference to "Golden West" shall also be deemed to include its successors, assigns or one or more developers (individually "Other Developer" and collectively "Other Developers") to whom Golden West may sell, transfer or convey the Golden West Property in the event Declarant does not acquire such property from Golden West pursuant to that certain Agreement of Purchase and Sale dated February 23, 2001 (the "Sale Agreement"), and any such successor, assigns or Other Developer(s) shall have the rights of Golden West as contained in this Article XV. In the event that all or any portion of the Golden West Property is conveyed to an Other Developer(s), Golden West shall have the right to record a certificate to that effect in the Public Records of Palm Beach County, Florida. In the event Declarant does not acquire the Golden West Property in accordance with the Sale Agreement, then Golden West shall be permitted at its sole and absolute discretion to record a Supplemental Declaration to include the Golden West Property as being subject to this Declaration. In the event Golden West shall plat from time to time the Golden West Property and elect to submit any or all of such Golden West Property by Supplemental Declaration to the terms and provisions of this Declaration, the Association

shall join in and execute the such plat(s) for the purpose of accepting dedications of real property interests and maintenance obligations with respect thereto as shall be determined by Golden West and consistent with other maintenance obligations contained in this Declaration; and further the Association shall accept the conveyance of such real property interests to the Association, if any, as applicable. Golden West shall not be the Declarant hereunder, nor have any duties, obligations, or liabilities hereunder, except as hereafter set forth. Notwithstanding the foregoing, so long as Golden West owns any of Golden West Property, and has elected to subject said Golden West Property to this Declaration, Golden West shall have the right at any time to; (i) become a Declarant hereunder, in which case the original Declarant shall no longer be entitled to exercise the rights of the Declarant hereunder as to the Golden West Property, but shall remain liable for all obligations of the Declarant with respect to the portions of the Property owned or developed by the original Declarant; (ii) to elect to become a Class B member under this Declaration as to the Golden West Property and/or (iii) to exercise any or all of the rights of Declarant with respect to any or all of the Property then owned by Golden West, by written notice to the then Declarant hereunder, and in that event Golden West may record a written notice of such election in the Public Records of Palm Beach County, Florida. Notwithstanding anything in this Declaration to the contrary, Golden West shall not exercise any of the rights granted to Golden West hereunder, unless Declarant fails to acquire all of the Golden West Property as required by the Sale Agreement.

Section 2. Non-Imposition on Golden West. Nothing contained herein shall be deemed to impose upon Golden West, and Golden West does not assume, any liability for any obligations of the Declarant arising out of the failure of any Declarant to undertake, perform, pay, discharge or assume any of the obligations to be performed by the prior Declarant under the terms and conditions of this Declaration, or arising out of the operation of the Association prior to the date Golden West elects, if it should make such election, to become a Declarant hereunder. The original Declarant and any successor or assignee of the original Declarant (other than Golden West), hereby indemnifies and holds harmless Golden West from and against any and all demands, claims, actions, losses, damages, liabilities, litigation and costs and expenses thereof; including, without limitation, attorneys' fees and disbursements of any kind or nature whatsoever (collectively "Claims") which may be imposed on, asserted against or otherwise incurred by Golden West by or on behalf of any person or entity whatsoever due to or arising from the failure of such prior Declarant to undertake, perform, pay, discharge or assume any of the obligations to be performed by such Declarant under the terms and conditions of this Declaration, or arising out of the operation of the Association, prior to the date Golden West becomes a Declarant hereunder, if it should so elect. If any action or proceeding is brought against Golden West by reason of any Claim, the Declarant and any successor or assignee of the original Declarant (other than Golden West), upon notice from Golden West, shall defend such action or proceeding with counsel reasonably acceptable to Golden West and the prior Declarant shall pay all expenses in respect of defending against such action or proceedings.

Section 3. Conveyance by Golden West. Notwithstanding anything contained herein to the contrary, this Declaration and exhibits hereto and the Articles and By-Laws of the Association shall not be deemed to affect any portion of the Golden West Property so long as same is owned by Golden West. Upon the conveyance of any portion of the Golden West Property by Golden West to Declarant, such portion of the Golden West Property so conveyed shall then become subject to all of the provisions of this Declaration; and Declarant will record a Supplemental Declaration adding the Golden West Property to the Property. In the event Declarant does not acquire the Golden West Property as provided for in the Sale Agreement, Golden West shall have the right to subject all or any portion of the Golden West Property owned by Golden West to the terms and conditions of this Declaration by recording from time to time in the Public Records of Palm Beach County, Florida, a written instrument subjecting property owned by Golden West to the terms and conditions of this Declaration.

Section 4. Amendments. (a) So long as Golden West owns any portion of the Golden West Property, Golden West shall have the right to execute and record an

amendment to this Declaration withdrawing the portion of the Golden West Property then owned by Golden West from this Declaration, and any such amendment shall not need the joinder or consent of the Declarant, the Association, any members, any owner, or any other person or entity. Notwithstanding anything in this Declaration to the contrary, Golden West shall not exercise any rights granted hereunder unless Declarant fails to acquire all of the Golden West Property as required by the Sale Agreement.

(b) So long as Golden West owns any portion of the Golden West Property, this Declaration, the Articles or By-Laws may not be amended without the written joinder and consent of Golden West which consent will not be unreasonably withheld and no amendment shall affect the rights and obligations of Golden West under this Declaration or this Article XV without Golden West's written joinder and consent which may be unreasonably withheld. Any amendment made without such joinder and consent shall not be effective.

Section 5. Election by Golden West. Notwithstanding anything in this Declaration to the contrary, none of the terms and provisions of the Declaration, the Articles, Bylaws or Rules of the Association (collectively the "Documents") including but not limited to the obligations to pay assessments of the Association, shall apply to the Golden West Property except for this Article XV unless Golden West elects otherwise from time to time in a written instrument recorded in the Public Records of Palm Beach County, Florida. Notwithstanding anything in this Declaration to the contrary, there is no obligation on Golden West or any Other Developer(s) to subject any or all of the Golden West Property to the terms and provisions of this Declaration.

Section 6. Golden West Easements. Declarant and the Association as the owners of that portion of the Property described in Exhibit "A" hereto, as applicable, hereby grant and convey to Golden West as the owner of the Golden West Property and to subsequent owners of any portion of the Golden West Property, including, but not limited to their heirs, personal representatives, mortgagees, successors, assigns, designees and Other Developer(s), a non-exclusive easement which is appurtenant to and running with the Golden West Property, over, under, through and across the portion of the Property described in Exhibit "A-1" hereto for (i) drainage, flowage and storage of water and installation and maintenance of drainage facility; (ii) installation of water lines, sewer lines, electric lines, natural gas lines, cable lines, telephone lines, security alarm monitoring lines, computer lines and all other forms of communication, electrical and other transmission and utility lines; and (iii) ingress and egress to and from the Golden West Property to publicly dedicated roads; and (iv) ingress and egress over all roads, accessways, and other ingress and egress ways within the Property. The foregoing easements shall include the rights to connect to any and all utility lines installed by Declarant and/or the Association or Hamal Community Development District, a special taxing district, or others as shall be permitted and/or required by applicable governmental authorities having jurisdiction or necessary to provide utility services to the Golden West Property. The terms and provisions of this section shall be deemed to be a covenant running with the Property for the benefit of the Golden West Property.

Section 7. Non-Termination of Class B Membership. In no event shall the Declarant elect to terminate the Class B Membership without the prior written approval of Golden West, and its assigns, which approval shall be in Golden West's sole and absolute discretion, and any attempt to do so shall be null and void and of no effect.

Section 8. Mortgagee's Rights. In the event the holder of any mortgage executed by Golden West or its successors, assigns or any Other Developer(s) encumbering of all or any portion of the Golden West Property obtains title to all or any portion of the property encumbered by such mortgage by foreclosure or deed in lieu thereof, or other conveyance, such mortgage holder shall have the rights of Golden West as set forth in this Article only if it so elects by written notice recorded in the Public Records of Palm Beach County, Florida. Regardless of any such election, the mortgage holder shall have the right to assign any of its rights as provided herein to any third party which acquires title to all or a portion of the property from said mortgage holder. In any event, any such mortgage holder

shall not be liable for any liabilities or obligations incurred by any prior owner of the property, except to the extent it expressly assume same in a written instrument recorded in the Public Records of Palm Beach County, Florida.

Section 9. Non-Applicability of Article VIII. In the event all or a portion of the Golden West Property is subject to the terms and provisions of this Declaration, in no event shall Article VIII of the Declaration be applicable to Golden West or any Other Developer(s) as the owner of Golden West Property and Golden West and Other Developer(s) shall be exempt from Article VIII of this Declaration.

Section 10. Termination of Rights of Golden West. Notwithstanding anything in this Article XV to the contrary, in the event Declarant acquires title to all of the Golden West Property in accordance with the terms and conditions of the Sale Agreement, then the terms and conditions of this Article XV shall be deemed null and void and of no further force or effect.

ARTICLE XVI

GENERAL PROVISIONS

Section 1. Covenants Run With Land. All restrictions, reservations, covenants, conditions and easements contained in this Declaration shall constitute covenants running with the land, and all grantees, devisees, or mortgagees, their heirs, personal representatives, successors and assigns, and all parties claiming by, through or under such persons, agree to be bound by the provisions of (a) this Declaration of Covenants, Conditions and Restrictions, and (b) the Amended and Restated Articles of Incorporation and By-Laws of the Association. The Association shall be the entity responsible for the operation and maintenance of the Common Area.

Section 2. Enforcement. The Association or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In the event the Association or an Owner institutes legal proceedings or equitable proceedings to enforce any restriction, condition, covenant, reservation, lien or charge now or hereafter imposed by these covenants, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs including at all appellate levels.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 4. Amendment. The covenants, conditions, restrictions, reservations, easements, liens and charges provided for in this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. So long as there is a Class B Membership, Declarant reserves the right to amend this Declaration without the consent of the Lot Owners except as provided in Article XV herein. Such amendments shall not require the consent of the Institutional First Mortgage Lenders and shall become effective when executed by Declarant and recorded in the Public Records of Palm Beach County, Florida. After the Class B Membership has terminated, and subject to the terms and provisions of Article XV, the covenants and restrictions of this Declaration may be amended by an instrument signed by not less than seventy-five (75%) percent of the Lot Owners. Any amendments must be properly recorded in the Public Records of Palm Beach County, Florida.

Section 5. Remedies for Violation. For violation of a breach of any of the provisions of this Declaration, or the provisions of the Articles or By-Laws of the Association (or any Rules promulgated by the Association as allowed hereunder) by any person or party claiming by, through or under the Declarant and/or the Association, or by virtue of any judicial proceedings, the Owner, the Association, the Declarant, the Master Association, an Institutional First Mortgage, or any of them, severally, shall have the right to proceed at law for damages or in equity to compel compliance of any of such provisions, or for such other relief as may be appropriate. In addition to the foregoing rights, whenever (a) there shall have been built within the Property any structure which is in violation of this Declaration or in the event of any damage or destruction of any of the Property or portion thereof by an Owner or any of its guests, invitees, lessees or occupants, into disrepair and/or has not been maintained as required by this Declaration and/or any Rules, or (b) any portion of the Property and/or Townhome owned by an Owner has fallen into disrepair and/or has not been maintained as required by this Declaration and/or any Rules, a duly authorized representative of the Association, of the Master Association, may, but is not obligated to, enter upon the Property where such violation, damage or destruction exists and summarily abate, remove or correct the same at the expense of the Owner; provided, however, that the Association or the Master Association shall then make the necessary repairs, constructions, etc., to insure that the Property and improvements where such violation occurred is restored to the same condition in which it existed (or should have existed) prior to such violation, and any such entry, abatement, removal or restoration and construction work shall not be deemed a trespass. Such amount, together with interest thereon at the rate of eighteen (18%) percent per annum thirty (30) days after the date of notification of violation, and the maximum late fee allowed under Florida Statutes for each month that payment is not made within thirty (30) days after notification of violation, and all costs and reasonable attorneys' fees incurred by the Association in collection or enforcement (including attorneys' fees incurred at all appellate levels and whether or not suit is instituted) shall be a personal obligation of Owner and shall pass to the successors in title of Owner. Such amount shall also be **continuing lien** and run with the land on the Owner's Property is not paid within thirty (30) days after announcement and may be enforced in the same manner in which mortgages are enforced by foreclosure, or by bringing an action at law or equity against the Owner.

Section 6. Effect of Waiver of Violation. No waiver of a breach of or violation of any of the terms, provisions and covenants in this Declaration, or in the Articles of Incorporation or By-Laws of the Association, shall be construed to be a waiver of any succeeding breach or violation of the same term, provision or covenant of this Declaration, or the Articles of Incorporation and By-Laws of the Association.

Section 7. Instruments Governing Common Area and Owners of Lots. This Declaration and the Articles of Incorporation and By-Laws of the Association, and any lawful amendments thereto, shall govern the Common Area and the rights, duties and responsibilities of the Owners of Lots.

Section 8. Absolute Liability. No absolute liability shall be imposed upon individual owners for damage to the Common Area or to the Lots, including improvements, of others where maintained by the Association, whether caused by themselves, their families, guests or invitees. Their liability shall only be that for which they would be legally responsible under State Law.

Section 9. HUD/FHA, VA, FNMA Approval. If the Property is approved by the Department of Housing and Urban Development ("HUD") as a Planned Unit Development, as long as there is a Class B membership, the following actions will require the prior approval of HUD/FHA or the Veterans Administration or the Federal National Mortgage Association: Annexation of additional properties other than the Golden West Property, mergers and consolidations, mortgaging of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions other than amendments described in Article XV involving Golden West.

Section 10. Cable Television. The Master Association, has the right to enter into

agreements pursuant to which all of the Lot Owners will be provided cable television services as a common expense of the Master Association which shall be part of the Master Association assessments.

Section 11. Community Development District. The Property is located within the boundaries of the Hamal Community Development District ("CDD") which has been established. The CDD is a special purpose form of local government established and existing pursuant to Chapter 190, Florida Statutes. The CDD finances, funds, plans, establishes, acquires, constructs, or reconstructs, enlarges or extends, equips, operates and maintain certain community infrastructure systems, facilities and services for storm water management and drainage, sewage collection system, landscaping sound buffers, and such other systems, facilities and services as are allowed under Chapter 190, Florida Statutes. The CDD will be controlled and operated by a Board of Supervisors originally chosen by Golden West Limited Partnership. The CDD may impose and levy operations and management taxes or assessments, or both operations and maintenance taxes and assessments, and debt assessments.

THE CDD ASSESSMENTS ARE NOT PART OF THE ASSESSMENTS PAID TO THE ASSOCIATION OR MASTER ASSOCIATION PURSUANT TO ARTICLE VI HEREIN AND CONTINENTAL HOMES OF FLORIDA, INC. HAS NO CONTROL OR AUTHORITY REGARDING THE CDD OR CDD ASSESSMENTS.

Section 12. NPBCID Unit of Development. The Property is within Northern Palm Beach County Improvement District ("NPBCID") Unit 5 of Development. Certain NPBCID non-advalorem assessments will appear as a separate line item on each Owner's Real Property Tax Bill. Reference is made to Article XIII of the Master Declaration.

NPBCID NON-AD VALOREM ASSESSMENTS ARE NOT PART OF THE ASSESSMENTS PAID TO THE ASSOCIATION OR MASTER ASSOCIATION PURSUANT TO ARTICLE VI HEREIN AND CONTINENTAL HOMES OF FLORIDA, INC. HAS NO CONTROL OR AUTHORITY REGARDING THE NPBCID UNIT OF DEVELOPMENT OF NPBCID NON-AD VALOREM ASSESSMENTS.

Section 13. Declarant's Disclaimer of Representations. Notwithstanding anything to the contrary herein, Declarant makes no warranties or representations whatsoever that the plans presently envisioned for the complete development of the Property can or will be carried out, or that any real property now owned or hereafter acquired by it is or will be subjected to this Declaration, or that any such real property (whether or not is have been subjected to this Declaration) is or will be committed to or developed for a particular (or any) use, or that if such real property is once used for a particular use, such use will continue in effect. While Declarant has no reason to believe that any of the restrictive covenants and other provisions contained in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant and other provisions. Any Owner acquiring a Lot in reliance on or more of such restrictive covenants and other provisions herein shall assume all risks of the validity and enforceability thereof and by accepting a deed to the Lot agrees to hold Declarant harmless therefrom.

Section 14. Notice to Owners. Whenever notices are required to be given hereunder, the same shall be sent to the Owners by United States Mail at the address of the dwelling situated upon the Lot. Such notices shall be deemed given when deposited in the United States Mail. Any Owner may change his mailing address by written notice given to the Declarant at:

1192 East Newport Centre Drive
Suite 150
Deerfield Beach, Florida 33442

(or the official address of the Association as may be designated from time to time.)

Section 15. Grammatical Construction. Wherever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and the plural shall include the singular.

Section 16. Declaration Controlling. In the event of any conflicts between the provisions of this Declaration, the Articles and/or By-Laws, the terms and provisions of this Declaration shall control.

IN WITNESS WHEREOF, Continental Homes of Florida, Inc. have executed this Declaration, this 14th day of March, 2002.

Signed, sealed and delivered
in the presence of:

Continental Homes of Florida,
Inc., a Florida corporation

[Signature]
Name: Paul Romanowski

By: [Signature]
Paul Romanowski, Division President

[Signature]
Name: Candace Sharpsteen

Attest: [Signature]
Candace Sharpsteen, Secretary

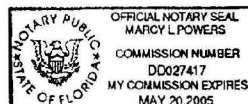
STATE OF FLORIDA)
) SS
COUNTY OF BROWARD)

The foregoing instruction was acknowledged before me this 14th day of March, 2002, by **Paul Romanowski**, as Division President and **Candace Sharpsteen**, as Secretary, of Continental Homes of Florida, Inc., a Florida corporation, on behalf of said Corporation. The foregoing persons identified themselves by producing their driver's license issued by the State of Florida.

[Signature]
Name: Marcy L. Powers
Notary Public, State of Florida at Large

My Commission Expires:

5/20/05



JOINDER

Sail Harbour Homeowners' Association, Inc., a not-for-profit Florida corporation, whose mailing address is 1192 East Newport Centre Drive, Suite 150, Deerfield Beach, Florida 33442, hereby approves and joins in the Declaration of Covenants, Conditions and Restrictions of Sail Harbour and the Exhibits attached thereto, and agrees to be bound by the terms thereof and will comply with and perform the terms and conditions of the Declaration.

In Witness Whereof, Sail Harbour Homeowners' Association, Inc. has executed this Joinder on this 12th day of March, 2002.

Signed, sealed and delivered
in the presence of:

Sail Harbour Homeowners'
Association, Inc.

[Signature]
Name: _____

By: [Signature]
Michael Humphreys, President

[Signature]
Name: _____

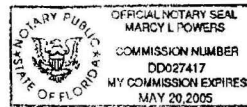
(Corporate Seal)

STATE OF FLORIDA)
 :SS.
COUNTY OF BROWARD)

The foregoing instruction was acknowledged before me this 12th day of March, 2002, by Michael Humphreys, as President of Sail Harbour Homeowners' Association, Inc., a not-for-profit Florida corporation, on behalf of said Corporation. The foregoing person is well known to me and/or produced a _____ as identification.

Marcy L. Powers
Name: MARCY L. POWERS
Notary Public, State of Florida
at Large

My Commission Expires:
5/20/05



All of the Property contained within The Renaissance Section 4 - Plat 1, according to the Plat thereof, recorded in Plat Book 93, Pages 77 through 81, Public Records of Palm Beach County, Florida.

EXHIBIT "A"

Tracts B-1, B-2, O-1, O-2 and R, contained within The Renaissance Section 4 - Plat 1, according to the Plat thereof, recorded in Plat Book 93, Pages 77 through 81, Public Records of Palm Beach County, Florida.

EXHIBIT "A-1"

Section 4, of THE RENAISSANCE, according to the Plat thereof on file in the Office of the Clerk of the Circuit Court in and for Palm Beach County, Florida, recorded in Plat Book 90, Page 162; said lands situate, lying and being in Palm Beach County, Florida.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL

LEGAL DESCRIPTION

A PARCEL OF LAND LYING IN SECTION 4, THE RENAISSANCE, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 90, PAGE 162, PUBLIC RECORDS, PALM BEACH COUNTY, FLORIDA; SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 4; THENCE, SOUTH 01°54'14" WEST, ALONG THE WEST BOUNDARY LINE OF SAID SECTION 4, A DISTANCE OF 110.00 FEET FOR A POINT OF BEGINNING;

THENCE, CONTINUE SOUTH 01°54'14" WEST, ALONG SAID WEST BOUNDARY LINE, A DISTANCE OF 40.00 FEET; THENCE, SOUTH 88°05'46" EAST, DEPARTING SAID WEST BOUNDARY LINE, A DISTANCE OF 188.41 FEET; THENCE, SOUTH 01°54'14" WEST, A DISTANCE OF 14.50 FEET; THENCE, SOUTH 88°05'46" EAST, A DISTANCE OF 84.00 FEET; THENCE, NORTH 01°54'14" EAST, A DISTANCE OF 14.50 FEET; THENCE, SOUTH 88°05'46" EAST, A DISTANCE OF 2.86 FEET; THENCE, SOUTH 43°05'46" EAST, A DISTANCE OF 28.28 FEET; THENCE, SOUTH 01°54'14" WEST, A DISTANCE OF 845.27 FEET; THENCE, NORTH 88°05'46" WEST, A DISTANCE OF 110.00 FEET TO THE INTERSECTION THEREOF, WITH THE WEST BOUNDARY LINE OF SAID SECTION 4; THENCE, SOUTH 01°54'14" WEST, ALONG SAID WEST BOUNDARY LINE, A DISTANCE OF 484.73 FEET; THENCE, SOUTH 88°05'46" EAST, CONTINUING ALONG THE BOUNDARY LINE OF SAID SECTION 4, A DISTANCE OF 548.43 FEET; THENCE, SOUTH 01°54'14" WEST, CONTINUING ALONG SAID BOUNDARY LINE, A DISTANCE OF 289.58 FEET; THENCE, NORTH 88°05'46" WEST, CONTINUING ALONG SAID BOUNDARY LINE, A DISTANCE OF 157.13 FEET; THENCE, SOUTH 01°54'14" WEST, CONTINUING ALONG SAID BOUNDARY LINE, A DISTANCE OF 281.44 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 4; THENCE, SOUTH 88°58'11" EAST, ALONG THE SOUTH LINE OF SAID SECTION 4, A DISTANCE OF 427.18 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 4; THENCE, NORTH 01°54'14" EAST, ALONG THE EAST BOUNDARY LINE OF SAID SECTION 4, A DISTANCE OF 1,084.60 FEET; THENCE, NORTH 88°05'46" WEST, DEPARTING SAID EAST BOUNDARY LINE, A DISTANCE OF 494.75 FEET; THENCE, NORTH 01°54'14" EAST, A DISTANCE OF 110.00 FEET; THENCE, SOUTH 88°05'46" EAST, A DISTANCE OF 7.43 FEET; THENCE, NORTH 01°54'14" EAST, A DISTANCE OF 150.00 FEET; THENCE, NORTH 88°05'46" WEST, A DISTANCE OF 181.11 FEET; THENCE, NORTH 01°54'14" EAST, A DISTANCE OF 350.00 FEET; THENCE, NORTH 46°54'14" EAST, A DISTANCE OF 28.28 FEET; THENCE, NORTH 01°54'14" EAST, A DISTANCE OF 40.00 FEET; THENCE, NORTH 88°05'46" WEST, A DISTANCE OF 12.20 FEET; THENCE, NORTH 01°54'14" EAST, A DISTANCE OF 110.00 FEET TO THE INTERSECTION THEREOF WITH THE NORTH BOUNDARY LINE OF SAID SECTION 4; THENCE, NORTH 88°05'46" WEST, ALONG SAID NORTH BOUNDARY LINE, A DISTANCE OF 159.32 FEET; THENCE, SOUTH 01°54'14" WEST, DEPARTING SAID NORTH BOUNDARY LINE, A DISTANCE OF 110.00 FEET; THENCE, NORTH 88°05'46" WEST, A DISTANCE OF 183.75 FEET TO THE POINT OF BEGINNING.

EXHIBIT "B"

State of Florida



Department of State

I certify the attached is a true and correct copy of the Amended and Restated Articles of Incorporation, filed on December 12, 2001, for SAIL HARBOUR HOMEOWNERS' ASSOCIATION, INC., a Florida corporation, as shown by the records of this office.

The document number of this corporation is N01000006525.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Thirteenth day of December, 2001



CR2EO22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
01 DEC 12 PM 3:47

**Amended and Restated
Articles of Incorporation
of**

**Sail Harbour Homeowners' Association, Inc.,
a not-for-profit Florida corporation**

These Amended and Restated Articles of Incorporation of Sail Harbour Homeowners' Association, Inc., a not-for-profit Florida corporation are executed by the Incorporation with the intent that the previously filed be deemed null and void and replaced by these Amended and Restated Articles of Incorporation. The previously filed Articles of Incorporation have been repealed in accordance with Article Thirteenth of said Articles of Incorporation. These Amended and Restated Articles were adopted by the Members of the Association on November 15, 2001 and the number of votes cast was sufficient for approval.

In order to form a corporation not-for-profit under and in accordance with the provisions of Chapter 617.001, of the Florida Statutes, the undersigned, acting as incorporator, hereby adopts the following Articles of Incorporation for the purposes and with the powers hereinafter mentioned, hereby certifies and sets forth the following:

First: The name of the Corporation is **Sail Harbour Homeowners' Association, Inc.**

Second: The Corporation is incorporated as a corporation not-for-profit under the provisions of Chapter 617 Florida Statutes, "Florida Not For Profit Act", and will be referred to hereafter as the "Corporation".

Third: The principal office and post office address of the Corporation shall be located at 8000 Governor's Square Boulevard, Suite 101, Miami Lakes, Florida 33016. The address of the Registered Office of the Corporation is the same as that of the principal office. The name of the registered agent is: Juan E. Rodriguez, who is authorized to accept service of process within this State upon the Corporation; and his address is at 80 S.W. 8th Street, Suite 2550, Miami, Florida 33130.

Fourth: The purposes for which this Corporation is formed do not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and architectural control of the residence Lots and of the Common Areas on the Property more particularly described in Exhibit "A" to the Declaration of Covenants, Restrictions, Conditions and Easements of Sail Harbour (the "Declaration"), and such other property that may become subject to the terms and provisions of the Declaration, and such other purposes as are provided for in the Declaration. This Corporation will promote the health, safety and welfare of the residents within the Property and shall have the following powers:

- (a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in the Declaration of Covenants, Restrictions, Conditions and Easements of Sail Harbour, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Clerk of the Circuit Court of Palm Beach County, Florida, as the same may be amended from time to time as therein provided; said Declaration is by reference incorporated herein as is set forth at length;
- (b) To fix, levy, collect and enforce payment by any lawful means all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection

therewith, and all office and other expenses incident to the conduct of the business of the Corporation, including licenses, taxes or government charges levied or imposed against the property of the Corporation;

- (c) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation;
- (d) To borrow money, to mortgage, pledge, encumber, or hypothecate any or all of the Corporation's real or personal property as security for money borrowed or debts incurred; and
- (e) To have and to exercise any and all powers, rights and privileges which a corporation, organized under the corporation not-for-profit law of the State of Florida, may by law now or hereafter have or exercise.

Fifth: Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject by the Declaration to assessment by the Corporation, including contract sellers, shall be a Member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Corporation. Ownership of such Lot shall be the sole qualification for membership.

Sixth: The Corporation shall have two classes of voting membership:

Class A. Class A Members shall be all those Owners as defined in Article Fifth with the exception of the Declarant (as defined in the Declaration). Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article Fifth. When more than one person hold such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant (as defined in the Declaration). The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Article Fifth, provided that the Class B membership shall cease and be converted to Class A membership on the happening of any of the following events whichever occurs earlier:

- (a) when ninety (90%) percent of the Homes and Lots have been conveyed to third party outside purchasers; or
- (b) December 31, 2010; or
- (c) Thirty (30) days after the Declarant elects to terminate the Class B Membership subject to the provisions of Article XV, Section 7 of the Declaration wherein if Declarant does not acquire the property described in Exhibit "B", Declarant shall not have the right to terminate the Class B Membership without the prior written consent of Golden West and/or Other Developers (as such terms are defined in the Declaration).

Seventh: The term for which this Corporation is to exist is perpetual.

Eighth: The affairs of the Corporation are to be managed by the following officers:

President
Vice President
Secretary
Treasurer

Ninth: The officers who are to serve until the first election of the directors are as follows:

President	Michael Humphries
Vice President	Rafael Roca
Secretary	Candace Sharpsteen
Treasurer	Frances J. Guerra

The first annual meeting of the Corporation and the first election of the Board of Directors shall be held on the first Monday in December, 2002, or by order of the Board of Directors at such earlier date as the Board of Directors may determine, and thereafter annual meetings of the members shall be held on the first Wednesday in December of each year, if not a legal holiday, or non-business day, and if a legal holiday, or non-business day, then on the next business day following. The Directors elected at the first annual meeting and at each subsequent annual meeting of the Members shall elect officers of the Corporation who will hold office until the next meeting of the Board of Directors, or until their successors are elected and qualified.

Tenth: This Corporation shall be governed by a Board of Directors consisting of not less than three (3) and no more than five (5) persons. The names and addresses of the persons who are to serve as Directors until the first annual meeting of the Members are as follows:

<u>NAMES</u>	<u>ADDRESSES</u>
1. Michael Humphries	8000 Governors Square Boulevard Suite 101 Miami Lakes, Florida 33016
2. Rafael Roca	8000 Governors Square Boulevard Suite 101 Miami Lakes, Florida 33016
3. Candace Sharpsteen	8000 Governors Square Boulevard Suite 101 Miami Lakes, Florida 33016

Commencing with the first annual meeting of the Members and at each subsequent annual meeting of the Members of the Corporation, the Directors of the Corporation shall be elected by the Members and they will hold office in each instance until the next annual meeting of the Members or until their successors are elected and qualified. Pursuant to Article Sixth hereof, the Declarant, Continental Homes of Florida, Inc., is a Class B Member with three votes for each unsold Lot in the Property. Additionally, pursuant to Article XV of the Declaration, Golden West and/or Other Developer(s), as said terms are defined in the Declaration, under certain circumstances shall be entitled to be a Class B Member. Directors elected by the Class B Member(s) need not themselves be owners of homes erected on the property subject to the Declaration nor Members of the Corporation. The Directors of the Corporation shall be elected at the annual meeting of the Members of the Corporation, which annual meeting will be held pursuant to the provisions of the By-Laws. Vacancies in the Board of Directors shall be filled by the remaining Directors at a special meeting

called for that purpose and a Director so elected shall serve until the next annual meeting of the Members of the Corporation.

Eleventh: The Board of Directors shall have all the powers and duties referred to in the Declaration and under the laws of the State of Florida respecting corporations not-for-profit. The powers of the Board of Directors shall include, but shall not be limited to the following: (a) to elect the Officers of the Corporation, (b) to administer the affairs of the Corporation, (c) to engage the services of a manager or managing agent for the Property and to fix the terms of such management agreement and the compensation and the authority of the manager or managing agent, (d) to promulgate such rules and regulations concerning the operation and use of the Property, as may be consistent with the Declaration and to amend the same from time to time, (e) to provide for the maintenance and repair of the property owned by the Corporation, and (f) to estimate and adopt an annual operating budget and to provide for the assessment and collection from the Lot Owners of their respective shares or all estimated expenses.

Twelfth: The initial By-Laws of this Corporation are those adopted by the Board of Directors and entered in the Minute Book of the Corporation. Such By-Laws may be altered, amended, added to or repealed by the Members of the Corporation in the manner provided for in said initial By-Laws and in conformity with the provisions and requirements of the Florida Not For Profit Act, as amended from time to time.

Thirteenth: Subject to the provisions of Article XV of the Declaration, these Amended and Restated Articles of Incorporation may be altered, amended, changed, added to, or repealed, in the manner or hereafter prescribed by statute or herein or by the By-Laws of this Corporation as they exist from time to time, at any duly called meeting of the Members of this Corporation provided that (a) the notice of the meeting is given in the manner provided in the By-Laws, and it contains a full statement of the proposed alteration, amendment, change, addition, or repeal, and (b) there is an affirmative vote of thirty percent (30%) of the Members in person or by proxy of said proposed alteration, amendment, change, addition, or repeal.

Fourteenth: This Corporation shall never have or issue shares of stock nor will it ever have or provide for non voting membership.

Fifteenth: The Corporation shall have all the powers set forth and described in the Florida Statutes regulating corporations not-for-profit, as amended from time to time, which are currently set forth in Chapter 617.0302 of the Florida Statutes, together with those powers conferred by the Declaration, these Articles and any and all lawful By-Laws of the Corporation.


Sixteenth: The names and address of the incorporator hereto is as follows:

<u>NAMES</u>	<u>ADDRESSES</u>
1. Juan E. Rodriguez	80 S.W. 8 th Street Suite 2550 Miami, Florida 33130

Seventeenth: Each Director and officer of this Corporation shall be indemnified by the Corporation against all costs and expenses reasonably incurred or imposed upon him in connection with or arising out of any action, suit or proceeding in which he may be involved or to which he may be made a party by reason of his having

been a Director or officer of this Corporation, such expense to include the cost of reasonable settlements (other than amounts paid to the Corporation itself) made with a view to curtailment of costs of litigation. The Corporation shall not, however, indemnify such Director or officer with respect to matters as to which he shall be finally adjudged in any such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duty as such Director or officer, or in respect to any matter in which any settlement or compromise is effected if the total expense, including the cost of settlement shall substantially exceed the expense which might reasonably be incurred by such Director or officer in conducting such litigation to final conclusion, and in no event shall anything herein contained be construed as authorizing this Corporation to indemnify any such Director or officer against any liability of the Corporation to which he would otherwise be subject by reason of willful malfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office. The foregoing right to indemnification shall be in addition to any other rights to which any such Director or officer may be entitled as a matter of law or otherwise.

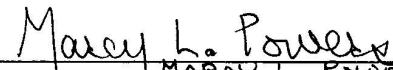
The undersigned, being the incorporator herein-above named, for the purpose of forming a Corporation not-for-profit pursuant to Chapter 617, of the Florida Statutes, does hereby subscribe to these Amended and Restated Articles of Incorporation, and have set my hand and seal this 5th day of December, 2001.



(SEAL)
Michael Humphries, President
Sail Harbour Homeowners' Association, Inc.

STATE OF FLORIDA)
 : SS.
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this 5th day of December, 2001, by Michael Humphries as President of Sail Harbour Homeowners' Association, Inc. on behalf of said Association, who being duly sworn according to law, deposes and says that he is competent to contract and further acknowledges that he did subscribe to the foregoing Amended and Restated Articles of Incorporation freely and voluntarily and for the purposes therein expressed. The foregoing person identified himself by producing his driver's license issued by the State of Florida.

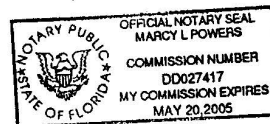

Name: _____ MARCY L. POWERS
NOTARY PUBLIC, State of Florida at Large

My commission expires:

5/20/05

(SEAL)

h:\library\continen\006408\document\amendedarticles(FINAL)-november9.vpd



Acceptance of Service As Registered Agents

The undersigned, Juan E. Rodriguez, having been named as registered agent to accept service of process for **Sail Harbour Homeowners' Association, Inc., a not-for-profit Florida corporation**, at the registered office designated in the Amended and Restated Articles of Incorporation of said Corporation, hereby agrees and consents to act in that capacity. The undersigned is familiar with and accepts the duties and obligations of Section 617.023 Florida Statutes, and will comply with the provisions of all statutes of Florida relative to the performance of his duties as registered agent.

Dated this 7th day of December, 2001.



Juan E. Rodriguez

h:\library\continen\006408\document\amendedarticles(FINAL)-november9.wpd

BY-LAWS
OF
SAIL HARBOUR
HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION. The name of the corporation is SAIL HARBOUR HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the Association shall be located at the offices of Continental Homes of Florida, Inc., 8000 Governors Square Boulevard, Suite 101, Miami Lakes, Florida 33016, or at such other places as may be subsequently designated by the Board of Directors, but meetings of Members and Directors may be held at such places within the State of Florida as may be designated by the Board of Directors.

ARTICLE II

Section 1. "Articles of Incorporation" shall mean and refer to the Amended and Restated Articles of Incorporation of Sail Harbour Homeowners' Association, Inc., all exhibits which are attached thereto and made a part thereof, and shall include such amendments, if any, as may be adopted from time to time pursuant to the terms thereof.

Section 2. "Association" shall mean and refer to Sail Harbour Homeowners' Association, Inc., its successors and assigns.

Section 3. "By-Laws" shall mean and refer to the within instrument, and shall include such amendments, if any, as may be adopted from time to time pursuant to the terms hereof.

Section 4. "Common Area" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Members of the Association and all improvements constructed thereon, including the Limited Common Area as hereinafter defined.

Section 5. "Declarant" shall mean and refer to Continental Homes of Florida, Inc., a Florida corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development or Golden West Limited Partnership, a Virginia limited partnership, or Other Developer(s) as said term is defined in the Declaration, if they elect to become a Declarant under Article XV, Section 1 of the Declaration.

Section 6. "Declaration" shall mean and refer to the Sail Harbour Declaration of Covenants, Conditions and Restrictions, its exhibits and all amendments and supplements thereto which Declaration is recorded in the office of the Clerk of the Circuit Court of Palm Beach County, Florida.

Section 7. "Development Period" shall mean the period of time until the Declarant or a successor declarant has sold the last Lot within the Property or any property annexed to the Property and becoming a part of the Property.

Section 8. The term "Institutional First Mortgagee" means a bank, or savings and loan association, or any insurance company, or credit union, or pension fund, or real estate trust, or any other party which is engaged in the business of mortgage financing, which owns or holds a first or prior mortgage encumbering a Lot, and shall include any corporate subsidiary of such entity.

Section 9. The term "Institutional First Mortgage" means a mortgage executed in favor of a bank, or a savings and loan association, or any insurance company, or credit union, or a pension fund, or a real estate trust, or any other party engaged in the business of mortgage financing, which is a first and prior mortgage encumbering a Lot.

Section 10. "Limited Common Area" shall mean and refer to those parking spaces designated as the parking spaces for a particular Lot and shall exclude those parking spaces designated for guest parking.

Section 11. "Lot" is a designated lot within the Property or any property annexed thereto and becoming a part of the Property, conveyed or to be conveyed to an Owner upon which there has been constructed or may be constructed a Townhouse.

Section 12. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 13. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest as security for the performance of an obligation.

Section 14. "Plat" shall mean The Renaissance Section 4, Plat 1 according to the Plat thereof to be recorded in the Public Records of Palm Beach County, Florida and any other plat of property which is bought under jurisdiction of the Association and

made subject to the Declaration.

Section 15. "Property" shall mean and refer the property described in Exhibit "A", and such additions thereto as may hereafter be brought within the jurisdiction of the Association and subject to the terms of the Declaration.

Section 16. "Townhome" or "Townhouse" shall mean and refer to the single family dwelling construction upon a Lot.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership for each Lot owned. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

Section 2. Suspension of Membership. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights of such Member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a Member may also be suspended, after notice and hearing, for a period not to exceed one hundred eighty (180) days for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

Section 3. Voting Rights. There shall be two classes of voting membership.

Class A. Class A Members shall be all those Owners as defined in Article III of the Declaration with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article III of the Declaration. When more than one person holds such interest in any Lot, all such persons shall be Members.

The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant Continental Homes of Florida, Inc. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Article III of the Declaration, provided that the Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- (a) when ninety percent (90%) of the Lots and Townhomes have been conveyed to third party outside purchasers; or
- (b) on December 31, 2010; or
- (c) Thirty (30) days after the Declarant Continental Homes of Florida, Inc. elects to terminate the Class B membership subject to the provisions of Article XV, Section 7 of the Declaration wherein if Declarant does not acquire the property described in Exhibit "B" of the Declaration, Declarant shall not have the right to terminate the Class B Membership without the prior written consent of Golden West and/or Other Developers (as such terms are defined in the Declaration).

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Each Member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any Member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the property. Such Member shall notify the secretary in writing of the name of any such delegate. The rights and privileges of such delegate are subject to suspension to the same extent as those of the Member.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than three (3) and no more than five (5) Directors.

Section 2. Election. Directors shall be elected at the annual meeting of the Members. At such annual meeting not less than three (3) and no more than five (5) directors shall be elected and they shall serve until the next annual meeting of the Members or until their successors are chosen or until removed in accordance with the Articles of Incorporation or these By-Laws.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignations or removal of a director, his successor shall be selected by the remaining Members of the Board and shall serve until the next annual meeting of the Members.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the directors. Any actions so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every

act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power:

- (a) To adopt and publish, from time to time, rules and regulations governing the use of the Common Area, and to establish penalties for the infraction thereof;
- (b) To exercise for the Corporation all powers, duties and authority vested in or delegated to the Common Area, which are not reserved to the membership by other provisions of these By-Laws, the Articles, or the Declaration;
- (c) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be

absent from three (3) consecutive regular meetings of the Board of Directors, except that the directors appointed by Declarant shall not be subject to this provision; and

- (d) To employ a manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors:

- (a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;
- (b) To supervise all officers, agents and employees of the Association and to see that their duties are properly performed;
- (c) As more fully provided herein and in the Declaration:
 - (1) To take into account the common expenses of the Association; and
 - (2) To send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- (d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated have been paid;
- (e) To collect delinquent assessments and penalties and to create, record and foreclose the lien securing the said assessments and to hire attorneys, accountants and other professionals to do the same;
- (f) To procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the Association;
- (g) To cause all officers or employees having fiscal

responsibilities to be bonded, as it may deem appropriate;

- (h) To cause the Common Area to be maintained by an entity other than the Association; and
- (i) To cause the exterior of the dwellings, and the lawns, fences and walls to be maintained by the Owners (except as otherwise required by the Declaration or these By-Laws).

ARTICLE IX

COMMITTEES

Section 1. The Association shall appoint an Architectural Control Committee as provided in the Declaration and a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, such as:

- (a) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Property and shall perform such other functions as the Board, in its discretion, determines;
- (b) A Publicity Committee which shall inform the Members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interest of the Association; and
- (c) An Audit Committee which shall supervise the annual audit of the Association's book and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting as provided in Article XI, Section 8 (d). The Treasurer shall be an EX OFFICIO member of the Committee.

Section 2. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties, activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE X

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held on the first Tuesday in December, 2002, or on such other date as the Board of Directors may in its judgment deem desirable or expedient, and each subsequent regular annual meeting of the Members shall be held on the date fixed by the Board of Directors, and such meetings shall commence at seven o'clock, P.M. The annual meeting of the Members shall not be held on a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote twenty-five percent (25%) of all of the votes of the entire membership or who are entitled to vote fifty-one percent (51%) of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the discretion of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-third (1/3) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE XI

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The offices of this Corporation shall be a president and a vice-president, a secretary and a treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Corporation shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or is otherwise disqualified to serve.

Section 4. Special Appointment. The Board may elect such other officers as the affairs of the Corporation may require, each of whom shall hold office for such period, have such authority, and performance of such duties as the Board may, from time to time, require.

Section 5. Resignation and Removal. Any officers may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Officers. The offices of secretary and treasurer may be held by the same person. No persons shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

PRESIDENT

- (a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

VICE-PRESIDENT

- (b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.

SECRETARY

- (c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and all of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

- (d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes; shall cause financial statements to be made of the Association's books of account at the completion of each fiscal year; shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members; and shall furnish a corporate surety bond in a sum satisfactory to the Board for the faithful performance of the duties of his office and the restoration to the Association of all books, papers, vouchers, money or other property of whatever kind in his possession or under his control, belonging to the Association. The Association shall pay all premiums for said bond.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Sail Harbour Homeowners' Association, Inc. - Non-Profit.

ARTICLE XIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XIV

AMENDMENTS

Section 1. These By-Laws may be amended, subject to the provisions of Article XV, Section 4(b) of the Declaration, at a duly called regular or special meeting of the Members, by a vote of fifty-one percent (51%) of all Members, except that, if at the time an amendment is proposed there are any mortgages encumbering any Lot insured by the Federal Housing Administration, guaranteed by the Veterans Administration, or held by the Federal National Mortgage Association then the Federal Housing Administration, the Veterans Administration or the Federal National Mortgage Association shall have the right to veto amendments while there is Class B membership, otherwise said right of veto will not exist.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

