

DECLARATION OF COVENANTS, RESTRICTIONS AND CONDITIONS FOR THE RIVERWALK COMMUNITY

THIS DECLARATION (the "Declaration") made the 22 ND day of April 1999, by CENTURY/BDV, LTD., a Florida limited partnership (the "Developer").

WITNESSETH:

WHEREAS, Developer is the owner of the real property described in Article II of this Declaration and desires to create thereon a residential community with open spaces, and other common facilities for the benefit of such community, which has been named the "Riverwalk Community" (the "Community") by the "Developer"; and

WHEREAS, Developer desires to provide for the preservation of the values of the properties within the Community; and, to this end, the Developer desires to subject the real property described in Article II, together with such additions as may be made to such real property in accordance with the provisions in this Declaration, to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of such property and each owner of such property; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values of the properties within the Community, to create an agency to which should be delegated and assigned the powers of maintaining and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, the Developer has incorporated under the laws of the State of Florida, as a non-profit corporation, RIVERWALK HOMEOWNERS ASSOCIATION, INC., for the purposes of exercising the functions stated above, which Association is not intended to be a "Condominium Association" as such term is defined and described in the Florida Condominium Act (Chapter 718 of the Florida Statutes)-

NOW, THEREFORE, the Developer declares that the real property described in Article II, and such additions to such real property as may be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE DEFINITIONS

Section 1. The following terms when used in this Declaration shall have the following meanings, unless the context provides otherwise:

(a) "Articles" means the Articles of Incorporation of the Association, a copy of which is attached to this Declaration as Exhibit "B".

(b) "Association" shall mean and refer to Riverwalk Home owners Association, Inc., whose purpose is to administer the Properties in accordance with the provisions of this Declaration and the governing documents of the Association.

(c) "Board" or "Board of Directors" means the Board of Directors of the Association.

(d) "By-Laws" means the By-Laws of the Association, a copy of which is attached to this Declaration as Exhibit "C".

(e) "Common Areas" shall mean and refer to those areas of land shown on any recorded subdivision plat of the Properties and intended to be devoted to the common use and enjoyment of the owners of the Properties in accordance with the terms of this Declaration, plus all other property designated as Common Areas in this Declaration or in any future recorded supplemental declaration, together with the landscaping and any improvements thereon. Common Areas shall include, without limitation, parking areas, recreational facilities, open spaces, roadways, walkways, sprinkler systems and street lights, if any, but shall exclude any public utility installations thereon. Land which is not owned or to be owned by the Association may be declared as Common Areas in the manner described in the preceding sentence, in which event the Association shall be responsible for the maintenance and insurance thereof as fully as if the land was owned or intended to eventually be owned by the Association.

(f) "Developer" shall mean and refer to Century/BDV, Ltd., a Florida limited partnership, its successors and such of its assigns as to which the rights of Developer hereunder are specifically assigned. Developer may assign all or only a portion of its rights hereunder, or all or a portion of such rights in connection with appropriate portions (i.e. less than all) of the Properties. In the event of such a partial assignment, the assignee shall not be deemed the Developer, but may exercise such rights of Developer specifically assigned to it. Any assignment of the Developer's rights may be made on a non-exclusive basis and may be collateral in nature.

(g) "Institutional Mortgage" means a first or second mortgage on a Lot or Living Unit held by an Institutional Mortgagee.

(h) "Institutional Mortgagee" shall mean and refer to any of the following which holds an Institutional Mortgage on a Lot or Living Unit: a bank, a savings and loan association, an insurance company, an FHA- or VA- approved mortgage lender, a pension fund, a real estate or mortgage investment trust, the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal National Mortgage Association ("FNMA"), an agency of the United States government, a mortgage banker, or any other lender generally recognized in the community as an institutional-type lender or its loan correspondent, of the Developer or a Developer-affiliated entity holding an Institutional Mortgage on a Lot or Living Unit; and the successors, assigns, insurers, or guarantors of any of the foregoing. The term "First Mortgagee, whenever used in the Land Use Documents, shall mean an Institutional Mortgagee, unless specifically stated otherwise.

(i) "Land Use Documents" shall mean this Declaration, the Articles, By-Laws, and the Rules.

(j) "Living Unit" shall mean and refer to any building or portion of a building situated upon the Properties and designed and intended for the use and occupancy as a residence by a Single Family, together with the Lot or portions of a Lot which contains the Living Unit.

(k) "Lot" shall mean and refer to that portion of land, with the exception of the Common Areas, shown upon any recorded subdivision of the Properties and which has been designated by the Developer to contain a Living Unit. For purposes of this Declaration and the other Land Use Documents, whenever more than one Living Unit is located upon a Lot, the term "Lot" shall mean "Living Unit".

(l) "Member" shall mean and refer to each Owner who is a member of the Association as provided in Article III, Section I hereof.

(m) "Notice" shall mean and refer to written notice given in the manner provided in the by-laws of the Association.

(n) "Open Space" shall mean and refer to those areas of the Properties which constitute open area, clear from the ground upward, devoid of residential and commercial buildings, accessory structures and impervious areas (except, however, those buildings used exclusively for recreational purposes), and any other areas described as Open Spaces in the Broward County Building and Zoning Code published as of the date of this Declaration.

(o) "Owner" or "Unit Owner" shall mean and refer to the record owner (including the Developer, unless specifically excluded), whether one or more persons or entities, of the fee simple title to any Lot or Living Unit situated upon the Properties; but, notwithstanding any applicable theory of law, Owner shall not mean or refer to a mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(p) "The Properties" shall mean and refer to all the "Existing Property" described in Article II, Section 1 hereof, less any withdrawals therefrom permitted by the terms of this Declaration. If and when additions to the Existing Property are subjected to this declaration under the provisions of Article II hereof, such additions shall automatically become part of the Properties.

(q) "Rules" means the rules and regulations of the Association attached hereto as Exhibit "D", any and all rules and regulations of the Association subsequently promulgated by the Board pursuant to its powers under any of the Land Use Documents, and amendments and modifications to any of the foregoing.

(r) "Single Family" means and refers to either one or more related or unrelated persons occupying a Living Unit and maintaining a common household; or two (2) or more persons related by blood, marriage, or adoption, occupying a Living Unit and maintaining a common household.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS TO SUCH PROPERTY

Section 1. Legal Description of the Existing Property.

The real property which initially is, and shall be, held, transferred, sold conveyed and occupied subject to this Declaration is located in unincorporated Broward County, Florida, and is more particularly described in Exhibit "A" attached to this Declaration. All of the foregoing real property shall sometimes be referred to as "Existing Property". The legal description of the Common Areas which constitute a part of the Existing Property is also described in Exhibit "A". Developer reserves the right to make changes and modifications to any recorded subdivision of the Existing Property and additions to such property as are required by appropriate governmental authorities.

Section 2. Additions to Existing Property.

Additional lands may become subject to this Declaration in the following manner:

(a) Additions and Withdrawals by the Developer. The Developer may from time to time bring other land and improvements under the provisions hereof and withdraw portions of the Properties and improvements from the provisions hereof by recorded amendments or supplemental declarations (which shall not require the consent of Owners or the Association or any mortgagee) and thereby add to or withdraw from the Properties. Nothing contained in this Declaration, however, shall

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obligate the Developer to add to the Existing Property. All Owners, by acceptance of a deed to a Lot or Living Unit, shall thereby automatically consent to any such change, addition or deletion thereafter made by the Developer and shall at any time evidence such consent in writing if request to do so by the Developer.

(b) Additions by Approval of Members: Without restriction upon the Developer to add to the Properties in the manner provided in the foregoing Paragraph (a), upon approval in writing of the Association pursuant to a vote of its Members as provided in its Articles of Incorporation, the owner of any property who desires to add to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may file of record a Supplemental Declaration with respect to the additional property, which shall extend the scheme of the covenants and restrictions of this Declaration to such property.

(c) Additions by Merger: Upon a merger or consolidation of the Association with another association as provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligation of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the Covenants and Restrictions established by this Declaration within the Existing Property together with the Covenants and Restrictions established upon any other property as one scheme.

(d) H.U.D. Approval: Notwithstanding anything to the contrary in this Section or other parts to the Declaration, as long as there is a Class B Membership, and the Veterans Administration (V.A.) or the Federal Housing Agency (H.U.D.) insures or guarantees any outstanding loan on a Living Unit, at the time of the annexation, or addition, or withdrawal, no lands may be annexed or added to or withdrawn from the Community without the prior written approval of the V.A. or H.U.D.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION; TURNOVER

Section 1. Membership:

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot or Living Unit which is subject by covenants of record to assessment by the Association shall be a Member of the Association, provided that any such person or entity who holds an interest merely as security for the performance of an obligation shall not be a Member.

Section 2. Voting Rights:

The Association shall have two classes of voting membership:

(a) Class "A" - Class "A" Members shall be all those owners as defined in Section 1 with the exception of the Developer. Class "A" Members shall be entitled to one vote for each Lot or Living Unit in which they hold the interest required by membership by Section 1. When more than one person holds such interest or interests in any Lot or Living Unit, all such persons shall be Members, and the vote for such Lot or Living Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot or Living Unit. The By-Laws may establish procedures for voting when the title to a Lot or Living Unit is held in the name of a partnership, a corporation, or more than one person or entity.

(b) Class "B" - Class "B" Members shall be the Developer. The Class "B" Members shall be entitled to three (3) votes for each Lot or Living Unit in which it holds the interest required for membership by Section 1, provided that the Class "B" Membership shall cease and become converted to Class "A" Membership on the happening of the earlier of either of the following events:

(i) when the total votes outstanding in the Class "A" Membership equal the total votes outstanding in the Class "B" Membership; or

(ii) January 1, 2001 or

(iii) at any earlier time that the Developer, in its sole discretion, voluntarily converts its Class "B" Membership to Class "A" Membership.

From and after the happening of the earlier of these events, the Class "B" Member shall be deemed to be a Class "A" Member entitled to one vote for each Lot or Living Unit in which it holds the interest required for Membership under Section 1.

Section 3. Turnover:

Within one hundred twenty (120) days after the happening of the earlier of the events described in Paragraph (b) of Section 2 of this Article III, the Members shall assume control of the Association and the Association shall conduct a Special Meeting of the Membership (hereinafter called "Turnover Meeting") for the purpose of electing the Board of Directors. Provided, however, that so long as the Developer is the Owner of one Lot or Living Unit governed by the Association, the Developer shall be entitled to appoint one Member of the Board of Directors. Provided, further, that for purposes of determining the votes allowed under this Article, when Living Units are counted, the Lot or Lots upon which such Living Units are situated shall not be counted.

Section 4. Additional Membership Categories:

The By-Laws may provide for additional membership categories, which categories shall not have any voting privileges. The term "Member" or "Membership" as used in the Land Use Documents shall not apply to any such additional membership categories. The By-Laws shall provide for the rights and obligations of any additional membership categories.

Section 5. General Matters.

When reference is made in any of the Land Use Documents, or otherwise, to a majority or specific percentage of members, such reference shall be deemed to be a reference to a majority or specific percentage of the votes of Members and not of the Members themselves or their Lots.

ARTICLE IV**PROPERTY RIGHTS IN THE COMMON AREAS/EASEMENT RIGHTS****Section 1. Members' Easements:**

Subject to the provisions of Section 3 and additional provisions of this Declaration, every Member, his agents, licensees and invitees, shall have a permanent and perpetual easement over and upon the Common Areas for the use and enjoyment of the Common Areas; and each easement shall be appurtenant to and shall pass with the title to every Lot or Living Unit. Such easements of enjoyment shall include, but not be limited to, the Members' right of ingress and egress over the streets, roadways and walkways of the Common Areas for purposes of access to a Lot or Living Unit. The term "invitee" when used in any of the Land Use Documents shall mean, without limitation, the tenants of an Owner.

Section 2. Conveyance of Title to the Common Areas:

The Developer may retain the legal title to the Common Areas until such time as it has completed improvements thereon and until such time, as in the opinion of the Developer, the Association is able to maintain the Common Areas. Notwithstanding any provision herein, the Developer hereby covenants for itself, its successors and assigns that it shall convey by Quit-Claim Deed (and the Association shall accept such conveyance) the Common Areas to the Association, free and clear of all liens and encumbrances, except this Declaration, and other matters of records covenants and restrictions which are common to the plat affecting the Properties, real and personal property taxes for the year in which the conveyance takes place, and any easements created or allowed by the terms of this Declaration, not later than sixty (60) days after the date of the Turnover of the Association.

Section 3. Limitation of Members' Easements:

The rights and easements of use and enjoyment of the Common Areas created by this Article IV shall be subject to the following:

(a) The right and duty of the Association to levy assessments against each Lot and Living Unit for the purpose of maintaining the Common Areas and portions of each Lot and Living Unit in compliance with the provisions of this Declaration and with any other restrictions on the Properties from time to time recorded.

(b) The right of the Association to adopt and enforce at any time and from time to time rules and regulations governing the use of the Common Areas and all facilities at any time situated thereon, including the right to fine Members as hereinafter provided. Any rules or regulation so adopted shall

apply until rescinded or modified as if originally set forth at length in this Declaration, but no amendment to this Declaration shall be required to adopt, modify or rescind any such rule or regulation.

(c) The right to the use and enjoyment of the Common Areas and facilities thereon shall extend to all permitted users' immediate families who reside with them, subject to regulation from time to time by the Association in its lawfully adopted and published Rules and Regulations.

(d) The right of the Developer to permit such persons as Developer shall designate to use the Common Areas and such other rights of the Developer as are set forth elsewhere in this Declaration.

(e) The right of the Association to suspend the voting rights and the right to use the recreational facilities for any Member or the Member's permitted users for any period during which any assessment against such Member's Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of any of the Land Use Documents.

(f) The right of the Association to charge reasonable admission and other fees for the use of the recreational facilities situated on the Common Areas.

(g) The right of the Association, by a 66 2/3% affirmative vote of the Membership, to dedicate portions of the Common Areas to the public or a public agency under such terms as the Association deems appropriate and to create or contract with special districts for lighting, roads, recreational or other services, security, or communications and other similar purposes deemed appropriate by the Association (to which such dedication, creation or contract all Owners shall be deemed to have consented by virtue of their acceptance of a deed to, or other conveyance of, their respective Lots); provided, however, that any conveyance of or encumbrance on the roadway portions of the Common Areas shall be specifically subject and subordinate to the easements of the Owners herein declared.

Section 4. Utility and Irrigation Easements:

In addition to those easements reserved as shown on recorded plats or other provisions of this Declaration, there is reserved unto the Developer and its affiliates and their designees, so long as it owns a Lot or Living Unit, and to the Association and its designees for the duration of the covenants established by this Declaration, the right to grant reasonable easements over, upon and under the Lots, Living Units and Common Areas, for the installation, maintenance and replacement of temporary roads, cable television services and other communication lines, security system services, public and private utilities (including, but not limited to, electrical and telephone services), irrigation systems (including, without limitation, the installation of irrigation pumps) and other similar underground television, radio, and security cables (and all future technological advances not now known), for service to the Lots, Living Units, or the Common Areas.

Within these easements, no structure, planting or other material may be placed or permitted to remain that will interfere with or prevent the maintenance of utilities, except at the sole risk of the applicable Owner; provided, however, that common utilities lines within the Properties shall not pass over, under or through a Living Unit and no connecting line shall run under any Living Unit other than the one it serves. The area of each Lot covered by an easement shall be maintained continuously by the Owner of the Lot, except as provided in this Declaration to the contrary and except for installations for which a public authority or utility company is responsible.

Section 5. Easement for Governmental, Health, Sanitation and Emergency Services:

A non-exclusive easement over the Lots and Common Areas is hereby granted to the appropriate governmental authorities and to the appropriate private organizations supplying health, sanitation, police services, cable television services, security services and any emergency services such as fire, ambulance and rescue services, for purposes of ingress and egress over the Common Areas.

Section 6. Easement of Maintenance of Peripheral Walls and Fences:

A five-foot wide nonexclusive easement over the Lots and Common Areas along the fences and masonry walls surrounding the Properties is hereby granted to the Association for purposes of maintenance and/or replacement of such fences and walls; provided, however, such easement shall not extend over that part of the Properties which is occupied by a building or structure erected by the Developer.

Section 7. Additional Easement Rights of Association and Owners:

Without limiting the generality of any other provision of this Declaration, portions of the Properties specified below shall also be subject to the following easements:

(a) Easements are hereby reserved and granted over each Lot and the Common Areas in favor of each other Lot and the Common Areas in order to permit drainage and run-off from each Lot and Living Unit over each other Lot and Living Unit and the Common Areas, and vice-versa. Accordingly, no Owner shall alter the grading of his Lot in such a manner that prevents or interferes with the drainage and run-off as described in the preceding sentence;

(b) All Lots, if any, on which the Developer initially installs special grading and catch basins for drainage shall be subject to an easement therefor and for the maintenance, repair and replacement of such improvements;

(c) The Owner of each Lot shall have an easement of access over and upon the portion of adjoining Lots in front of the Living Unit and the Common Areas for the purpose of allowing such Owner to maintain and repair air-conditioning compressors, air-conditioning equipment, meters and other equipment serving such Owner's Lot which may be located on such adjoining Lots and the Common Areas.

(d) If any encroachment shall exist because of construction, reconstruction, repair, shifting, settlement or moving of any portion of the Properties upon an adjoining portions of the Properties, an easement for the encroachment shall exist encumbering portions of the Properties and upon the adjoining portion of the Properties upon which the encroachment exists. In addition, an easement for the repair, painting and maintenance of the roof overhangs, exterior walls, and party walls shall exist in favor of the Association and the Owners of the encroaching Lot or Living Unit. Provided, however, no such easement shall exist for the purposes described in the preceding sentence if an encroachment results from the violation of this Declaration by a Unit Owner. The Association is granted an easement over each Lot for the purpose of enforcing the provisions of this Declaration and may go upon the Lot to remove or repair any existing cause of a violation of these provisions.

(e) In the event that the Association, after notice to the Owner and failure to cure by the Owner, does in fact exercise its right to cure a violation or defect, then all costs incident to said action by the Association shall become the personal obligation of the Owner and be imposed as a lien against the Lot or Living Unit in the same fashion as if said sums represented monies due for unpaid assessments.

(f) The Association shall have the right, but not the obligation, to enter into any Living Unit for emergency, security, and safety, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Living Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board.

Section 8. Common Areas/Real Estate Taxes/Use by Developer:

(a) It is intended and assumed that all real estate taxes assessed against the Common Areas owned by the Association shall be proportionately assessed against and payable as part of the taxes of the applicable Lots and Living Units with the Properties (the value of the Common Areas is presumed to be reflected in the assessed values of the Lots and Living Units, without any basis for adding to such assessed value). In the event, however, that any such taxes are assessed directly against the Common Areas, the Association shall be responsible for the payment of such taxes, including taxes on any improvements and any personal property located thereon and which accrue from and after the date of recordation of this Declaration, and such taxes shall be prorated between Developer and the Association as of the date of the recordation.

(b) The Developer and its designees shall have the right from time to time to enter upon the Common Areas and other portions of the Properties for the purpose of construction, reconstruction, repair, replacement and/or alteration of any improvements or facilities on the Common Areas or elsewhere on the Properties and of the Developer and its affiliates elect to effect, and to use the Common Areas and other portions of the Properties for sales, parking, displays and signs or for any other purpose during the period of the Developer's use of any portions of the Properties. Without limiting the generality of the foregoing, the Developer and its designees shall have the specific right to maintain upon any portion of the Properties, sales, administrative, construction or other offices without charge, and appropriate easements of access and use are expressly reserved unto the Developer and its designees, and its and their successors, assigns, employees, contractors and invitees, for this purpose. Any obligation to complete portions of the Common Areas shall at all times be subject and subordinate to these rights and easements and to these activities. Accordingly, the Developer shall not be liable for delays in such completion to the extent resulting from such activities.

Section 9. Maintenance.

Commencing with the date of recordation of this Declaration, and irrespective of whether the Association holds title to the Common Areas, the Association shall at all times maintain in good repair and manage, operate and insure, and shall replace as often as necessary, the Common Areas and the paving, drainage structures, irrigation, street lighting fixtures and appurtenances, landscaping, improvements and other structures (except public utilities) situated on the Common Areas, if any. All such work shall be done as ordered by the Board of Directors, at a minimum, as to avoid the incurring of any cost or expense thereof by the taxpayers of Broward County other than the Owners. Maintenance of the street lighting fixtures, if any, shall include and extend to payment for all electricity consumed in their illumination. Without limiting the generality of the foregoing, the Association shall assume all of the Developer's and its affiliates' responsibility to Broward County of any kind with respect to the Common Areas upon the conveyance thereof to the Association and shall indemnify and hold the Developer and its affiliates harmless with respect thereof.

Notwithstanding the fact that such areas may be located on Lots and/or in public rights of way, the landscaped areas along or within the rights of way of public roads shall be deemed Common Areas

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for the purpose of maintenance by the Association. The Association's maintenance duties in such regard shall include, but not be limited to, the maintenance, repair and replacement of all landscaping, grading and structures located in such areas to the extent that the City of Sunrise or Broward County is not obligated to perform such duties. All work pursuant to this Section and all expenses incurred hereunder shall be paid for by the Association through assessments (either Annual or Special) imposed in accordance herewith. No Owner may waive or otherwise escape liability for assessments by the voluntary or involuntary non-use of the Common Areas or abandonment of the right to use the Common Areas.

Section 10. Limitation on Dedication of Common Areas:

As long as there is a Class B Membership and the V.A. or F.H.A. guarantees or insures any outstanding loan on a Living Unit, no dedication of the Common Areas may be made without the prior written consent of the V.A. or the F.H.A.

ARTICLE V

COVENANTS FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments:

Except as provided elsewhere in this Declaration, the Developer, for each Lot and Living Unit now or hereafter located within the Properties, hereby covenants and agrees, and each Owner of any Lot or Living Unit, jointly and severally, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association the following types of Assessments, at the times, for the purposes, and in the manner described in this Declaration: (a) Annual Assessments; or (b) Special Assessments. The Annual and Special Assessments, together with such interest thereon, late fees, attorneys' fees and costs of collection thereof as hereinafter provided, shall be a continuing lien and charge upon the Lot or Living Unit against which such Assessment is made and shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and all subsequent Owners until paid. No owner may waive or otherwise exempt himself from liability for an Assessment, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of his Living Unit. No diminution, set-off, or abatement of an Assessment shall be claimed or allowed by reason of an alleged failure of the Association, the Developer, or the Board to take some action or perform some function required to be taken or performed by the Association, the Developer, or the Board under the Land Use Documents, or for the inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association or the Developer, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, because the obligation to pay Assessments is a separate and independent covenant on the part of each Owner. Each unit owner's share of the Association's expenses shall be proportioned as follows:

<u>Model</u>	<u>Maintenance Percentage</u>
A <u>97</u>	%
B <u>97</u>	%
C <u>97</u>	%
D <u>97</u>	%

Section 2. Purpose of Annual Assessments.

The Annual Assessments levied by the Association shall be used for maintenance of the Common Areas and for the maintenance of Lots and Living Units, reserves and taxes (if any), and to promote the health, safety, welfare and recreational opportunities of the Members of the Association and their families residing with them, their guests and tenants, all as provided for herein. Association Assessments may also be used for the reimbursement of the Developer for any sums advanced to the Association as "start-up" funds or for other purposes, but only to the extent that such sums are in excess of what the Developer is obligated to pay to the Association pursuant to Section 15 of this Article.

Section 3. Special Assessment for Specific Damages.

Any Owner other than the Developer (on his behalf and on behalf of his relatives, guests, licensees and invitees) causing damage to any portion of the Common Areas as a result of misuse, negligence, failure to maintain or otherwise, shall be directly liable to Association for such damage, and a Special Assessment may be levied therefor by the Board of Directors against such Owner and his Living Unit. The provisions of this Section 3 shall not apply to the Developer or any portion of the Properties owned by the Developer.

Section 4. Special Assessment for Exterior Maintenance and Living Unit.

The maintenance responsibilities of an Owner regarding his Lot and Living Unit is set forth in Article VIII of this Declaration. Upon the Owner's failure to maintain the exterior of his Lot or Living Unit as required by the terms of this Declaration, the Board of Directors may, at its option, after giving the Owner thirty (30) days' prior written notice sent to his last known address or the address of the Unit, make repairs and improve the appearance in a reasonable and workmanlike manner. The cost of any of the work performed by the Association upon the Owner's failure to do so shall be immediately due and owing from the Owner of the Lot or Living Unit and shall constitute a Special Assessment against the Lot or Living Unit on which the work was performed, collectible in a lump sum and secured by the lien against the Lot and Living Unit as herein provided owner of the Lot or Living Unit shall also be responsible for an additional fifteen (15%) administration fee. No bids need to be obtained by the Association for such work and the Association may designate any contractor in its sole discretion. No Special Assessment in accordance with this Section 4 shall be made against the Developer or any portion of The Properties owned by the Developer.

Section 5. Other Special Assessments.

The Association may adopt and levy Special Assessments to meet unforeseen, unbudgeted or other extraordinary expenses (including those for capital improvements); provided, however, such Special Assessment shall have the affirmative vote or written consent of the Board of Directors.

So long as the Developer owns a Lot or Living Unit within the Community, any Special Assessment levied in accordance with this Section 5 must have the prior written approval of the Developer.

Section 6. Payment Dates for Assessments:

The Annual Assessments shall commence on the date of the conveyance of the first Living Unit to a person other than the Developer or a builder holding title for construction and resale, and shall be applicable through December 31 of such year. Each subsequent Annual Assessment shall be imposed for a fiscal year ending December 31, unless otherwise changed in accordance with the By-Laws. The Annual Assessment for a fiscal year shall be payable in advance in monthly installments on the first day of each calendar month, or, if determined by the Board, in annual, semi- or quarter-annual installments. The Annual Assessment levied for any calendar year (or other twelve-month budget year that the Board may adopt in accordance with the By-Laws) may be reconsidered and amended, if necessary, every six (6) months, but the amount of any revised

Annual Assessment to be levied during any period shorter than a full calendar or other twelve-month budget year shall be in proportion to the number of months (or other appropriate installments) remaining in such calendar or budget year. The due date of any Special Assessment shall be fixed in the Board resolution authorizing such Assessment.

Section 7. Duties of the Board of Directors:

At least thirty (30) days prior to the commencement of each fiscal year, the Board of Directors of the Association shall prepare and adopt a budget of the estimated costs of operating the Association during the forthcoming fiscal year and fix the date of commencement and the amount of the Assessment against each Lot or Living Unit subject to the Association's jurisdiction. The Budget shall include reserves for future repairs and replacements to the extent required by Section 11 of this Article.

Written notice of the Annual Assessment, together with a copy of the budget for the forthcoming fiscal year, shall be sent to every Owner subject thereto at least thirty (30) days prior to the due date of the first installment thereof. In the event no such notice of a change in the Annual Assessment for a new assessment period is given, or the Annual Assessment has not been established for whatever reason, the amount payable shall continue to be the same as the amount payable for the previous period, unless changed in the manner provided for herein.

Subject to other provisions hereof, the Association and/or its agents and employees shall, upon demand at any time, furnish to any Owner liable for an Assessment a certificate in writing setting forth whether such Assessment has been paid as to any particular Lot or Living Unit. Such certificate shall be conclusive evidence of payment of any Assessment to the Association therein stated to have been paid.

The Association, through the action of its Board of Directors, shall have the power, but not the obligation, to enter into an agreement or agreements from time to time with one or more persons, firms or corporations (including affiliates of the Developer) for management services. The Association shall also have the authority, although not the obligation, to enter into insurance contracts for the properties and/or Owners as a group (including, without limitation, those for insurance of Units), provided that an Owner may remove himself from such group (and not be charged costs under the group contract) unless such Owner would nevertheless have the full benefits of the contract.

Section 8. Effect of Non-Payment of Assessment,

the Personal Obligation of the Owner; the Lien: Remedies of Association; Late Fees, Resale Certificate: If an Assessment is not paid on the date when due as specified in this Article, then such Assessment shall become delinquent and shall, together with attorneys' fees incident to the collection and irrespective of whether suit be brought, interest and late fees thereon and costs of collection thereof, all of which as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such Assessment and related interest, costs and attorneys' fees, however, shall remain his personal obligation for the statutory period. Provided, however, that no voluntary sale of any Living Unit shall be effective, nor shall any marketable title be conveyed, unless and until the seller has obtained from the proper officer of the Association or agent a certificate, in recordable form, attesting to the fact that the Seller has paid all Assessments and other outstanding amounts to date. If no such certificate is obtained and recorded, without prejudice to other remedies of the Association, the Purchaser shall be conclusively presumed to have assumed such liability for past-due Assessments. The Owner requesting the certificate shall pay to the Association a reasonable sum, as set by the Board, to cover the costs of examining records and preparing the certificate. If the Assessment is not paid within thirty (30) days after the delinquency date, the Assessment shall

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bear interest from the date of delinquency at the rate established by the Board of Directors, not to exceed the maximum legal rate of interest allowed by Florida Law be charged under the circumstances. Thereafter, the Association may bring an action at law against the Owner personally obligated to pay the outstanding Assessments and/or bring an action to foreclose the lien against the property in the same manner as mortgage liens on real property are foreclosed and to have a receiver appointed if it so requests; and there shall be added to the amount of such outstanding Assessment(s), interest and late fees thereon as provided herein, all costs of collection, including, but not limited to, late fees, administrative fees, the cost of preparing and filing the complaint in such action, the cost of all attorneys' fees incident to collection whether or not suit is brought, including attorneys' fees on appeal, and all unpaid Assessments coming due through the date of the public sale of the property. In the event a judgment is obtained, such judgment shall include interest on the Assessments as provided above and a reasonable attorneys' fee to be fixed by the Court (including attorneys' fees in connection with the appeal of such action), together with costs incident to the action. If, after any such foreclosure by the Association, the former Owner or anyone claiming through him shall remain in possession of the Unit, he shall be required to pay a reasonable rental for the Living Unit, and the Association shall be entitled as a matter of law to the appointment of a receiver to collect the same. The Board may settle or compromise any personal action or to enforce or foreclose a lien as it may deem in the best interest of the Association. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose a lien for any Periodic Assessment and/or Special Assessments, and to apply as a cash credit against its bid all sums due as provided herein, and covered by the lien enforced.

In addition to the foregoing, the Board of Directors may assess a "Late Fee of as much as \$25.00 or twenty percent (20%) of the delinquent Assessment, whichever sum is greater, for each Assessment which is more than ten (10) days delinquent, for the purposes of helping defray collection costs. Such Late Fee, at the discretion of the Board, may be charged either in addition to or in lieu of interest on the delinquent Assessment as provided above. The Board of Directors may increase the period of time an Assessment is delinquent before a Late Fee is assessed. Such late fee shall be deemed an assessment for all intents and purposes herein order.

Section 9. Subordination of the Lien to Mortgages:

The lien of the Assessments provided for in this Declaration shall be subordinate to the lien of any Institutional Mortgagee now or hereafter placed upon The Properties subject to Assessment; provided, however, that if an Institutional Mortgagee of record, or other purchaser, obtains title to such property as a result of foreclosure of the lien of such Institutional Mortgagee or as a result of a deed given in lieu of foreclosure thereof, such acquire of title and his successors and assigns shall not be liable for the Assessments by the Association chargeable to the former Owner of such property which became due and payable prior to the acquisition of title as a result of the foreclosure or deed given in lieu of foreclosure, unless such Assessments are secured by a Claim of Lien for Assessments that is recorded prior to the recording of such Mortgage. Such sale or transfer shall not relieve such property from liability for any Assessments thereafter becoming due, or from the lien of any such subsequent Assessment; provided, however, that any such Assessment shall be subordinate to the lien of an Institutional Mortgage placed upon The Properties prior to the time of the recording of such subsequent Assessment lien.

Section 10. Exempt Property: The Common Areas and all properties to the extent any easement or other interest therein is dedicated and accepted by the local public authority and devoted to the public use shall be exempted from the assessments, charges and liens created by this Declaration.

Section 11. Reserves for Future Repairs and Replacements: Unless by a majority of those members at a meeting where a quorum has been established, at a meeting of the Owners called for such purpose, the Membership votes to waive the requirement, the Association shall provide for an adequate fund for the periodic repair and replacement of the improvements to the Common Areas and those portions of the Lots and Living Units maintained by the Association. The waiver described in the first sentence of this Section shall only be valid for the budget year in which the waiver vote was obtained.

Section 12. Assignment of Claim: The Association, acting through the Board, shall have the right to assign its claim and lien rights for the recovery of any unpaid Annual Assessments and/or Special Assessments to the Developer, or to any Unit Owner or group of Unit Owners, or to any third part or for the purpose of securing loans for the benefit of the Association.

Section 13. Application of Payments and Commingling of Funds: Unless otherwise provided in this Declaration or by the V.A., F.H.A., FNMA, or F.H.L.M.C. (so long as any of these agencies holds, insures, or guarantees a mortgage on a Living Unit and requires special treatment of the funds), all sums collected by the Association from Assessments may be commingled in a single fund or divided into more than one fund, as determined by the Board. Any delinquent payment by an Owner shall be applied to late fees, interest, costs, attorneys' fees, other charges, expenses, advances and Annual Assessments or Special Assessments, in such manner and amounts as the Board determines. Unless the Board by resolution establishes otherwise, any payment made to the Association by or on behalf of an Owner shall be applied first to the oldest unpaid amount due from such Lot or Living Unit.

Section 14. Acceleration of Assessment Installments Upon Default: If an Owner shall be in default in the payment of an installment upon any Annual Assessment for more than thirty (30) days, the Board or a management firm, if such firm is engaged by the Association, may accelerate the remaining installments for the next ensuing twelve (12) month period. A notice of acceleration shall be sent to the Owner, and thereupon, the unpaid balance of the Assessment shall become due upon the date stated in the notice, which shall not be less than fifteen (15) days after the delivery or mailing of such notice.

Section 15. Effect on the Developer: Notwithstanding any provision that may be contained to the contrary in this Declaration, for as long as the Developer is the Owner of any Lot or Living Unit, the Developer shall be liable for Assessments only in accordance with this Section. Under no circumstance shall Developer be liable for all or any portion of the reserve funding until such time as the Developer has relinquished control of the Homeowners Association. The Developer shall have the option (which may be exercised as to a specific year or portion thereof and therefore changed by the Developer from time to time) of (i) paying Annual Assessments in the same manner as Class "A" Members; or (ii) being completely excused from Annual Assessments as long as the Developer funds any operating deficits during the period in which this option (ii) is in effect. The foregoing deficit funding shall be made within sixty (60) days after the end of any fiscal year in which the option (ii) was in effect and shall be computed by subtracting (i) the sum of all income of the Association (including, without limitation, assessments, fines and incidental income) and any surplus carried forward from the previous year(s) from (ii) actual operating expenses of the Association (exclusive of capital improvement costs and other extraordinary expenses). Regardless of the option selected by the Developer as stated above, there shall be credited to the Developer any sums it advances or has advanced to the Association (except those paid on behalf of other Members pursuant to separate agreements between the Developer and such Members). When all Lots and Living Units within The Properties are sold and conveyed to purchasers, neither the Developer, nor its affiliates, shall have further liability of any kind to the Association for the payment of further Assessments, deficits or contributions. Included within the concept of payment by the Developer for purposes of this Section 15 are the value of any "in kind" contribution of

services or materials or a combination of services and materials. The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or materials, or a combination of services and materials, with the Developer or other entities for the payment of its portions of any Assessment for which the Developer is liable to the Association; provided, however, the V.A. or the FHA- shall be advised of and approve of and approve of any form of subsidy contract entered into between the Developer of the Association if the V.A. or F.H.A. has guaranteed or insured any outstanding loan on a Living Unit.

Section 16. Miscellaneous: In the case of an acceleration of the next twelve (12) months' of installments of the Annual Assessment, each installment so accelerated shall be deemed, initially, equal to the amount of the then most recent delinquent installment, provided that if any such installment so accelerated would have been greater in amount by reason of a subsequent increase in the applicable budget, the Owner of the Lot or the Living Unit whose installments were so accelerated shall continue to be liable for the balance due by reason of such increase, and Special Assessments against such Lot or Living Unit shall be levied by the Board of Directors for such purpose.

In addition to the rights of collection of Assessments stated in this Article, any and all persons acquiring title to or an interest in a Lot or Living Unit as to which the Assessment is delinquent, including without limitation persons acquiring title by operation of law and by judicial sales, shall not be entitled to the occupancy of such Lot or Living Unit or the enjoyment of the Common Areas until such time as all unpaid and delinquent Assessments due and owing from the selling Owner have been fully paid and no sale or other disposition of Lots or Living Units shall be permitted until an estoppel letter is received from the Association acknowledging payment in full of all Assessments and other sums due; provided, however, that the provisions of this sentence shall not be applicable to the mortgagees and purchasers contemplated by Section 9 of this Article.

Failure of the Association to send or deliver bills or assessment notices shall not relieve Owners from their obligations hereunder.

Without limiting the generality of any other Section of this Article V, the rights set forth in this Section shall be cumulative and in addition to all other rights of the Association in such regard, whether at law or in equity and whether stated in this Declaration or not. If Assessments, interest, fines, attorney's fees and other sums provided for herein shall accrue to the benefit of the Association.

Section 17. Capital Contributions: Upon the acquisition of title to a Living Unit by the first purchaser of such Living Unit other than the Developer or an Owner who purchases a Lot solely for purposes of constructing a Living Unit thereon for resale, a contribution shall be made by or on behalf of such purchaser to the working capital of the Association in an amount equal to one-sixth (1/6) of the amount of the Annual Assessment per Living Unit for the fiscal year in which the acquisition occurs. The amount of the contribution shall be used for start-up and operating expenses and for other purposes stated in Section 2 of this Article.

ARTICLE VI

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Members of the Committee:

The Board is authorized, but not required, to establish an Architectural Control Committee (sometimes referred to in this Declaration as the "ACC"). In the event that the Board chooses not to establish such a Committee, the powers and duties of the ACC shall remain in the control of the Board; and in such event, any approval required by the ACC in the Land Use Documents shall be given by the Board. The Architectural Control Committee, if established by the Board, shall consist of no less than three (3) members and no more than seven (7) members. The initial members of the ACC shall consist of persons designated by the Developer. Each of said persons shall hold office until all Living Units planned for the Community have been constructed and conveyed, or sooner at the option of the Developer. Thereafter, each new member of the ACC shall be appointed by the Board of Directors and shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided herein. Members of the ACC may be removed at any time without cause. The Board of Directors shall have the right to appoint and remove all members of the ACC.

Section 2. Review of Proposed Construction:

Subject to Section 9 below, no building, fence, wall basketball or playground equipment or other structure or improvement (including landscaping) shall be commenced, painted, erected or maintained in the Community, nor shall any addition, change or alteration visible from the exterior be made, nor shall any awning, canopy or shutter be attached to or placed upon outside walls or roofs of buildings or other improvement, until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to, and approved in writing by, the ACC. The ACC 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 Community as a whole, and that the appearance of any structure affected thereby will be in harmony with the surrounding structures and is otherwise desirable. The ACC 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 ACC may also issue rules or guidelines setting forth procedures for the submission of plans for approval. The ACC 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. Upon receipt by the ACC of any required plans and specifications, the ACC may postpone review of any plans submitted for approval. The ACC shall have forty-five (45) days after delivery of all required materials to approve or reject any such plans, and if not rejected within such 45-day period, said plans shall be deemed approved. The ACC herein shall be the ultimate deciding body and its decisions shall take precedence over all others. All changes and alterations shall also be subject to all applicable permit requirements and to all applicable governmental laws, statutes, ordinances, rules, regulations, orders and decrees. Any decision of the ACC may be appealed to the Board within fifteen (15) days from the date of rendition of the decision of the ACC pursuant to procedures established by the Board.

Section 3. Meetings of the ACC:

The ACC shall meet from time to time as is necessary to perform its duties hereunder. The ACC may from time to time, by resolution unanimously adopted in writing, designate an ACC representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the ACC, except the granting of variances pursuant to Section 8 hereof. In the absence of such designation, the vote of any two (2) members of the ACC shall constitute

an act of the ACC.

Section 4. No Waiver of Future Approvals:

The approval of the ACC 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 ACC, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters whatever subsequently or additionally submitted for approval or consent.

Section 5. Compensation of Members:

The members of the ACC shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder. The ACC, however, shall have the power to engage the services of professionals for compensation for purposes of aiding the ACC in carrying out its functions.

Section 6. 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 under this Article VI, the applicant (the "Applicant") shall give written notice of completion to the ACC.

(b) Within sixty (60) days thereafter, the ACC or its duly authorized representative may inspect such improvement. If the ACC 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 sixty-(60-) day period, specifying the particulars of noncompliance, and shall require the Applicant to remedy the same.

(c) If, upon the expiration of thirty (30) days from the date of such notification, the Applicant shall have failed to remedy such noncompliance, the Committee shall notify the Board in writing of such failure. The Board shall then determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the 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 the Applicant does not comply with the Board ruling within such period, the Board, at its option, may either remove the non-complying improvement or remedy the noncompliance, and the Applicant shall reimburse the Association, upon demand, for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Applicant to the Association, the Board, shall levy a Special Assessment against such Applicant for reimbursement.

(d) If for any reason the ACC fails to notify the Applicant of any noncompliance within sixty (60) days after receipt of said written notice of completion from the Applicant, the improvement shall be deemed to have been made in accordance with said approved plans.

Section 7. Non-Liability of ACC Members:

Neither the ACC nor any member thereof, nor its duly authorized ACC representative, nor shall any professionals retained by the ACC shall be liable to the Association or to any Owner or any other person or entity for any loss, damage or injury arising out of or in any way connected with the performance or nonperformance of the ACC's duties hereunder, unless due to the willful misconduct or bad faith of a member and only that member shall have any liability. The ACC shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration or addition solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and to the Community. The ACC shall take

into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes.

Section 8. Variance:

The ACC 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 require. Such variance must be evidenced in writing which must be signed by at least two (2) members of the ACC. 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 matters for which the variances are granted. The granting of such variance shall not, however, 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 premises, including, but not limited to, zoning ordinances and setback lines or requirements imposed by any governmental or municipal authority, nor to obtain a similar variance from other architectural committees having jurisdiction.

Section 9. Developer's Exemption:

Developer shall be exempt from the provisions hereof with respect to alterations and additions desired to be effected by Developer and shall not be obligated to obtain ACC approval for any construction or changes in construction which the Developer may elect to make at any time.

Section 10. Attorneys' Fees:

For all purposes necessary to enforce this Article, the Association shall be entitled to collect reasonable attorneys' fees, court costs and other expenses against the Owner of the Lot or Living Unit, whether or not litigation is instituted, and the Board may assess such amounts in the form of a Special Assessment.

Section 11. Rules or Guidelines:

The ACC shall have the power, but not the obligation, to promulgate written rules or guidelines with respect to any provision set forth in this Article VI or in Article IX of the Declaration or in any other provision of the Land Use Documents which provides for or requires the approval of the ACC. In the event that the ACC promulgates such written rules or guidelines, they shall provide in detail the types of buildings, structures, additions; changes or other alterations which shall be acceptable to the ACC without the necessity of obtaining the approval of the ACC, provided such addition, change, modification or alteration strictly complies with such written rules or guidelines.

ARTICLE VIII

INSURANCE

Section 1. Property Insurance:

(a) Living Units: The Association shall purchase and maintain at all times, a policy of fire, hazard, casualty and extended coverage insurance, naming the Developer and the Association for itself and as agent for the Owners, for all Living Units and related improvements, as originally constructed and equipped, situated on or about the Living Units, in an amount not less than the maximum insurable replacement value thereof excluding land, foundation and excavation. Any

such policy shall afford coverage against loss, damage or destruction by fire or other hazard or casualty as may be covered by a standard extended coverage endorsement, and all other such risks as may be covered with respect to buildings, improvements and other items similar in nature, construction, location or use, including, but not limited to, theft, vandalism, malicious mischief and windstorm. Improvements and betterments made by the individual Unit Owners shall be excluded from the required coverage; but each Owner shall have the right to obtain additional coverage for such improvements and betterments at his own expense. Also excluded from the required coverage are those portions of the Living Units lying within the planes formed by the interior finished surfaces of the walls, floors and ceilings.

(b) Common Areas: The Association shall purchase and maintain at all times a policy of property insurance, naming the Association and the Developer as insures and covering the Common Areas and any improvements, buildings, fixtures, personal property, and equipment, supplies and materials located on and used in connection with the operation of the Common Areas, in an amount not less than the maximum insurable replacement value thereof, excluding land, foundation, excavation and other items normally included from such coverage. Such coverage shall afford protection against loss, damage or destruction by fire, and other hazard or casualty as may be covered by a standard extended coverage endorsement, and all other such risks as may be covered with respect to buildings, improvements and other items similar in nature, construction, location or use, including, but not limited to, theft, vandalism, malicious mischief, and windstorm.

Section 2. Flood Insurance:

In the event The Properties are located within an area that has been designated a special flood zone, as defined by the Federal Emergency Management Agency, the Association shall purchase and maintain at all times a policy of flood insurance, naming the Developer and the Association (for itself and as agent for the Owners, when Living Units are insured) as insures, and covering the Common Areas and any improvements, buildings, fixtures, personal property, equipment, supplies and materials located on and used in connection with the operation of the Common Areas. If practicable and to the extent available, the Association shall also purchase and maintain a policy of flood insurance, naming the Developer and the Association (for itself and as agent for the Owners), covering all Living Units and related improvements as originally constructed and equipped. In the event that it is not practicable for the Association to obtain flood insurance for the Living Units, then each Owner shall purchase and maintain a similar policy as described in the preceding sentence covering his Unit. The coverage shall be in an amount not less than the lesser of (a) the maximum coverage available under the National Flood Insurance Program for all buildings and other improvements located on any portion of The Properties that falls within a designated special flood zone; and (b) one hundred percent (100%) of the current replacement cost of such improvements, buildings and other insurable property.

Section 3. Liability Insurance:

The Association shall purchase and maintain a policy of comprehensive general liability insurance, naming the Association and the Developer as insures. The coverage shall be in an amount not less than one million dollars (\$1,000,000.00) for bodily injury, death and property damage arising out of a single occurrence. Coverage shall include liability of the Association and Developer for bodily injury, death and property damage; and, where applicable and available and commonly required by private mortgage investors for developments similar in construction, design, and use, and if desired by the board of Directors the following: bailee's liability, garage keeper's liability, host liquor liability, and contractual liability. An Owner is responsible for purchasing and maintaining, at his own expense, a policy of comprehensive general liability insurance providing coverage related to the ownership of his Living Unit, if he desires such coverage.

Section 4. Personal Property Insurance;

Living Units: AN OWNER IS ENCOURAGED TO PURCHASE AND MAINTAIN AT HIS OWN EXPENSE, POLICIES OF INSURANCE COVERING LOSS, THEFT, DAMAGE OR DESTRUCTION OF OR TO PERSONAL PROPERTY CONTAINED IN HIS LIVING UNIT OR ANY PORTIONS OF THE LIVING UNIT NOT INSURED BY POLICIES MAINTAINED BY THE ASSOCIATION.

Section 5. Fidelity Insurance:

The Association shall purchase and maintain a policy of insurance or fidelity bond, naming the Association as the insured or as the obligee, to protect the Association against the wrongful acts or omissions of any officer, director, trustee, agent or employee of the Association and all other persons who handle or are responsible for handling funds of, or funds administered by, the Association. Any such policy or bond shall be in an amount determined by the Board of Directors, in their best business judgment, but in no event shall the amount of any such policy or bond be less than three months' portion of the Annual Assessments plus reserves on hand at any time for the current year during the term of each such policy or bond. The bond or policy shall contain waivers by the issuer of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms and expressions. Where the management agent has the responsibility for handling or administering funds of the Association, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association.

Section 6. Workers' Compensation Insurance:

Workers' Compensation insurance, and other mandatory insurance, when applicable, shall be obtained so as to meet the requirements of law.

Section 7. Distribution of Proceeds: Reconstruction of Buildings and Improvements; Insurance Trustee:

All insurance policies purchased by the Association shall provide that all proceeds covering property losses shall be paid to an Insurance Trustee and distributed in the manner set forth in this Section 7. The Insurance Trustee shall be the Board of Directors or its designee, unless the Veterans Administration, the Federal Housing Administration, or the Federal National Mortgage Association holds an outstanding mortgage on a Living Unit, in which event the Insurance Trustee shall be a person required by any one of these Institutions.

Distribution of Proceeds Received by the Association:

All proceeds received for any loss, damage or destruction of any building, improvement, landscaping, equipment, supplies or materials located on and used in connection with The Properties, shall be utilized to repair, replace or reconstruct any such building, improvement, landscaping, equipment, supplies or materials. Any difference between the amount of insurance proceeds received and the amount required to complete the repair, replacement or reconstruction shall be an expense of the Association for which the Association shall levy a Special Assessment against all Owners to obtain that difference within forty-five (45) days from the date the loss, damage or destruction occurred. Any repair, replacement or reconstruction that is the responsibility of the Association as provided in this Declaration shall be substantially in accordance with the plans and specifications of the original building or improvement, or as the building or improvement was last repaired or reconstructed, and shall be of similar quality and value in the case of equipment, personal property, landscaping, supplies or materials as that previously purchased and maintained by the Association; provided, however, that such repair, replacement or reconstruction shall be modified when necessary to conform with the then current restrictions, ordinances and codes of any government entity that has jurisdiction over the use and occupancy of The Properties.

Association as Agent: The Association, through its Board of Directors, is hereby irrevocably appointed agent, with full power of substitution, for each Unit Owner and for each Owner of any other insured interest in The Properties, to adjust all claims arising under insurance policies purchased by the Association, to bring suit thereon in its name and/or in the name of the other insured, to deliver releases upon payment of claims, to compromise and settle such claims and otherwise to exercise all of the rights, powers and privileges of the Association and each Owner or any other holder of an insured interest in The Properties under such insurance policies; provided, however, the actions of the Association shall be subject to the approval of any Institutional Mortgagee holding an Institutional Mortgage encumbering a Living Unit affected.

Developer's Discretion: Notwithstanding anything to the contrary stated in this Article VII, so long as the Developer owns one hundred percent (100%) of the Living Units subject to the Declaration, it shall be in the Developer's sole discretion as to whether to rebuild, repair or reconstruct any loss, damage or destruction to the Living Units, the Common Areas, or any portion thereof.

Section 8. Estimates for Repair, Replacement, or Reconstruction:

In the event any loss, damage, or destruction occurs that is covered by an insurance policy purchased and maintained by the Association pursuant to the terms of this Declaration, the Association shall, immediately after the occurrence of such loss, damage or destruction, obtain a reliable, detailed estimate of the cost to place the damaged property in as good a condition as that which existed immediately prior to the loss, damage or destruction. The Association shall establish a separate account with a bank or savings and loan association located in Broward County, Florida, and shall deposit into such account all insurance proceeds and any Special Assessments collected by the Association by virtue of the occurrence of any loss, damage or destruction as provided in this Declaration. Disbursements from such account shall be made in the manner provided in this Article VII as the required repair, replacement and reconstruction progresses.

Fund Disbursements: The Association shall make payments for such repair, replacement or reconstruction upon the written request for a disbursement by the person or entity responsible for the repair, replacement or reconstruction, which in the case of the repair, replacement or reconstruction of a building or other improvement, shall be accompanied by an appropriate certificate signed by the architect, engineer or contractor in charge of such repair, replacement or reconstruction stating (A) that the requested payment has either been made or is justly due, and certifying that the payment requested does not exceed the value of the services and materials already in place pursuant to such repair, replacement or reconstruction; (B) that, except for the payment requested, there are no outstanding payments for the repair, replacement or reconstruction being performed which may provide a basis for a vendor's or mechanic's lien; (C) and that the cost of the repair, replacement or reconstruction to be done subsequent to the date of such certificate does not exceed the amount of funds remaining in the repair, replacement and reconstruction fund after the requested payment is made. **Balance Remaining in Fund:** If there is a balance in the repair, replacement and reconstruction fund after the Association has made all payments for any such repair, replacement or reconstruction pursuant to the terms of this Declaration, the Association shall be entitled to retain such balance and add it to the Association's reserve; provided, however, that in the event Special Assessments were collected and utilized for such repair, replacement or reconstruction, then a majority vote of the Owners, at a special meeting called for that purpose and held in accordance with the terms and provisions of the By-laws, shall determine whether the balance shall be retained by the Association and added to the Association's reserves, or shall be returned pro rata to the Owners who paid such Special Assessments.

Deductibles: Any policy may contain a deductible which, is reasonable for the market place. Provided, however, that the deductible for property damage, for loss to individual Living Units, shall not exceed the lesser of one thousand dollars (\$1,000.00) or one percent (1%) of the Living Unit's

insurable value; and the deductible for Common Areas shall not exceed the lesser of ten thousand dollars (\$10,000.00) or one percent (1%) of the applicable amount of coverage. Provided, further, that deductibles for Flood Insurance may not exceed the lesser of five thousand dollars (\$5,000.00) or one percent (1%) of the amount of coverage as to Living Units, and the less of five thousand dollars (\$5,000.00) or one percent (1%) of the applicable amount of coverage for Common Areas. Funds for the deductibles described in the two preceding sentences must be included in the reserves of the Association. In the event of damage to property, the deductible shall be paid by the party who would be responsible for the repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

Section 9. Developer Named as Insured:

Whenever the Association is required to purchase and maintain a policy of insurance or bond which shall, according to the terms of this Article VII, name the Developer as an insured, such obligation to name the Developer as an insured shall cease upon the later of the Developer's conveyance of title to the last Living Unit owned by the Developer or the conveyance of the Common Areas to the Association.

Section 10. Mortgagee Endorsements:

In the event a mortgage endorsement has been issued to any Living Unit, the share of the Owner of any such Living Unit shall be held in trust for the mortgagee as its interest may appear; provided, however, that no mortgagee shall have the right to apply or have applied any insurance proceeds towards the reduction of its mortgage debt. All mortgagees agree to waive the rights to any insurance proceeds if they are used pursuant to the provisions of this Declaration to pay for the restoration of such damage; provided, however, that the Owner shall deposit sufficient additional funds with the mortgagees to assure full completion of any such restoration prior to the expenditure of any insurance proceeds. All covenants contained herein to the benefit of any mortgagee may be enforced by such mortgagee. Nothing contained herein, however, shall be construed as relieving the Owner of his duty to reconstruct damage to his Living Unit as heretofore provided.

Section 11. Additional Provisions of Policies:

(a) The Board of Directors shall utilize every reasonable effort to secure policies that will provide the following:

(i) In no event shall such insurance be brought into contribution with insurance purchased by the Owners or their mortgagees; and

(ii) Coverage shall not be prejudiced by any act or neglect of any Owner when such act or neglect is not within the control of the Association, or the failure of the Association to comply with any warranty or condition with regard to any portion of the premises over which the Association has control; and

(iii) Coverage may not be canceled, renewed, or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to any and all insureds named therein and to all Institutional Mortgagees; and

(iv) The insurer will supply upon request one copy of each of such policies, or a certificate evidencing each such policy and the amounts and types of coverage, and all endorsements thereon, to each Institutional Mortgagee of a Living Unit covered by the policy, except that such copies or certificates need not be furnished more than ten (10) days prior to the beginning of the term of the policy that is being renewed or replaced, whichever date shall occur first; and provided further, that such certificates of insurance must contain the information required in Paragraph (iii)

above to be stated in the policy, include a statement as to the amounts and types of coverages afforded, indicate by descriptive name any special endorsements to the policy, and be executed by an authorized company representative; and

(v) A waiver of subrogation by the insurer as to any and all claims against Owners, the Association, and their respective agents, representatives, employees, licensees, family members, invitees, tenants and guests and a waiver of all defenses based upon co-insurance or upon invalidity arising from the acts of the insured; and

(vi) The policy may not be jeopardized, canceled, or substantially modified without at least thirty (30) days' prior written notice to the Board of Directors and all Institutional Mortgagees; and

(vii) The policy cannot be canceled, invalidated, or suspended on account of the conduct of any director, officer, or employee of the Association or the managing agent without a prior demand in writing delivered to the Association and to all mortgagees of Units to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured; and

(viii) A waiver by the insured of its rights to repair, and reconstruct, instead of paying cash; and

(ix) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Broward County, Florida, areas; and

(x) All policies shall be written with a company licensed to do business in Florida which holds a Best's rating of B or better and is assigned a financial size category of III or larger, as established by A.M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating, or any other company licensed to do business in Florida which meets the minimum requirements of FNMA.

(xi) The policy may be part of a master insurance policy.

(b) All policies of property insurance shall provide that, notwithstanding any provisions thereof which gives the insurer the right to restore the damage in lieu of making a cash settlement, such election shall not be exercisable without the prior written consent of the Association or the Insurance Trustee, whichever of them is entitled to receive the proceeds of the insurance, or when such election would be in conflict with any requirement of law. Such policies shall insure all of the Common Areas, and the Living Units, including, where practicable, all fixtures, installations, or additions comprising that part of the improvements within the unfinished Living Units initially installed or replacements thereof, in accordance with any plans and specifications by the Developer with Broward County, Florida, as of the date of completion of the Living Unit by the Developer, whether or not such improvements and fixtures are part of a Living Unit. Such policies and endorsements thereon shall be deposited with the Insurance Trustee or the Association.

(c) All casualty insurance policies, to the extent available, shall include an "Agreed Amount Endorsement", or its equivalent, and a "Demolition Endorsement", or its equivalent, allowing for coverage of the cost of demolition in the event of destruction and the decision not to rebuild. The policy shall also include an "Increased Cost of Construction Endorsement". The policies may contain reasonable deductibles, and the amount thereof shall be added to the face amount of the policies in determining whether the insurance equals at least full replacement cost. The coverage of these policies shall afford protection against:

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

(ii) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as The Properties.

Section 12. Payment of Premiums:

All premiums for insurance coverage obtained by the Association shall be part of the Annual Assessments of the Association.

Section 13. Review of Insurance Coverages: The Association shall, at least annually, review the adequacy of the insurance coverages required pursuant to this Declaration and shall make a determination as to the adequacy of the amounts and types of coverage then in effect.

ARTICLE VIII

MAINTENANCE RESPONSIBILITIES OF THE OWNER AND THE ASSOCIATION

Section 1. Preamble:

The Responsibility of the maintenance of The Properties is divided between the Association and the Owners. Interior maintenance of Living Units is the responsibility of the Owners. Maintenance of the exterior of Lots or Living Units is primarily the responsibility of the Association to the extent described in the next Section of this Declaration. The maintenance of the Common Areas is the responsibility of the Association. The Board of Directors has the right to require the Members to maintain response their portions of their Lots or Living Units not maintained by the Association in a manner befitting the standards of the Community. After notice by the Board of Directors to correct deficient maintenance on their Lots of Living Units, if said deficiencies remain uncured, then the Board of Directors shall have the right to hire maintenance people to perform maintenance work as shall be prescribed by the Board of Directors and for this purpose the members grant unto the Board of Directors, its agents, employees, and all others designated by the Board of Directors, the right to enter upon the Lot or Living Unit of the Members for the purpose of completing such maintenance work, all without liability or responsibility, criminal or civil, for trespass or any other action. The cost of such work required by the Board of Directors to cure maintenance deficiencies shall be an assessment against the Lot or Living Unit of the deficient Member as provided in Section 2 hereof.

Section 2. Exterior Maintenance:

Responsibility of the Association: The Association shall maintain and keep in good repair the exterior portions of each Living Unit, including, but not limited to, paint of exterior surfaces and maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements situated upon such areas. Such exterior maintenance shall include glass surfaces and exterior light fixtures located on the Lot or Living Unit.

The exterior portions of a Living Unit shall specifically include, without limitation: all and walkways and landscaped areas within the boundaries of the Living Unit, excluding landscaped areas, if any, within any fenced or walled area or courtyard of the Unit; all fences and walls shared by two (2) or more Living Units and all fences and walls visible from the street; and the building exteriors, roof, gutters and downspouts of each Unit. For purposes of this section, the term "building exterior" shall only refer to the outer finished surface of the building; the term "roof" shall refer to all portions of

the roof above the plane formed by the upper surface of the roof supports, including the roof decking, sheathing, and roof tile or shingles. Unless otherwise set forth in this Declaration, any expenses incurred by the Association in the performance of its maintenance responsibilities hereunder which benefit one or more but less than all Living Units shall be assessed solely against the Units which receive the benefit.

In the event that the need for maintenance, repair, or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner, his or her family, guest, lessees, or invitee, and is not covered or paid for by insurance, in whole or in part, the Association may perform the repair, replacement, or maintenance at the Owner's sole cost and expense, and all costs thereof shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Living Unit in the same manner as a Special Assessment.

The Association may, in the discretion of its Board, assume the maintenance of the Owners within any one or more buildings which are part of The Properties. In such event, all costs of such maintenance shall be assessed only against those Living Units which are part of the building(s) to which the services are provided. This assumption or responsibility may take place either by contract or agreement or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community standard for The Properties.

(b) Responsibility of the Unit Owner: The Owner, except as contemplated specifically herein, shall maintain the structures and grounds not maintained by the Association on each Lot at all times in a neat and attractive manner as provided elsewhere herein. Upon the Owner's failure to do so, the Association may at its option, after giving the Owner five (5) days written notice sent to his last known address, or to the address of the subject premises, have that portion of the grass, weeds, shrubs and vegetation which the Owner is to maintain cut when and as often as the same is necessary in its judgment, and dead trees, shrubs and plants removed from such Lot, and other areas resodded or landscaped, and all expenses of the Association under this sentence shall be a lien and Special Assessment charge against the Lot on which the work was done and shall be the personal obligation of all Owners of such Lot. Upon the failure of the Owner to perform any maintenance required of the Owner hereunder, including but not limited to maintenance of the exterior doors (including, without limitation, the garage door) and windows, the Association, may at its option, after giving the Owner thirty (30) days written notice sent to his or its last known address, make repairs and improve the appearance in a reasonable and workmanlike manner. The cost of any of the work performed by the Association upon the Owner's failure to do so shall be immediately due and owing from the owner of the Lot and shall constitute a Special Assessment against the Lot(s) on which the work was performed, collectible in a lump sum and secured by the lien against the Lot(s) as herein provided. No bids need to be obtained by the Association for any such work and the Association shall designate the contractor in its sole discretion.

Section 3. Access at Reasonable Hours:

For the purpose solely of performing the exterior maintenance authorized by this Article, the Association through its duly authorized agents or employees shall have the right, after reasonable notice to the Owner, to enter upon the exterior of any Lot or Living Unit at reasonable hours on any day except Sunday.

Section 4. Dissolution of Association:

In the event of the dissolution or termination of the Association, the Board of County Commissioners shall not be obligated to carry out the maintenance obligations of the Association unless such obligations are undertaken by way of a resolution by the Board of County Commissioners of Metropolitan Broward County.

Section 5. Management Services:

The Association may contract for the management of all or part of The Properties for purposes of carrying out all or a portion of the maintenance services provided for in this Declaration. The provisions of any management contract must meet the minimum requirements of FNMA/FHA.

Section 6. Utility Services:

The Association may contract with public or private utility companies for purposes of supplying utility services to The Properties and may assess the costs and expenses charged by such utility companies as part of the Annual Assessments or as a Special Assessment.

Section 7. Maintenance of Peripheral Walls and Fences:

Any walls or fences which are a part of the Community and surround portions of the Community shall be maintained by the Association. An easement for such maintenance purposes has been granted to the Association in Article IV, Section 7 of this Declaration.

ARTICLE IX

PERMITTED AND PROHIBITED USES

Section 1. Applicability:

The provisions of this Article IX are applicable to all of The Properties, but they are not applicable to the Developer or property owned by the Developer, as long as the Developer holds title to The Properties. The Developer is extended the right to enter upon The Properties at any time and in any way reasonably necessary to allow the Developer to develop, construct, sell or promote the Riverwalk Community, or to carry out its obligations to Owners within the Community.

Section 2. Driveways:

The driveways shall be maintained in the style originally established by the Developer.

Section 3. Clothes and Drying Facilities:

Clothing, laundry or wash shall not be aired or dried on any portion of The Properties, except within Living Units and none of the items are visible from outside the Living Unit.

Section 4. Antennas:

No exterior antennas, aerials, satellite dishes, video reception devices or other apparatus for the transmission of television, radio, or other signals of any kind shall be placed, allowed, or maintained upon any portion of The Properties, including any Living Unit, without the prior written consent of the Board or its designees. The Developer and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna or cable system for the benefit of all or a portion of The Properties, should any such master system or systems be utilized by the Association and require any such exterior apparatus.

Section 5. Nuisances:

No Living Unit shall be used, in whole or in part, for the storage of any property or thing that will cause such Living Unit to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any Living Unit that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity or the occupants of surrounding property. No noxious, offensive, or unlawful activity shall be carried on upon any Living Unit, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any property adjacent to Living Unit, nor shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of The Properties.

Section 6. Temporary Structures:

No Structure of a temporary character, or trailer, tent, mobile home or recreation vehicle, shall be permitted on or to be stored at the Properties at any time or used at any time as a residence; either temporarily or permanently. Provided, however, this sentence shall not preclude the use of cooking grills manufactured for outdoor use, as long as such grills otherwise comply with the provisions of this deed.

Section 7. Mailboxes:

No mailboxes or paper box or other receptacle of any kind for use in the delivery of mail or newspapers or magazines or similar material shall be placed upon any Lot or Living Unit. All mail shall be deposited and received at one or more central locations established by the Developer or the Board or as may be required by the United States Postal Service.

Section 8. Games and Play Structures:

No basketball/backboard nor any other fixed game play or structure, platform, doghouse, play house or structure of a similar kind or nature shall be constructed on any Lot located in front of the rear lawn of the residence constructed thereon, and any such structure must be approved in advance by the ACC.

Section 9. Fences and Walls:

No fence or wall shall be constructed on any Lot without the prior written approval of the ACC. The ACC shall require the composition of any fence or wall to be consistent with the material used in any home, surrounding homes or any other fences, if any.

Section 10. Pets, Livestock and Poultry:

No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot or in any Living Unit, except no more than two (2) household pets may be kept, provided they are not kept, bred or maintained for any commercial purpose, and provided that they do not become a nuisance or annoyance to any neighbor. All household pets shall not be permitted on Common Areas unless held by a responsible person or on a leash. No dogs or other pets shall be permitted to have excretions on any Common Areas, except areas designated by the Association, and Owners shall be responsible to clean up any such improper excretions. For purposes hereof, "household pets" shall mean dogs, cats and domestic birds and fish. Pets shall also be subject to applicable Rules and Regulations as may be adopted by the Board.

Section 11. Visibility at Intersection:

No obstruction to visibility at street intersections or intersections of the Common Areas shall be permitted.

Section 12. Landscaping:

A Unit Owner may not modify the type or style of landscaping contained on a Lot without ACC approval.

Section 13. Signs:

No sign of any nature shall be erected or displayed upon any Lot or Living Unit without the prior written approval of the size, shape, content and location thereof has been obtained from the ACC, which approval may be arbitrarily withheld, except that withholding of consent by the ACC for advertising and promotion of The Properties shall not be arbitrary or unreasonable. No "for sale" signs may be erected or displayed upon any Lot or Living Unit While the Developer continues to have Units for sale.

Section 14. Commercial Activities:

No Lot or Living Unit shall be used or occupied for any purpose other than as a residential dwelling by a Single Family, its household servants and guests. No business or commercial building shall be erected on any Lot, nor shall any business be conducted on any part thereof. This provision, however, shall not prohibit the Association from acquiring any Lot within The Properties for such purpose as it may be deem necessary or beneficial for the Members, including, but not limited to, recreational purposes.

Section 15. Air conditioning Units and Reflective Materials:

No air conditioning units may be mounted through windows or wall or in any other location which is visible from any portion of the Common Areas. No building shall have any aluminum foil placed in any window or glass door or any reflective substance or other materials (except standard window treatments) placed on any glass, except such as may be approved by the ACC for energy conservation purposes. Any "solar" film placed upon windows shall be non-reflective and either gray or bronze in color.

Section 16. Exterior Alterations:

No structural changes, exterior color changes, or alterations shall be made or added to any building or Living Unit without approval of the ACC.

Section 17. Destruction of a Building : In the event that any building is destroyed by or removed for any cause whatsoever, any replacement must be with a building of a similar size and type. The plans and specifications for any new building must be approved, in writing, by the ACC.

Section 18. Oil and Mining Operation:

No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in the Properties, nor on dedicated areas, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in the Properties. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any portion of the land subject to these restrictions.

Section 19. Parking Spaces and Prohibited Vehicles:

Vehicles which are not prohibited by the Land Use Documents shall be permitted to park only in the garages or in the driveways serving the Living Unit or appropriate spaces or designated areas. Parking spaces which are located exclusively on the Common Areas may be used for temporary parking on a first-come first-serve basis. No commercial vehicles of any kind, no vehicles with greater than four (4) wheels, commercial vehicle campers, mobile homes, motor homes, house trailers or trailers of every other description, recreational vehicles, boats, boat trailers or horse trailers, (Collectively the Prohibited Vehicles"), shall be permitted to be parked or to be stored at any

place on the Properties, nor in dedicated areas. Motorcycles, scooters and bicycles are permitted, however, they must be stored within the garage of the Living Unit. This prohibition of parking shall not apply to temporary parking of trucks and commercial vehicles, such as for pick-up and delivery and other commercial services, nor to vans or trucks of personal use (with no commercial markings and with a length no greater than twenty (20) feet with a base no greater than six (6) feet which are in acceptable condition in the sole opinion of the Board (which favorable opinion may be changed at any time), nor to any vehicles of the Developer or its affiliates and designees. Any Prohibited Vehicle parked in violation of these or other restrictions contained herein or in the Rules and Regulations may be towed by the Association at the sole expense of the owner of such Prohibited Vehicle if such Prohibited Vehicle remains in violation for a period of 24 hours from the time a notice of violation is placed upon it. The Association shall not be liable to the owner of the Prohibited Vehicle for trespass, conversion or otherwise, nor guilty of any criminal act, by reason of such towing and once the notice is posted, neither its removal, nor failure of the owner to receive it for any other reason, shall be grounds for relief of any kind. An affidavit of the person posting such notice stating that it was properly posted shall be conclusive evidence of proper posting.

If Authorized by the unanimous vote of the Board of Directors, the Association shall have the right to implement a parking decal program and/or assign parking spaces to each unit.

Section 20. Garbage and Trash Disposal:

No garbage, refuse, trash or rubbish shall be deposited except as permitted by the Association. The requirements from time to time of the applicable governmental authority for disposal or collection of waste shall be complied with. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. Containers must be rigid plastic, no less than twenty (20) gallons or more than thirty-two (32) gallons in capacity, and well sealed. Trash disposal receptacles shall be located or screened so as to be concealed from view of neighboring Living Units, streets and property adjacent to the Living Unit. Such containers may not be placed out for collection sooner than eight (8) hours prior to scheduled collection and must be removed within eight (8) hours of collection. In the event that governmental disposal or collection of waste is not provided to individual Living Units or Lots, garbage, refuse, trash or rubbish shall be deposited by each Owner in a container designated by the Association and shall be collected by a private entity hired by the Association.

Section 21. Fences:

No fence, wall or other structure shall be erected in the front yard, back yard, or side yard setback areas, except (i) as originally installed by the Developer, or its designees or (ii) approved by the ACC as above provided. However, each Owner shall be responsible for the replacement of any fences or walls initially constructed on his Lot, as and when such replacement becomes necessary. Any such fence or wall, as replaced, shall have the same dimensions, materials and colors and be in the same location as originally installed by the Developer. In the case of a fence situated on or near the common property line of two (2) or more Lots, when fence is shared by the Owners of said Lots, such Owner shall be jointly and severally responsible for the maintenance, repair and replacement of such fence.

Section 22. Recreational Facilities:

The Board of Directors shall have the right to promulgate Rules and Regulations regarding the use of the recreational facilities located within the Common Areas.

Section 23. Occupants Bound:

All provisions of the Land Use Documents which govern the conduct of Owners and which provide for sanctions against the Owners shall also apply to all occupants of any Living Unit.

Section 24. Unsightly or Unkempt Conditions:

It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or Unkempt condition on his or her Living Unit. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or Unkempt conditions, shall not be pursued or undertaken on any part of The Properties.

Section 25. Guns:

The discharge of firearms within The Properties is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

Section 26. Security Bars and Hurricane Shutters:

No security bars or decorative structure of any type shall be installed on the exterior of a living Unit or the exterior or interior of any window or door of any Living Unit. Hurricane Shutters may be placed on doors and windows in the event of a hurricane watch; provided, all such shutters shall be removed within five (5) days after the hurricane ceases to be a threat.

Section 27. Irrigation:

All sprinkler and irrigation systems shall be subject to approval in accordance with the requirements of the ACC.

Section 28. Drainage:

Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No person other than the Developer may obstruct or re-channel the drainage flows after location and installation of drainage swells, storm sewers, or storm drains. The Developer hereby reserves a perpetual easement across The Properties for the purpose of altering drainage and water flow.

Section 29. Tree Removal:

No trees shall be removed, except for (a) diseased or dead trees and (b) trees needing to be removed to promote the growth of other trees or for safety reasons, unless approved by the ACC and any governmental authority having jurisdiction.

Section 30. Lighting:

Except for seasonal Christmas decorative lights, all exterior lights must be approved by the ACC.

Section 31. Artificial Vegetation, Exterior Sculpture, and Similar Items:

No artificial vegetation shall be permitted on the exterior of any portions of The Properties. Exterior sculpture, fountains, flags (other than the flag of the United States of America), and similar items must be approved by the ACC.

Section 32. Window Treatments:

Any portion of an interior window treatment which is visible from outside the Living Unit which, in the opinion of the Board or its designee, does not meet the standards established by the ACC shall be removed upon written request of the Board.

Section 33. Energy Conservation Equipment:

No solar energy collector panels of attendant hardware or other energy conservation equipment shall be constructed or installed unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the ACC.

Section 34. Party Walls:

(a) General: The walls placed on the dividing line between the Lots and separating one Living Unit from another shall constitute a party wall, and each Owner shall own that portion of the wall or walls which stands in his Living Unit with a cross-easement of support in the other portion.

(b) Sharing of Repairing Maintenance: The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners who make use of the wall, except as otherwise provided herein.

(c) Destruction by Fire or Other Casualty: In the event of damage or destruction of the party wall from any cause whatsoever, other than the negligence or willful misconduct of either Owner thereto, the then Owners shall at their joint expense, repair or rebuild said wall and each Owner, his successors and assigns, shall have the right to full use as herein contained of said wall so repaired or rebuilt. If either Owner's negligence or willful misconduct causes damage or destruction of said wall, such negligent or willfully mischievous Owner shall bear the entire cost of repair or reconstruction. If either Owner shall neglect or refuse to pay his share, or all of such cost in the case of negligence or willful misconduct, the other Owner shall have such wall repaired or reconstructed and shall be entitled to a lien on the premises of the Owner so failing to pay for the amount of such defaulting Owner's share of the repair or replacement costs. If either or both Owners shall give, or shall have given a mortgage or mortgages upon his property to an institutional mortgagee, then the institutional mortgagee shall have the full right at its option to exercise the rights of its mortgagor as an Owner hereunder and, in addition, the right to add to the outstanding balance of such mortgage any amounts paid by the mortgagee for repairs hereunder and not reimbursed to said mortgagee by the Owners.

(d) Easement for Repairs: In the event repairs or reconstruction shall be necessary, all necessary entries on the adjacent Living Unit shall not be deemed a trespass so long as the repairs and reconstruction shall be done in a workmanlike manner, and consent is hereby given to enter on the adjacent Living Unit to effect necessary repairs and construction. Neither owner shall alter or change said party wall or any manner interior decoration excepted,

(e) Right to Contribution Runs with Land: The right of any Owner to contribution from any other Owner under this Article IX, shall be appurtenant to the land and shall pass to such Owner's successors in title. Upon conveyance or other transfer of title, the liability of the prior Owner shall cease.

(f) Arbitration: In the event of any dispute arising concerning a party wall, or under the provisions of this Article IX, each party shall choose one arbiter, and such arbiters shall choose one additional arbiter, and the decision of a majority of all the arbiters shall be final and conclusive of the question involved.

Section 35. Leases:

No portion of a Lot and Living Unit (other than an entire Lot and Living Unit) may be rented. No lease shall be for a term of less than six (6) months. All leases shall be in writing and deemed to provide (whether or not actually stated in the lease) that (1) the Association shall have the right to terminate the lease in the name of and as agent for the lessor upon default by the tenant in observing any of the provisions of the Land Use Documents, or other applicable provisions of any

agreement, document or instrument governing The Properties or administered by the Association, (ii) the tenant shall comply with all of the foregoing and (iii) the Owner will be jointly and severally liable with the tenant to the Association for any amount which is required by the Association to effect such repairs and to pay any claim for injury or damage to property caused by the negligence of the tenant. This Section shall also apply to subleases and assignments and renewals of leases. A copy of the signed lease and a tenant information form promulgated by the Board shall be delivered to the Association prior to the commencement of the lease and the occupancy of the Living Unit by the tenant. If a tenant takes possession of a Living Unit prior to the delivery of a copy of the signed lease to the Association, the Board may levy a fine against the Owner for each day of occupancy prior to the delivery of the lease.

Section 36. Resale Restrictions:

No owner may sell or convey his interest in a Lot or Living Unit unless all sums due the Association shall be paid in full and an estoppel certificate in recordable form to such effect shall have been received by the Owner. If all such sums shall have been paid, the Association shall deliver such certificate within ten (10) days of a written request therefor. This Article IX shall not apply to the Developer (i.e., either of its constituent entities). Owners shall be obligated to deliver copies of the Land Use Documents originally received from the Developer to any grantee of such Owner. The new Owner shall deliver to the Association a copy of the recorded deed to his Living Unit and other information required by the Association within a reasonable time after the transfer of title. The right of an Owner to sell his Living Unit shall not be subject to the right of first refusal or similar restriction.

Section 37. Occupancy Limitations:

No more than ten (10) persons shall be permitted to reside in a Living Unit.

Section 38. Access at Reasonable Hours:

For the purpose of performing the Lot maintenance and exterior maintenance to Living Units, and other functions authorized by this Declaration, the Association, through its duly authorized agents or employees or independent contractors, shall have the right, after the required notice to the Owner, to enter upon any Lot at reasonable hours on any day to accomplish such work.

Section 39. Rules and Regulations :

The Developer, until Turnover, and thereafter the Board of Directors of the Association, may establish (and thereafter modify and amend such rules and regulations) rules and regulations as may be deemed in the best interests of the Association and its Members regarding the use of the Common Areas and the Living Units. Whenever prior written approval of the ACC is required before any action or activity described in this Article IX can be taken by an Owner, such written approval shall be deemed given if the Board or the ACC prior to the commencement of the action or activity has promulgated rules and regulations specifically permitting such action or activity.

Section 40. Right to Abate Violations: The Association or the Developer, prior to Turnover, and the Association thereafter, after reasonable notice and opportunity to cure a violation given to an Owner, may enter upon a Lot for the purposes of curing the violation. The cost thereof may be charged against an Owner as a Special Assessment. In the event a violation involves more than one Lot or Living Unit, the Board is hereby granted the right to allocate the cost of curing the violation among the Owners of the Living Units involved in any manner it deems reasonable.

Section 41. Destruction of a Building :

In the event that any building is destroyed by or removed for any cause whatsoever, any replacement must be with a building of a similar size and type. The plans and specifications for any new building must be approved, in writing, by the ACC.

Section 42. Exemption for Developer, Developer's Easements:

The Developer, provided that it owns any Lot or Living Unit in the Community or in the event that the Developer is doing construction work or repair work in the Community, shall be exempt from the provisions of this Article IX.

ARTICLE X**ENFORCEMENT****Section 1. Compliance by Owner and Other:**

Every Owner and other user of any portions of The Properties (except the Developer) shall comply with the restrictions and covenants set forth herein and any and all rules and regulations which time to time may be adopted by the Developer or the Board of Directors of the Association.

Section 2. Enforcement:

Failure of an Owner or other user described in this Declaration to comply with such restriction, covenants or rules and regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. The Association shall have the right to suspend the right of the violating Owner (and his family and guests) to use the Common Areas (except for legal access). The offending Lot Owner shall be responsible for all costs of enforcement including attorneys' fees actually incurred and court costs (whether or not litigation is instituted).

Section 3. Fines:

In addition to all other remedies, the Board of Directors of the Association may, in its sole discretion, adopt a system of imposing and collecting fines for the violation of the provisions of this Declaration or any other of the Land Use Documents; provided, however, that such system of fines shall, at a minimum: (i) not be applied retroactively (i.e., to any violation occurring before the system is instituted, regardless of whether or not any action was taken thereon, or notice thereof given, by the Association) and (ii) afford the subject Owner the Opportunity to be represented by counsel, cross-examine witnesses and present evidence why a fine should not be imposed. Any fine levied or in accordance with a duly adopted system shall be deemed a Special Assessment hereunder and be payable, enforceable and secured in the same manner as other assessments.

Section 4. Negligence or Carelessness of an Owner:

All Owners shall be liable for the expenses of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by the negligence of any member of his family, his or their guests, pets, employees, agents, licensees, or lessees. Such liability shall be limited to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such Liability shall include any increase in insurance rate occasioned by use, misuse, occupancy or abandonment of any Lot or Living Unit or its appurtenances. However, nothing contained herein shall be construed as modifying any waiver by an insurance company as to its rights of subrogation. The cost of any maintenance, repair or replacement performed pursuant to this Section, shall be charged to said Owner as a specific item, which shall, until paid in full, be a lien

against his Lot Living Unit with the same force and effect as if the charges were a part of an Annual Assessment.

Section 5. Cost and Attorney's Fees:

An Owner shall be liable for all costs, expenses and reasonable attorney's fees incurred by the Association to enforce the terms of the Land Use Documents or the Rules and Regulations, regardless of whether suit is instituted. Such costs, fees and expenses may be assessed by the Board of Directors as a Special Assessment against the Owner.

Section 6. No Waiver of Rights:

The failure of the Association to enforce any rights, provisions, covenants or conditions which may be granted by the Land Use Documents shall not constitute a waiver of the right of the Association to enforce such rights, provisions, covenants or conditions in the future.

Section 7. Election of Remedies:

All rights, remedies, and privileges granted to the Association pursuant to any terms, provisions, covenants or conditions of the Land Use Documents shall be deemed to be cumulative and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies, or privileges as may be granted by the Land Use Documents.

Section 8. Generally:

Each Owner of a Lot or Living Unit, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of nuisance, regardless of the harshness of the remedy utilized by the Association and regardless of the availability of other equally adequate legal procedures. It is the intent of all Owners to give to the Association a method and procedure which will enable it at all times to operate on a business-like basis, to collect these monies due and owing it from Owners and to preserve each other's right to enjoy his Lot or Living Unit free from unreasonable restraint and nuisance.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Duration:

The covenants and restrictions of 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 land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time the covenants and restrictions contained in this Declaration shall be automatically extended for successive periods of ten (10) years unless prior to the end of such thirty- (30-) year period, or each successive ten- (10-) year period, an instrument signed by the then Owners of two-thirds (2/3) of the Lots or Living Units agree to terminate the covenants and restrictions at the end of such thirty- (30-) year or ten- (10-) year period has been recorded in the Public Records of Broward County. This Section may not be amended.

Section 2. Enforcement:

Enforcement of these covenants and restrictions shall be permissible by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenants or restrictions, either to restrain violations or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Association or any Owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Severability:

Invalidation of any one of these covenants or restrictions or any part, clause, or word hereto, or the application thereof in specific circumstances, by judgment or court order shall not affect any other provisions or applications in other circumstances, all of which shall remain in full force and effect.

Section 4. Amendment:

(a) In addition to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges and liens of this Declaration may be amended, changed or added to at any time and from time to time upon the execution and recordation of an instrument executed by the Developer alone, for so long as it or its affiliates hold title to any portion of The Properties; or alternatively, by approval at a meeting of Owners holding not less than 66 2/3% vote of the Membership of the Association.

(b) Notwithstanding the foregoing and anything else in this Declaration to the contrary, no provisions of this Declaration shall be amended or deleted:

(i) If the provision is required to be included herein by the Code of Metropolitan Broward County, Florida, any plat restrictions, zoning requirements or resolutions or other agreements with or commitments to Broward County, unless such requirement is later removed or the County through the County Attorney's Office or the County Commission, as appropriate, consents to the amendment or deletion;

(ii) If the provision adversely affects the lien or priority of any mortgage(s) on a Lot or Living Unit, or other portions of The Properties or materially affects the rights of the holder of such mortgage, unless such holder(s) consents thereto;

(iii) If the Developer holds title to any portion of The Properties or if the provision adversely affects any right or privilege of the Developer, unless the Developer consents thereto;

(iv) As long as there is a Class B Membership and the V.A- or H.U.D. has insured or guaranteed an outstanding loan on a Living Unit, unless the V.A- or H.U.D. consents thereto;

(c) As used in this Section, "consent" shall be the express written consent of the party whose consent is required.

Section 5. Effectiveness:

This Declaration shall become effective upon its recordation in the Broward County Public Records.

Section 6. Conflict:

This Declaration shall take precedence over conflicting provisions in the Articles of Incorporation, By-Laws and Rules and Regulations, of the Association, the Articles shall take precedence over the By-Laws and the Rules and Regulations, and the By-Laws shall take precedence over the Rules and Regulations.

RIVERWALK HOMEOWNERS ASSOCIATION, INC., DCR.

Section 7. Standard for Consent, Approval, Completion, Other Action and Interpretation:

Whenever this Declaration shall require the consent, approval, completion, substantial completion, or other action by the Developer or its affiliates, the Association or the ACC, such consent, approval or action may be withheld in the sole and unfettered discretion of the party requested to give such consent or approval or take such action, and all matters required to be completed or substantially completed by the Developer or its affiliates or the Association shall be deemed so completed or substantially completed when such matters have been completed or substantially completed in the reasonable opinion of the Developer or Association, as appropriate. This Declaration shall be interpreted by the Board of Directors and an opinion of counsel to the Association rendered in good faith that a particular interpretation is not unreasonable shall establish the validity of such interpretation.

Section 8. Easements:

Should the intended creation of any easement provided for in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to have been so created shall nevertheless be considered as having been granted directly to the Association as agent for such intended grantee for the purpose of allowing the original party or parties to whom the easements were originally intended to have been granted the benefit of such easement and the Owners hereby designate the Developer and the Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such Owners' behalf as may hereafter be required or deemed necessary for the purpose of later creating such easement as it was intended to have been, created herein. Formal language of grant or reservation with respect to such easements, as appropriate, is hereby incorporated in the easement provisions hereof to the extent not so recited in some or all of such provisions.

Section 9. Plat Restrictions:

Each Owner, by the acceptance of a deed to a Lot, or Living Unit, shall be deemed to have become bound by and comply with each and every plat restriction applicable to the Lot, and the Association shall be empowered (but not obligated) to enforce same as if such restrictions were part of this Declaration.

Section 10. No Waiver:

Any forbearance by the Association in exercising any rights or remedies contained in the Land Use Documents shall not be a waiver of or preclude the exercise of any other right or remedy.

Section 11. Use of the Word/Name "Riverwalk":

So long as the Developer owns any portion of the Community, use of the word "Riverwalk" in relationship to the promotion of the Community is restricted to the Developer and its agents, employees and designees.

Section 12. Availability of Land Use Documents:

The Association shall make available to Owners, and Institutional Mortgagees, current copies of the Land Use Documents and other books, records and financial statements of the Association. The Association shall also make available to prospective purchasers current copies of the Land Use Documents, and the most recent annual audited financial statement if such is prepared. "Available" as the term is used in this Section 12, shall at least mean available for inspection upon request, during normal business hours or under other reasonable circumstances.

Section 13. Compliance with F.H.A., etc.:

Should the Veterans Administration, the Federal Housing Administration, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate certain designated provisions in this Declaration which mention one or more of them by name or make such requirements less stringent, the Board, without approval of the Owners, may amend such provisions to reflect the changes.

Section 14. Information Regarding Mortgagees:

Upon request, each Owner shall be obligated to promptly furnish to the Association the name and address of the holder of any mortgage encumbering his Living Unit.

Section 15. Covenants Running With The Land:

ANYTHING TO THE CONTRARY HEREIN NOTWITHSTANDING AND WITHOUT LIMITING THE GENERALITY (AND SUBJECT TO THE LIMITATIONS) OF SECTION 1 HEREOF, IT IS THE INTENTION OF ALL PARTIES AFFECTED HEREOF, (AND THEIR RESPECTIVE HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS) THAT THESE COVENANTS AND RESTRICTIONS SHALL RUN WITH THE LAND AND WITH TITLE TO THE PROPERTIES. WITHOUT LIMITING THE GENERALITY OF SECTION 4 HEREOF, IF ANY PROVISION OR APPLICATION OF THIS DECLARATION WOULD PREVENT THIS DECLARATION FROM RUNNING WITH THE LAND AS AFORESAID, SUCH PROVISION AND/OR APPLICATION SHALL BE JUDICIALLY MODIFIED, IF AT ALL POSSIBLE, TO COME AS CLOSE AS POSSIBLE TO THE INTENT OF SUCH PROVISION OR APPLICATION AND THEN BE ENFORCED IN A MANNER WHICH WILL ALLOW THESE COVENANTS AND RESTRICTIONS TO SO RUN WITH THE LAND; BUT IF SUCH PROVISION AND /OR APPLICATION CANNOT BE SO MODIFIED, SUCH PROVISION AND/OR APPLICATION SHALL BE UNENFORCEABLE AND CONSIDERED NULL AND VOID IN ORDER THAT THE PARAMOUNT GOAL OF THE PARTIES AFFECTED HEREBY (THAT THESE COVENANTS AND RESTRICTIONS RUN WITH THE LAND AS AFORESAID) BE ACHIEVED.

Section 16. Security:

THE ASSOCIATION MAY, BUT SHALL NOT BE OBLIGATED TO, FROM TIME TO TIME, UNDERTAKE MEASURES OR SPONSOR ACTIVITIES DESIGNED TO IMPROVE SAFETY WITHIN THE COMMUNITY. HOWEVER, NEITHER THE ASSOCIATION NOR THE DEVELOPER SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTIES AND NEITHER THE ASSOCIATION NOR THE DEVELOPER SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS, TENANTS, GUESTS AND INVITEE OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE DEVELOPER, THE ASSOCIATION, ITS BOARD OF DIRECTORS, AND COMMITTEES ESTABLISHED BY ANY OF THE FOREGOING ENTITIES, ARE NOT INSURERS AND THAT EACH OWNER, TENANT, GUEST AND INVITEE ASSUMES ALL RISK OF LOSS OR DAMAGE TO PERSONS, TO LIVING UNITS AND TO THE CONTENTS OF LIVING UNITS AND FURTHER ACKNOWLEDGE THAT DEVELOPER, THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, TENANT GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SECURITY MEASURES RECOMMENDED OR UNDERTAKEN.

Section 17. C.P.I. Adjustment:

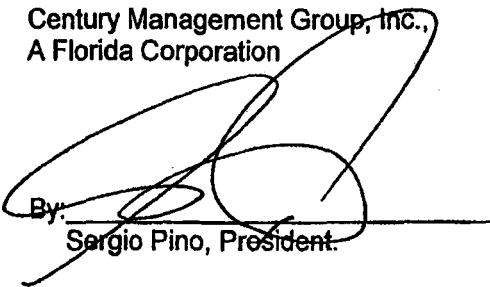
Whenever specific dollar amounts are mentioned in the Land Use Documents, unless limited or prohibited by law, such amounts may be increased from time to time by the Board by written notice to the Membership, by application of a nationally recognized consumer price index chosen by the Board, using the date this Declaration is recorded as the base year. In the event no such consumer price index is available, the Board shall choose a reasonable alternative to compute such increases.

EXECUTED as of the date first above written.

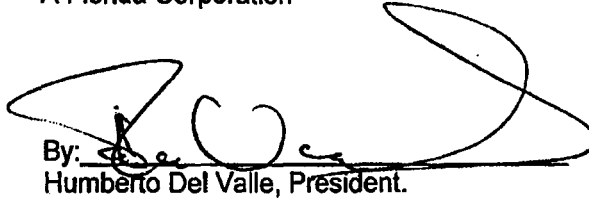
CENTURY/BDV, LTD. A Florida Limited Partnership

BY ITS GENERAL PARTNERS:

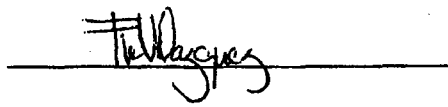
Century Management Group, Inc.,
A Florida Corporation

By: 
Sergio Pino, President.

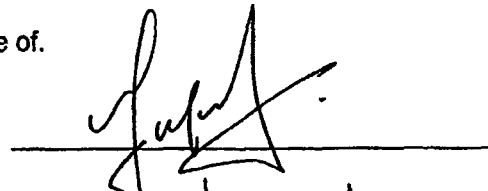
B.D.V. Construction, Inc.,
A Florida Corporation

By: 
Humberto Del Valle, President.

Signed, Sealed and Delivered in the Presence of.



Flor Velazquez
PRINT NAME



Manuel Munoz, Jr.
PRINT NAME

EXHIBIT "A"

**TO THE DECLARATION OF COVENANTS, RESTRICTIONS AND CONDITIONS
FOR THE RIVERWALK COMMUNITY**

**LEGAL DESCRIPTION OF THE REAL PROPERTY CONSTITUTING THE
COMMUNITY**

LEGAL DESCRIPTION OF THE PROPERTIES (The Community)

LEGAL DESCRIPTION OF THE COMMON AREAS

A PORTION OF PARCEL C, "NEW RIVER ESTATES SECTION SIX" ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 116 AT PAGE 37 OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF SAID PARCEL C; THENCE NORTH 58°35'08" WEST ALONG THE NORTH LINE OF SAID PARCEL C, A DISTANCE OF 233.60 FEET; THENCE SOUTH 31°24'52" WEST, A DISTANCE OF 319.77 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 23°22'25" EAST, A DISTANCE OF 9.67 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE TO THE RIGHT; THENCE SOUTHEASTERLY, AND SOUTHERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 36.00 FEET AND A CENTRAL ANGLE OF 23°27'03", A DISTANCE OF 14.73 FEET TO THE POINT OF TANGENCY; THENCE SOUTH 00°04'38" WEST, A DISTANCE OF 15.99 FEET; THENCE SOUTH 72°20'42" WEST ALONG A RADIAL LINE, A DISTANCE OF 96.47 FEET TO A POINT ON THE ARC OF A CIRCULAR CURVE TO THE LEFT; THENCE NORTHERLY, AND NORTHWESTERLY ALONG THE ARC OF A SAID CURVE, HAVING A RADIUS OF 68.00 FEET AND A CENTRAL ANGLE OF 20°11'16", A DISTANCE OF 23.96 FEET TO THE POINT OF REVERSE CURVATURE OF A CIRCULAR CURVE TO THE RIGHT; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 90.00 FEET AND A CENTRAL ANGLE OF 04°40'47", A DISTANCE OF 7.35 FEET (THE LAST TWO DESCRIBED COURSES BEING COINCIDENT WITH THE SOUTHERLY LINE OF A 20 FOOT WIDE LAKE MAINTENANCE EASEMENT AS DESCRIBED IN OFFICIAL RECORDS BOOK 12140 AT PAGE 657 OF SAID PUBLIC RECORDS); THENCE NORTH 67°37'35" EAST, A DISTANCE OF 108.70 FEET TO THE POINT OF BEGINNING.