

PORTRAITS HOMEOWNERS' ASSOCIATION, INC.

HOMEOWNERS' DOCUMENTS

Lennar Homes, Inc.
8320 NW 27th Place
Sunrise, FL 33322

PORTRAITS

INDEX OF DOCUMENTS

<u>EXHIBIT</u>	<u>DOCUMENT</u>
1	Statement of Disclosure
2	Declaration
3	Articles of Incorporation for Portraits Homeowners Association, Inc.
4	By-Laws for Portraits Homeowners Association, Inc.
5	Estimated Operating Budget for Portraits Homeowners Association, Inc.

STATEMENT OF DISCLOSURE

FOR

PORTRAITS

We are pleased to provide you with this document booklet which contains the various documents relative to Portraits. We have prepared this Statement of Disclosure to provide prospective purchasers with the basic plan for the development of Portraits; a brief discussion of the purposes of the various documents contained in this booklet; and financial information concerning the operation of the Associations responsible for the Portraits development. This discussion is intended to assist you in understanding the documents, but is neither intended nor should it be considered a substitute for the reading of each document or for obtaining legal counsel, if required.

PLAN OF DEVELOPMENT

DCA Homes, Inc. ("Developer"), a Florida corporation and a subsidiary of Lennar Corporation, whose stock is publicly traded on the New York Stock Exchange, has acquired a tract of land located in Broward County, Florida, upon which it is developing a planned community known as Portraits, hereinafter referred to as the "Development".

The Development, as presently planned, shall contain approximately one hundred five (105) single family cluster houses. Developer reserves the right to change the type of Homes to be constructed and the number of each type of Home.

In order to implement the Plan and to preserve the amenities of the Development, the Developer shall enter into a series of land use and related documents which will, among other things, set aside and declare covenants, restrictions and easements relative to the Development.

The Developer has formed a Florida corporation, not-for-profit, which shall own operate, administer, manage and maintain the Common Open Space, including the recreation facilities. The Association shall also purchase insurance for the Common Open Space as described in Article XIV of the Declaration.

This Corporation is called Portraits Homeowners Association, Inc. ("Association"). The Association will be turned over to the Homeowners as described in the Articles of Incorporation of the Association. In order to carry out its purposes, the Association shall have lien rights, powers of enforcement and rule-making authority to carry out the provisions of these documents. Each purchaser, upon obtaining title to his Home, automatically becomes a member of the Association and thereby acquires, as an appurtenance to his Home, all rights of use in the Common Open Space reserved to members under the documents.

Although the owner of a Home ("Owner") acquires his Home subject to the provisions of the Declaration and other documents, the Developer has made every effort to preserve the independence and privacy of every Owner. Each Owner owns his own tract of land ("Lot") and the Home thereon in fee simple. Each Owner shall be responsible for maintaining all portions of his property, including the roof, floor slab and utility lines located upon this Lot. In addition, each Owner shall be responsible for paying the costs of his own electricity, water and sewer usage.

The Association will purchase insurance to insure the Common Open Space and all personal property of the Association against casualty losses. It is the responsibility of the Homeowner to purchase liability insurance and to insure the Home and personal property within the Home. See Article XIV of the Declaration for more details concerning insurance.

rights, privileges, powers or options herein provided in favor of or reserved to the Declarant, or an affiliate of the Declarant, unless the Declarant shall join in the execution of the amendment. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication and/or mortgaging of Common Open Space, dissolution and amendment of these Articles and mergers and consolidations.

Article XI, Section 11.1 is hereby amended to read as follows:

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

IN WITNESS WHEREOF, the undersigned have signed these Articles of Amendment this 30th day of December, 1992.

PORTRAITS HOMEOWNERS
ASSOCIATION, INC.

By: Paul Holstein
Paul Holstein, President

Attest: Robert Blanton
Robert Blanton, Secretary

The budget does not provide for any charges to particular Homes for individual dwelling insurance, real estate taxes or for electricity, water, or sewer. It is assumed that these charges will be billed directly to each particular Owner who will be responsible individually for the payments pursuant thereto.

Association expenses are collected by the Association from all Owners of Homes in the Development.

At this time, all assessments are payable monthly in advance. At the time of closing, the first month's assessment for the Association will be collected, along with a one-time working capital contribution equal to 2 months assessments to give the Association the needed funds to cover start-up expenses.

COMPLETENESS OF THIS STATEMENT

As stated previously, the purpose of this Statement of Disclosure is to set forth a summary of the Portraits documents. However, this Statement describes only in summary form the material terms and provisions of such documents. Since the terms and provisions of such documents will govern the development and operation of Portraits, each prospective purchaser should refer to the documents for the complete and specific terms and provisions contained therein.

DECLARATION

WHICH DECLARATION, made on the date hereinafter set forth by DCA Homes, Inc., a Florida corporation, hereinafter referred to as "Developer".

W I T N E S S E T H:

WHEREAS, Developer is the owner of certain property more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof (hereinafter referred to as "the Project"); and

WHEREAS, Developer has established a land use plan for the Project and desires to provide for the preservation of the values and amenities hereby established and as may be established for the Project hereafter committed to a land use plan, and to this end does hereby subject the Project to use covenants, restrictions, easements, reservations, regulations, burdens and liens hereinafter set forth; and

WHEREAS, Developer has deemed it desirable for the efficient preservation of the values and amenities established as aforesaid to create a corporation known as PORTRAITS HOMEOWNERS ASSOCIATION, INC. to which there has been and will be delegated and assigned certain powers and duties of ownership, operation, administration, maintenance and repair, the enforcement of the covenants, restrictions, and easements contained herein and the collection and disbursement of the assessments and charges hereinafter provided.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, Developer hereby declares that the Project shall be owned, held, used, transferred, sold, conveyed, demised and occupied subject to the covenants, restrictions, easements, reservations, regulations, burdens and liens hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Portraits Homeowners Association, Inc., a Florida corporation not-for-profit, its successors and assigns. Attached hereto and made a part hereof by this reference as Exhibits "B" and "C" is a copy of the Articles of Incorporation and By-Laws, respectively, for the Association.

Section 2. "Board" shall mean and refer to the Board of Directors of the Association.

Section 3. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Undeveloped Lot or Home, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 4. "The Project" shall mean and refer to that certain real property legally described in Exhibit "A" attached hereto and made a part hereof, and such additional lands that may be subjected to this Declaration by annexation.

Section 5. "Common Open Space" shall mean all real property owned, or to be owned by the Association for the common use and enjoyment of the Owners.

Section 6. "Recreation Parcel" shall mean and refer to that portion of the Common Open Space on which will be built the recreation facilities. The recreation facilities shall consist of a swimming pool, cabana and pool deck. Recreation facilities may be added to or expanded by Developer without the consent of Owners or the Association.

Section 7. "Private Roads" shall mean and refer to that portion of the Common Open Space owned, or to be owned by the Association and used for pedestrian and vehicular access.

Section 8. "Parking Spaces" shall mean and refer to that portion of the Common Open Space owned, or to be owned, by the Association and used for the parking of vehicles.

Section 9. "Lot" shall mean and refer to those Lots shown upon the recorded subdivision Plat or Plats of the Project on which is or shall be built Homes.

Section 10. "Undeveloped Lot" shall mean and refer to those Lots on which a Home has not yet been built.

Section 11. "Home" shall mean a completely constructed detached single family home which is designated and intended for use and occupancy as a residence and which is subject to assessments under this Declaration or any Supplemental Declaration made by the Developer. Said term includes any interest in land, improvements and other property appurtenant to the Home.

Section 12. "Model Home" shall mean a fully constructed Home that, prior to its sale by Developer, will be used by Developer to show prospective purchasers a model of the Home they are purchasing.

Section 13. "Developer" shall mean and refer to DCA Homes, Inc., its successors and assigns, if such successors and assigns should acquire more than one undeveloped Lot from Developer for the purpose of development.

Section 14. "Institutional Mortgagee" shall mean a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension fund, an agency of the United States Government, mortgage banker, or any other lender generally recognized as an institutional type lender, or the Developer, holding a first mortgage on a Home or Homes.

Section 15. "Common Expenses" means all expenses of any kind or nature whatsoever incurred by the Association, including, but not limited to, the following:

(a) Expenses incurred in connection with the ownership, maintenance, repair, improvement or operation of the Common Open Space, or any other property to be maintained by the Association as provided in this Declaration, including, but not limited to, utilities, taxes, assessments, insurance, operation, maintenance, repairs, improvements and alterations.

(b) Expenses of obtaining, repairing or replacing personal property in connection with any Common Open Space or the performance of the Association's duties.

(c) Expenses incurred in connection with the administration and management of the Association.

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

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

Section 16. "Zero Lot Line Wall" shall mean the exterior wall of a Home which is constructed upon the side Lot boundary line of the Lot upon which the Home is constructed.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a non-exclusive right and easement of enjoyment in and to the Common Open Space

which shall be appurtenant to and shall pass with the title to every Lot, subject to the following:

A. All provisions of this Declaration, the Plat or Plats of the Project, and the Articles of Incorporation and By-Laws of the Association;

B. Rules and regulations adopted by the Association governing the use and enjoyment of the Common Open Space;

C. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility which may be situated upon the Common Open Spaces;

D. The right of the Association to suspend the voting rights of any Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for an infraction of its published rules and regulations;

E. The right of the Association to dedicate, sell or transfer all or any part of the Common Open Space to any public agency, authority or utility for such purpose and subject to such conditions as may be agreed upon in an instrument signed by two-thirds (2/3) of each class of members of the Association and said instrument has been recorded. In addition, so long as there is a Class B membership, such dedication, sale or transfer shall require the approval of HUD/VA;

F. The right of the Association to borrow money, and with the consent of two-thirds (2/3) of each class of members, and so long as there is a Class B membership, the approval of HUD/VA, to mortgage, pledge, deed in trust, or hypothecate all of its real and personal property as security for money borrowed or debts incurred.

G. The right of the Association to make additions, alterations or improvements to the Common Open Space, and to purchase any personal property, as it deems necessary or desirable from time to time, provided, however, that the approval of two-thirds (2/3) of the votes of the Owners shall be required for any addition, alteration, or improvement or any purchase of personal property, exceeding a sum equal to one (1) month's total Assessments for Common Expenses payable by all of the Members, or if the cost of the foregoing shall in any fiscal year exceed in the the aggregate a sum equal to two (2) months' Assessments for Common Expenses payable by all of the Owners. The foregoing approval shall in no event be required with respect to expenses incurred in connection with the maintenance, repair or replacement of existing Common Open Space, or

any existing improvements or personal property associated therewith. The cost and expense of any such additions, alterations or improvements to the Common Open Space, or the purchase of any personal property, shall be a Common Expense. In addition, so long as Developer owns any portion of the Project, Developer shall have the right to make any additions, alterations or improvements to the Common Open Space as may be desired by Developer in its sole discretion from time to time, at Developer's expense.

Section 2. Zero Lot Line Maintenance and Easements:

A. Maintenance of a Zero Lot Line Wall shall be the obligation of the Owner of the Zero Lot Line Wall. The Owner shall have an easement over the adjoining Lot, as set forth in Paragraph B herein, in order to maintain said Zero Lot Line Wall and for ingress and egress to the Zero Lot Line Wall. In no event shall any Owner cut a window or any opening in the Zero Lot Line Wall. Nor shall any Owner make any structural changes in the Zero Lot Line Wall, including, but not limited to, change of paint color, without the express written approval of the Association. In the event the Board of Directors of the Association shall determine that the Zero Lot Line Wall has been damaged by the adjacent Lot Owner, that Owner shall be responsible for repairing such damage in a timely manner and in accordance with the standards established by the Board. In the event such repair is not so accomplished by said adjacent Owner, within thirty (30) days, unless extended by the Board of Directors, the Association shall have the right at reasonable times to enter the adjacent Lot to effect such repair, and the cost thereof shall be charged to the adjacent Lot Owner, and if not paid in a timely manner, shall become a lien on such adjacent Lot.

B. Developer hereby grants to each Owner of a Lot with a Zero Lot Line Wall, a maintenance easement over the Lot adjoining the Owner's Zero Lot Line Wall for the maintenance of said Zero Lot Line Wall and any wing wall attached thereto and for ingress and egress to the Zero Lot Line Wall. The Easement shall be four (4) feet in width, shall be immediately contiguous to the Zero Lot Line Wall, and shall run the length of the Lot on which the easement exists. No improvements of any kind shall be constructed in the easement area which would block access to the Zero Lot Line Wall and wing wall, if any, or which would in any way interfere with the easement holders' ability to maintain the Zero Lot Line Wall and wing wall, except that a connecting wall may be constructed by the Developer across the easement area. In the event that the Board of Directors of the Association shall determine that the connecting wall

Class A: Class "A" members shall be all Owners with the exception of the Developer and shall be entitled to one vote for each Undeveloped Lot or Home owned. When more than one person holds an interest in any Undeveloped Lot or Home, all such persons shall be members. The vote for such Undeveloped Lot or Home shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Undeveloped Lot or Home.

Class B: Class "B" member(s) shall be the Developer, as defined in this Declaration, and shall be entitled to three (3) votes for each Undeveloped Lot or Home owned. The Class "B" membership shall cease and be converted to Class "A" membership on the happening of any of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class "A" membership equal the total votes outstanding in the Class "B" membership; or
- (b) Six (6) years from the date of filing of this Declaration; or
- (c) At such time as the Class "B" member voluntarily relinquishes its right to vote.

ARTICLE IV

COVENANT FOR MAINTENANCE

The Association shall at all times maintain the Common Open Space.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

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

The Developer, for each Home owned within the Project, hereby covenants, and each Owner of any Home, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with costs and reasonable attorneys' fees, shall also be the personal obligation of the person who is the Owner of such Home at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Establishment of Assessments. Prior to the beginning of each fiscal year, the Board shall adopt a budget for such fiscal year which shall estimate all of the Common Expenses to be incurred by the Association during the fiscal year. The Board shall then establish the assessment of Common Expenses for each Home and shall notify each Owner in writing of the amount, frequency and due dates of the assessment for Common Expenses. From time to time during the fiscal year, the Board may modify the budget, and pursuant to the revised budget or otherwise, the Board may, upon written notice to the Owners, change the amount, frequency and/or due dates of the assessments for Common Expenses. If the expenditure of funds for Common Expenses is required in addition to funds produced by assessments for Common Expenses, the Board may make special assessments for Common Expenses, which shall be levied in the same manner as hereinbefore provided for regular assessments, and shall be payable in the manner determined by the board, as stated in the notice of any special assessments for Common Expenses. In the event any assessments for Common Expenses are made payable in equal periodic payments, as provided in the notice from the Association, such periodic payments shall automatically continue to be due and payable in the same amount and frequency unless and until (i) the notice specifically provides that the periodic payments will terminate or change upon the occurrence of a specified event or date or the payment of the specified amount, or (ii) the Association notifies the Owner in writing of a change in the amount and/or frequency of the periodic payments. In no event shall any assessments for Common Expenses be due less than ten (10) days from the date of the notification of such assessments.

Section 3. The assessments for Common Expenses assessed against each Lot improved with a Home shall be equal. With the exception of Lots on which are built Model Homes, the annual assessment for Common Expenses as to each Lot improved with a Home shall commence on the first day of the full calendar month after a certificate of occupancy for the Home constructed on said Lot is issued. The annual assessment shall commence as to each Lot on which is built a Model Home on the day that the Developer closes the sale of said Model Home to the first Owner acquiring title from the Developer.

Class A: Class "A" members shall be all Owners with the exception of the Developer and shall be entitled to one vote for each Undeveloped Lot or Home owned. When more than one person holds an interest in any Undeveloped Lot or Home, all such persons shall be members. The vote for such Undeveloped Lot or

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

Section 4. Working Capital Contribution. In addition to assessments for Common Expenses, the first Owner acquiring title from Developer to a Home shall pay to the Association a contribution to a working capital fund of the Association in an amount equal to two (2) months assessments for Common Expenses, which shall be in addition to the Owner's responsibility for assessments for Common Expenses. The working capital fund shall be used by the Association for start-up expenses or otherwise as the Association shall determine from time to time and need not be restricted or accumulated.

Section 5. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Project and for the improvement and maintenance of the Common Open Space, as set forth in Article IV hereof.

Section 6. Developer's Assessment Guaranty. The Developer guarantees to initial purchasers of Homes in the Project that the monthly assessments due from such purchasers as Owners of Homes in the Project for items of common expense of the Association will not exceed the amount therefore reflected in the initial budget for the Association which is provided to such purchasers by the Developer during the calendar year in which the Developer conveys the first Home in the Project. During the period of time this guaranty is in force and effect, the Developer, as owner of Homes for which a certificate of occupancy has been issued, shall be relieved from the obligation of paying its pro rata share of assessments for common expenses of the Association, but instead shall be obligated to pay to the Association all sums in excess of sums due from all Home Owners other than the Developer which are necessary to pay the actual expenses of the Association. The actual expenses of the Association shall not include reserves. Developer may extend the term of the guarantee annually at the time that the annual budget is sent to each Home Owner, however the guarantee shall automatically end at the time the Class B membership ceases.

Section 7. Special Assessment for Capital Improvement. In addition to the annual assessments and special assessments for Common Expenses authorized above, the Association, through a two-thirds (2/3) vote of its Board of Directors, may levy in any assessment year a special assessment against an Owner(s) to the exclusion of other Owners for the purpose of (i) defraying, in whole or in part, the cost of any construction, reconstruction, repaving, repair, or

replacement of a capital improvement upon the Common Open Space, including fixtures and personal property related thereto, if any, or (ii) the costs of work performed by the Association in accordance with Article IX hereof. Any such Special Assessment shall be subject to all of the applicable provisions of this Article including, without limitation, lien filing and foreclosure proceedings and interest. Any Special Assessment levied hereunder shall be due and payable within the time specified by the Board of Directors in the action imposing such Assessment.

Section 8. Rate of Assessment. Notwithstanding Section 3 of this Article V, Homes may pay different assessments if the services supplied to each housing type differs, but all similar housing types will be assessed equally.

Section 9. Annual Assessments. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amounts of the annual assessment against each Undeveloped Lot or Home at least thirty (30) days in advance of each annual assessment period. Failure to fix the amounts of the annual assessments within the time period set forth above would not preclude the Board of Directors from fixing the assessment at a later date. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Home have been paid. A properly executed certificate of the Association as to the status of assessments on a Home is binding upon the Association as of the date of its issuance. The Association may delegate to a mortgage company or financial institution responsibility for collection of assessments.

Section 10. Effect of Non-Payment of Assessment; Remedies of the Association. Any assessment not paid within thirty (30) days of the due date shall bear interest from the due date at the highest rate allowable by law, per annum. The Association may, at its election, bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Home. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Open Space or abandonment of his Home.

Section 11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be a lien superior to all other liens save and except tax liens and mortgage liens, provided said mortgage liens are first liens against the property encumbered thereby, subject only to tax liens, and said first mortgage secures an indebtedness which is amortized on monthly or

quarter-annual payments over a period of not less than ten (10) years. The sale or transfer of any Home pursuant to the foreclosure or any proceeding in lieu thereof of a first mortgage meeting the above qualifications, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 12. Exempt Property. All properties dedicated to, and accepted by a local public authority shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VI

ANNEXATION AND CONVEYANCE OF COMMON OPEN SPACE

Section 1. ANNEXATION AND DEVELOPMENT. Additional Property may be annexed by the Developer in whole or in part without the consent of members within five (5) years of the date of this instrument. Such annexations, if they are made, will subject the annexed property to these Covenants and Restrictions. As long as there is a Class "B" membership or as long as either the Federal Housing Administration or the Veterans Administration has an interest in the Project, the annexation of properties to the Project will require the prior approval of either the Federal Housing Administration or the Veterans Administration.

Annexations, if any, shall become effective upon the recording of an amendment to this Declaration in the Public Records of Broward County, Florida.

Section 2. CONVEYANCE OF COMMON OPEN SPACE TO THE ASSOCIATION. At such time that Developer closes title to the first Home in the Project, Developer shall be obligated to convey title to all of the Common Open Space, if any, located in the Project to the Association, which shall be obligated to accept such conveyance (and the conveyances described hereinbelow). Thereafter, those portions of the Common Open Space, if any, which are subjected to this Declaration by Annexation, shall be conveyed to the Association at the time when Developer closes title to the first Home in that particular annexed portion of the Property.

ARTICLE VII

WITHDRAWAL OF PROPERTY

Anything herein to the contrary notwithstanding, Developer reserves the absolute right to amend this Declaration at any time, without prior notice and without the consent of any person or entity, for the purpose of removing certain portions of the Project from the provisions of this Declaration, so long as a Home has not been constructed on said land to be withdrawn, and so long as the land to be withdrawn has not been conveyed to the Association as Common Open Space.

ARTICLE VIII

PLATTING AND SUBDIVISION RESTRICTIONS

As long as there is a Class B membership, Developer shall be entitled at any time and from time to time, to plat and/or replat all or any part of the Project, and to file subdivision restrictions and/or amendments thereto with respect to any undeveloped portion or portions of the Project without the consent or approval of Owners.

ARTICLE IX

ARCHITECTURAL CONTROL

✓ Section 1. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Project, nor shall any exterior addition or change or alteration therein, including a change of the building exterior paint color, be made within the Project 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 as to the harmony of external design and location in relation to the surrounding structures and topography by the Board, or by an architectural control committee composed of three (3) or more representatives appointed by the Board ("Committee"). In the event said Board or its designated Committee fails to approve or disapprove such design and location within thirty (30) days after said plan and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Nothing contained herein shall relieve the Owner from the responsibility of obtaining proper governmental approvals and permits.

Section 2. The Association or the designated Committee shall not be liable to any Owner in connection with the exercise or non-exercise of architectural control hereunder, or the approval or disapproval of any alteration, addition, improvement or change. Furthermore, any approval of any plans or specifications by the Association or its designated Committee shall not be deemed to be a determination that such plans or specifications are complete or do not contain defects, or in fact meet any standards, guidelines and/or criteria of the Association, or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and the Association or its designated Committee shall not be liable for any deficiency, or any injury resulting from any deficiency in such plans and specifications.

Section 3. Notwithstanding the foregoing, so long as Developer owns any Undeveloped Lot, Home or any portion of the Project, architectural control shall be vested in Developer and not the Association, and during such period all references contained in the subparagraph to the Association shall be deemed to refer to Developer provided, however, that at any time Developer may assign its right to architectural control to the Association by a written assignment.

ARTICLE X

MAINTENANCE OF EXTERIOR OF OWNERS PROPERTY

In the event an Owner of any Lot or Home in the Project shall fail to maintain the Lot or the exterior of his Home in a manner satisfactory to the Association, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees to enter upon said Lot and to repair, maintain and restore the Lot or exterior of the building(s) and any other improvements erected thereon.

The cost of such exterior maintenance shall be assessed against the subject Lot and such assessment shall be a charge on the land and shall be a continuing lien upon the Lot. Non-payment of such assessment within thirty (30) days from the due date may result in foreclosure of the lien or an action at law against the Owner(s) of the Lot.

ARTICLE XI

EASEMENTS

Section 1. Easements may be granted by the Association for utility purposes in accordance with the requirements of this Declaration.

Section 2. Developer does hereby establish and create for the benefit of the Association and for all Owners from time to time subject to this Declaration, and does hereby give, grant and convey to each of the aforementioned, the following easements, licenses, rights and privileges:

(i) Right-of-way for ingress and egress by vehicles or on foot, in, through, over, under and across the streets, roads and walks within the Common Open Space (as they may be built or relocated in the future).

(ii) Rights to connect to, maintain and make use of utility lines, wires, pipes, conduits, cable television lines, telephone lines and equipment, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas of the Common Open Space.

Section 3. Developer reserves to itself, its designees, successors and assigns the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Project for the construction, maintenance and repair of utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the streets and roads of other areas of the Common Open Space. Developer also reserves the right for itself, its designees, successors and assigns to continue to use the Project, and any Common Open Space, roadways, sales offices, model homes, signs, flags, promotional material and parking spaces located on the Project, in its efforts to market Lots, land and Homes in the Project. This paragraph may not be amended without the prior written consent of the Developer.

Section 4. The Association and the Developer, by their execution of this Declaration, hereby grants to each Lot Owner a non-exclusive perpetual easement for the maintenance, repair and replacement of water and sanitary sewer lateral pipes servicing the Lot and improvements thereon, which lateral pipes are located within the Common Open Space.

Section 5. Developer hereby grants to delivery, pickup and fire protection services, police, health and sanitation, and other public service personnel and vehicles, United States mail carriers, representatives of electrical, telephone, cable television and other utilities authorized by the Developer, its successors or assigns to service the Property, and to such other persons as Developer from time to time may designate, the nonexclusive, perpetual right of ingress and egress over and across the Common Open Space for the purposes of performing their authorized services and investigation.

Section 6. In some areas, the roof of a Home may overhang the lot lines of the Lot on which said Home is located. The Developer specifically reserves on behalf of itself and all Homes, an encroachment easement for any such roof overhang for the benefit of the Owner of any such Home. Additionally, there is reserved a drainage easement from the overhanging roof onto the adjoining Lot.

Section 7. Encroachments on Lots or Common Open Space. In the event any portion of any roadway, walkway, parking area, roof drainage system, roof, trellis, water lines, sewer lines, utility lines, sprinkler system, Home or any other improvement as originally constructed by Developer or its designee, successor or assign encroaches on any Lot or Common Open Space, it shall be deemed that the Owner of such Lot or Common Open Space has granted a perpetual easement to the Owner of the encroaching Lot or Common Open Space, as the case may be, for continuing maintenance and use of such encroaching roadway, walkway, parking area, roof drainage system, roof, trellis, water line, sewer line, utility line, sprinkler system or other structure originally constructed by the Developer. The foregoing shall also apply to any replacements of any such roadway, walkway, parking area, roof drainage system, roof, trellis, water lines, sewer lines, utility lines, sprinkler system or other structure, if same are constructed in substantial conformance to the original. Other encroachments may hereafter be maintained as provided in a Supplemental Declaration. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of this Declaration.

ARTICLE XII

PARTY WALLS AND PARTY FENCES

✓ Section 1. Each wall or portion thereof which is built as a part of the original construction of the Homes within a grouping of attached Homes, placed on the dividing line between two or more Homes, whereby the use of said wall or portion thereof is shared by two or more Homes, shall constitute a party wall and each fence which is built as a part of the original construction of the Homes and placed on the dividing line between two Lots shall constitute a party fence. To the extent not inconsistent with the provisions of this Article, the general rule of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to the party walls and party fences.

Section 2. The cost of reasonable repair and maintenance of a party wall and/or party fence shall be shared by the Owners who make use of the wall or fence in proportion to such use.

Section 3. If a party wall and/or party fence is destroyed or damaged by fire or other casualty, any Owner who has used the wall and/or fence may restore it, and if the other Owners thereafter make use of the wall and/or fence, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Notwithstanding any other provision of this Article, an Owner who, by his negligent or willful act causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. In the event of any dispute arising concerning a party wall and/or party fence under the provisions of this Article, each party shall choose an arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all of the arbitrators.

ARTICLE XIII

CONVEYANCE OF COMMON OPEN SPACE TO ASSOCIATION

At such time that Developer closes title to the first Home in the Project, Developer shall be obligated to convey title to all of the Common Open Space located in the Project to the Association, which shall be obligated to accept such conveyance. In the event Developer withdraws any of the Common Open Space from the effects of this Declaration as permitted by Article VII hereof, the Association will reconvey those Common Open Spaces withdrawn by Developer.

ARTICLE IX

RESTRICTIONS

Section 1. Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown or designated on the recorded plat(s). Within these easements, no structure, planting or other

material shall be placed or permitted to remain which would damage or interfere with the installation or maintenance of the utilities or which may change the direction of flow or drainage channels in the easements. No obstructions such as gates, fences, etc., which will prevent emergency access for fire fighting access purposes shall be placed in any easement strip. The Association is hereby granted an easement over each Lot for ingress and egress to any portions of the Lot or the improvements thereon requiring maintenance by the Association.

Section 2. Wells and Septic Tanks. Except for wells provided by Developer for irrigation purposes, no individual wells or septic tanks will be permitted on any Lot within this Project. This restriction will be enforceable as long as the water services and sewage disposal are in operation, satisfactorily servicing each Lot on which a completed building is located in said Project in accordance with the standard requirements as provided for by the State board of Health Regulations.

Section 3. Nuisances. No noxious or offensive activity shall be carried on upon any lands within the Project, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 4. Temporary Structures and Use. No structure of a temporary character, trailer, basement, shack, garage, barn or other building shall be moved to, erected on, or used on any of the lands within the Project at any time for a residence, workshop, office, storage room, either permanently or temporarily, provided, however, that Developer may place on the Project construction sheds, trailers or temporary sales offices or sales trailers used to facilitate the construction and sale of Lots and Homes in the Project. No canvas, pipe, or other type of carport shall be placed between the sidewalk and the front building line on any Lot. Except during the delivery to homes, no commercial vehicles shall be parked in areas zoned for residential uses, including the streets adjacent to the residential Lots. No business, service, repair or maintenance for the general public shall be allowed on any Lot at any time. In order to prevent unsightly objects in and about each of the Homes to be erected in this Project, no gas tank, gas container or gas cylinder, except those used by portable barbecue grills, shall be permitted to be placed on or about the outside of any of the Homes built in this Project or any ancillary building.

Section 5. 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 any Lot, nor shall oil wells, tanks, tunnels, mineral

excavations or shafts be permitted upon or in any of the Project lands. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any of the Project lands.

Section 6. Pets. No animals, livestock or poultry of any kind, other than common, traditional house pets (i.e., one dog or one cat, fish and caged birds), shall be kept by an Owner or his family members, guests, invitees or lessees, provided, however, that (a) each Home may have only one dog or one cat in a Home, (b) no animals whatsoever may be kept or maintained for commercial purposes, (c) no animals shall be permitted to remain on any portion of the Project which become an unreasonable nuisance or annoyance to other Owners, and (d) any animal kept by an Owner shall be kept subject to any rules and regulations which may be promulgated from time to time by the board. In no event shall dogs be permitted upon the Common Open Space unless under leash. Any Owner who keeps a pet thereby agrees to indemnify the Association and hold it harmless against any loss or liabilities of any kind or character whatsoever arising from or growing out of the keeping of any such pet. Notwithstanding anything to the contrary set forth herein for the safety of the Owners within the Project, no pit bull dogs shall be permitted to be housed on any Lot or within any Home. All owners of pets shall be required and responsible to clean up any excretions of their pets.

Section 7. Visibility at Street Corners. Notwithstanding anything to the contrary in these restrictions, no obstruction to visibility at street intersections shall be permitted and such visibility clearances shall be maintained as required by the Department of Public Works.

Section 8. Clotheslines. No clotheslines shall be placed and no clothes drying shall be undertaken or permitted upon the Project, provided, however, the Board may, upon its sole discretion, permit, on a revocable basis, the location of collapsible, retractable or umbrella-type clotheslines or other equipment in the "back yard or patio" of the particular Home whose Owner(s) have made such request.

✓ Section 9. Barbecues. Barbecues may be located or permitted only upon the back patio of a Home and upon such portions of the Common Open Space as are, from time to time, designated by the Association; provided, however, that barbecuing shall be subject to such rules and regulations as may be promulgated from time to time by the Board.

✓ Section 10. Parking. No truck or van with more than a three-quarter ton capacity, no commercial vehicles, no house or travel trailer, motor home, camper, boat or boat trailer shall be parked in the Project. Motorcycles and motor scooters may be kept in the Project so long as they are parked in an enclosed garage, or they may be kept in the back yard appurtenant to a Home, so long as the rear yard is completely fenced. Motorcycles or motor scooters parked or stored in the rear yard shall be walked with the motor off, and not ridden to said parking or storage area from the roadway. The term "commercial vehicle" shall include but not be limited to all automobiles, trucks and vehicular equipment, including station wagons, which bear signs or have printed on the sides of same reference to any commercial undertaking or enterprise. Commercial vehicles in the process of loading or unloading shall not be considered parked so long as they are not kept in the Project overnight. Except as set forth above, no vehicle of any kind shall be parked in the Common Open Space other than that portion of the Common Open Space designated for parking by the Association or on any part of any Lot.

Section 11. Commercial and Recreational Vehicles. No boat, trailer, camper, golf cart or other type of recreational vehicle and commercial vehicle including, but not limited to, trucks, pick-up trucks and vans (vans with side windows that are not commercial vehicles are permitted), shall park or be parked at any time on the Lots or Common Open Space unless it is a commercial vehicle in the process of being loaded or unloaded; and provided further that no vehicle shall be permitted to park or be parked overnight on the Lots or Common Open Space. Notwithstanding the prior provision to the contrary, the Board may, in its sole discretion, designate portions of the Common Open Space for the parking of oversized commercial or recreational vehicles, trailers, campers, vans or boats.

Section 12. Standing Cycles or Other Items. No bicycles, scooters, wagons, carriages, shopping carts, chairs, benches, tables, toys or other such items shall be parked or be permitted to stand for any period of time on any part of the Project lands except in the garages of each Home or in the rear yard of a Home if said rear yard or patio is completely fenced in and except in accordance with the rules and regulations promulgated from time to time by the Board.

Section 13. Antenna and Aerials. No antenna or aerial of any type shall be placed upon a Home or within a Lot without the prior written approval

of the Board of Directors. The Board of Directors may promulgate rules which govern the placement, size and/or appearance of any such antenna.

Section 14. Litter and Garbage Collection. No articles of personal property shall be hung or shaken from the doors or windows of any Home. No Owner shall sweep or throw from his Home any dirt or other materials or litter, in any way upon the Project. No garbage, trash, refuse, or rubbish shall be deposited, dumped, or kept on any part of the Project except in closed containers in the storage areas or patio area in the rear of a Home prior to the ultimate disposal in the dumpster facilities in closed plastic bags.

Section 15. Personal Property. No articles of personal property of Owners shall be placed on any portion of the Project lands unless such articles are being used by Owners in accordance with the terms and conditions of this Declaration and any rules and regulations promulgated from time to time by the Board.

Section 16. Removal of Sod and Shrubbery; Additional Planting. No sod, topsoil, trees or shrubbery shall be removed from the Project, no change in the elevation of such areas shall be made, and no change in the condition of the soil or the level of the land of such areas shall be made which results in any permanent change in the flow and drainage of surface water which the Board, in its sole discretion, considers detrimental; provided, however, that Owners may place additional plants, shrubs or trees in the rear yard or patio of a Home subject to approval by the Architectural Control and Maintenance Standards Committee.

Section 17. Increases in Insurance Rates. No Owner may take any action which will result in an increase in the rate of any insurance policy or policies covering any portion of the Project.

✓ Section 18. Windows, Awnings and Shutters. No awnings, canopies or shutters, including hurricane or storm shutters, shall be attached or affixed to the exterior of a building and no foil, window tinting materials or shielding materials or devices shall be placed upon any windows or sliding glass doors which are part of a Home unless such awnings, canopies, shutters, foil, window tinting materials or shielding materials have been approved by the Board or the Committee appointed by the Board, which approval may be based on the aesthetic appearance of the properties. The lining of all drapes or other window coverings shall be of a white or beige color.

Section 19. Utility Additions. No additional utility system, including without limitation, water, sewage, electrical, air conditioning and heating system lines, ducts, conduits, pipes, wires or fixtures, shall be added to service any Home without the prior written consent thereto by the Board or an architectural control committee appointed by the Board, which consent shall not be unreasonably withheld, so long as such addition complies with all applicable ordinances, requirements, and regulations of governmental authorities and such additions cause no damage or impairment or additional costs, and the aesthetic appearance of the Project or any part or parts thereof is not impaired.

Section 20. Casualties. In the event that a Home or any part thereof is destroyed by casualty or otherwise, or in the event any improvements upon the Common Open Space are damaged or destroyed by casualty or otherwise, the Owner thereof or the Association, as the case may be, shall promptly clear all debris resulting therefrom and, subject to the duties and obligations of the Association, commence either to rebuild or repair the damaged improvements in accordance with the terms and provisions of this Declaration.

Section 21. Reconstruction. Any repair, rebuilding or reconstruction on account of casualty or other damage to any Common Open Space or any part or parts thereof, shall be substantially in accordance with the plans and specifications for such property and areas as originally constructed or with new plans and specifications approved by the Board or Committee. Any repair, rebuilding or reconstruction on account of casualty or other damage to any Home or any part or parts thereof shall be substantially in accordance with the plans and specifications for such property and areas as originally constructed or the new plans and specifications approved by the Board or the Committee, and the Owner of such Home.

✓ Section 22. Rights of Developer. Notwithstanding any provisions in this Declaration to the contrary, including the provisions of this Article XIV, the Developer shall have the right with respect to the development of the Project to construct buildings and homes and other improvements, including landscaping on the Project, and to expand or add to the recreational facilities. The construction of buildings, units and improvements, including the expansion and addition to the recreational facilities shall be of such type, nature, design, size, shape, height, materials and location, including the landscaping, which term shall be defined in its broadest sense as including grass, hedges, vines, trees and the like, as Developer determines in its sole discretion

without obtaining consent and approval of the Committee, the Association or its members, provided however, that same complies with the applicable building codes and zoning laws of Broward County, Florida, in force at that time.

✓ Section 23. Disturbances. No Owner shall make or permit any disturbing noises on any Lot or in any Home or do or permit anything to be done therein which will interfere with the rights, comforts or conveniences of other Owners. No Owner shall play upon or suffer to be played upon any musical instrument or operate or permit to be operated a phonograph or a radio or a television set or other loud speaker in such Owner's Home between the hours of 11:00 p.m. and the following 8:00 a.m., if the same shall disturb or annoy other residents of the Project, and in no event shall practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 p.m. and the following 8:00 a.m.

ARTICLE XV

INSURANCE

✓ Section 1. Purchase, Custody and Payment of Policies.

A. Purchase. All insurance policies covering the Common Open Space shall be purchased by the Association and shall be issued by an insurance company authorized to do business in Florida which has an office or agent located in the vicinity of the Project.

B. Named Insured. The named insured on all policies purchased by the Association shall be the Association, individually.

C. Personal Property and Liability. It shall be the Owner's obligation to obtain insurance at his own expense and at his own discretion for his Lot or Home, his personal property, personal liability, living expenses, and for improvements made to his Lot or Home. The Association shall not be responsible to purchase personal property and personal liability insurance on behalf of any Home.

Section 2. Coverage.

A. Casualty. All improvements upon the Common Open Space and all personal property of the Association are to be insured in an amount equal to one hundred percent (100%) of the then current replacement cost, excluding foundation and excavating costs and other items normally excluded from coverage, as determined annually by the Association. Prior to obtaining any casualty insurance or renewal thereof, the Association shall obtain an appraisal from a

fire insurance company or otherwise of the full replacement cost of the Homes and improvements upon the Common Open Space and all personal property of the Association, without deduction for depreciation, for the purposes of determining the amount of casualty insurance to be obtained pursuant to this Paragraph. Such coverage shall afford protection against:

1. Loss or damage by fire and other hazards covered by a standard extended coverage endorsement;

2. Such other risks as from time to time shall be customarily insured against with respect to buildings and improvements similar in construction, location and use, including, but not limited to vandalism and malicious mischief, and all other risks normally covered by a standard "All Risks" endorsement, where available.

B. Liability. Comprehensive general public liability insurance insuring the Association against loss or damage resulting from accidents or occurrences on or about or in connection with the Common Open Space, or any work, matters or things related to the Common Open Space or this Declaration and its exhibits, with such coverage as shall be required by the Association but with a combined single limit liability of not less than One Million Dollars (\$1,000,000.00) for bodily injury, death or property damage, arising out of a single occurrence, and with cross liability endorsements to cover liabilities of the Owners as a group to an Owner.

C. Worker's Compensation as shall be required to meet the requirements of the law.

D. Such other insurance as the Association shall determine from time to time to be desirable or as is customarily obtained with respect to improvements similar in construction, location and use to those contained within the Common Open Space, such as, where applicable, contractual and all-written contract insurance, employer's liability insurance and comprehensive automobile liability insurance.

When appropriate and obtainable, each of the foregoing policies shall waive the insurer's right to: (i) subrogation against the Association and against the Owners individually and as a group; (ii) any prorata clause that reserves to the insurer the right to pay only a fraction of any loss if other insurance carriers have issued coverage upon the same risk; and (iii) avoid liability for a loss that is caused by an act of one or more directors of the Association or by one or more Owners; and shall provide that such policies may

not be cancelled or substantially modified (except for increases in coverage for limits of liability) without at least ten (10) days prior written notice to the Association.

Section 3. Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association as a Common Expense, except that any increase in any insurance premium occasioned by misuse of the Common Open Space by a particular Owner, or by a resident of any Home, or by a member of their families or their guests or invitees, shall be assessed against and paid by that Owner.

Section 4. Insurance Trustee. All casualty insurance policies purchased by the Association shall provide that all proceeds covering casualty losses in excess of \$25,000 shall, if designated by the Board, be paid to any national bank or trust company in the vicinity of the Project with trust powers as may be designated by the Association, as Trustee, which Trustee is herein referred to as the "Insurance Trustee". The Insurance Trustee shall not be liable for payment of premiums or for the renewal or sufficiency of the policies or for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid, and hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Association, which shares need not be set forth in the records of the Insurance Trustee. Notwithstanding the foregoing, unless the Board so determines or unless any Institutional Lender otherwise requires by written notice to the Association, no Insurance Trustee will be required, and all references in this Declaration to an Insurance Trustee, shall refer to the Association where the context requires.

A. Common Open Space. Proceeds on account of damage to Common Open Space shall be held in as many undivided shares as there are Lots, the share of each Lot being equal.

Section 5. Distribution of Proceeds. Proceeds of the insurance policies received by the Insurance Trustee shall be distributed to, or for the benefit of, the beneficial owners in the following manner:

A. Expense of the Trust. All expenses of the Insurance Trustee shall be first paid or provisions made therefor.

B. Reconstruction or Repair. The remaining proceeds shall be used to pay the cost of repair or reconstruction, as elsewhere provided. Any proceeds remaining after paying such cost shall be distributed to the

Association. In no event shall any funds be distributed to individual members of the Association.

C. Notice of Possible Inadequate Insurance Coverage. In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it, the Association shall give notice of any excess exposure within a reasonable time to all Home Owners who may be exposed to the liability and they shall have the right to intervene and defend.

D. Inspection of Insurance Policies. A copy of each insurance policy purchased by the Association shall be made available for inspection by any Owner or Institutional Lender at reasonable times.

ARTICLE XVI

RECONSTRUCTION OR REPAIR AFTER CASUALTY

Section 1. Determination to Reconstruct or Repair. If any part of the Project is damaged or destroyed by casualty, whether or not the damage will be repaired shall be determined in the following manner:

A. Common Open Space. If the damaged improvement is contained within a Common Open Space, the damaged property shall be reconstructed or repaired, unless 2/3 of the Owners vote to the contrary.

B. Homes. In the event of damage to or destruction of any Homes as a result of fire or other casualty, the Owner thereof, if applicable, shall arrange for the prompt repair and restoration thereof (including any damaged bathroom and kitchen fixtures) at least equivalent in value to that initially installed by the Developer.

Section 2. Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original improvements. Any reconstruction or repair must be in accordance with the ordinances of the controlling governmental authority, and must be approved by the controlling governmental authority or its appropriate review committee where required by such ordinances. Any reconstruction or repair must conform with the requirements of any controlling governmental authority, and where required, appropriate permits for same shall be obtained.

Section 3. Estimates of Cost. Immediately after casualty damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost

to rebuild or repair from one or more reliable licensed contractors, and shall submit copies of all acceptable estimates to the Insurance Trustee.

Section 4. Assessments. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair of the Common Open Space by the Association, or if at any time during or after the reconstruction and repair of the Common Open Space, the funds for the payment of the cost thereof are insufficient, a Special Assessment shall be made against all Home Owners equally, in sufficient amounts to provide funds to pay such costs.

Section 5. Construction Funds. The funds for payment of the costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from Assessments against Home Owners, shall be disbursed in payment of such costs in the following manner:

A. Association. If the total Assessments made by the Association in order to provide funds for payment of costs of reconstruction and repair which is the responsibility of the Association is more than Twenty-Five Thousand (\$25,000.00) Dollars, then the sums paid upon such Assessment shall be deposited by the Association with the Insurance Trustee. In all other cases, the Association shall hold the sums paid upon such Assessments and disburse the same in payment of the costs of reconstruction and repair.

B. Insurance Trustee. The proceeds of insurance collected on account of a casualty and the sums deposited with the Insurance Trustee by the Association from collections of Assessments against Home Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the costs of the Insurance Trustee and the costs of reconstruction and repair in the following manner and order:

1. Association Lesser Damage. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is less than Twenty-five Thousand (\$25,000.00) Dollars, then the construction funds shall be disbursed in payment of such costs upon the order of the Association.

2. Association Major Damage. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than Twenty-five Thousand (\$25,000.00) Dollars, then the construction funds shall be disbursed in payment of such costs in the manner required by

the Association and upon approval of an architect qualified to practice in the State of Florida and employed by the Association to supervise the work.

3. Surplus. It shall be presumed that the first moneys disbursed in payment of the costs of the Insurance Trustee, if any, and the costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the Insurance Trustee, if any, and reconstruction and repair for which the fund is established, such balance shall be distributed to the Association.

4. Certificate. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Home Owners upon Assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a certificate of the Association, executed by its President and Secretary, as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided, however, that when a mortgagee is herein required to be named as payee, the Insurance Trustee shall also name the mortgagee as payee of any distribution of insurance proceeds to the Association, and further provided that when the Association or a mortgagee, which is the beneficiary of any insurance policy, the proceeds of which are included in the construction fund, so requires, the approval of an architect named by the Association shall first be obtained by the Association for disbursements in payment of the costs of reconstruction and repair.

ARTICLE XVII

GENERAL PROVISIONS

Section 1. Execution of Documents Required by Broward County, Florida.

The Developer's plan for the development of the Project may require from time to time the execution of certain documents required by Broward County, Florida, or another governmental agency. To the extent that said documents require the joinder of any or all property owners in the Project, each of said Owners, by virtue of his acceptance of a deed to his Lot or Home, does irrevocably give and

grant to the Developer, or any of its officers individually, full power of attorney to execute said documents as his agent and in his place and stead.

Section 2. Reservation of Right to Own, Install, Provide and Maintain a Closed Circuit Television System, Telecommunications System, a Master Antenna System and Community Antenna Television System (CATV Service).

A. Developer reserves and retains to itself, its successors and assigns: (i) the title to any closed circuit television system, telecommunications system, master antenna system, and related ancillary services and to the equipment including, but not limited to, conduits, wires, amplifiers, towers, antennae and related apparatus and electronic equipment, both active and passive (the "Central System") in and upon the Project, and a perpetual easement for the placement and location of the Central System including, but not limited to conduits, wires, amplifiers, towers, antennae and related apparatus and electronic equipment, both active and passive; and (ii) a perpetual easement for ingress to and egress from the Project to service, maintain, install, repair and replace the aforesaid apparatus and equipment; and (iii) the right to connect the Central System to such receiving source as Developer may in its sole discretion feel appropriate, including, without limitation, companies licensed to provide the CATV service in Broward County, for which service Developer, its successors and assigns or designees, shall have the right to charge the Association and/or individual Home Owners a reasonable fee not to exceed the maximum allowable charge for CATV service to single family residences as charged within the general vicinity. If a fee is charged to each Home Owner, said Owner shall have the option of refusing said service at any time, and if refused, the amount of said fee will be deducted from the Association assessments, if charged in the Assessment.

B. The Home Owners acknowledge that the Central System described in Subsection A above includes, but is not limited to the CATV services as well as the ancillary services which may include security; medical, smoke and fire alert; information retrieval and so forth. Such Central System, if offered, is part of Developer's endeavor to provide a total environment to the Home Owners and enhance the "way of life" at the Project.

Section 3. Enforcement. The Association, or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Court costs and reasonable attorneys' fees

for a proceeding at law to enforce this Declaration, including any appeal thereof, shall be borne by the Owner(s) against whom the suit has been filed, if the Association or other Owner who brought the proceeding prevails. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 5. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by the Owners of sixty-six and two-thirds (66-2/3%) percent or more of the Undeveloped Lots and Homes. Notwithstanding the above, (i) there will be no amendment to the provisions of this Declaration pertaining to the maintenance of Common Open Space without the prior consent of Broward county, Florida; and (ii) Developer will have the right to amend this Declaration pursuant to Article VIII without the consent of any Owners and/or Mortgagees. Any amendment must be recorded.

Section 6. Developer Amendment Privilege. Notwithstanding anything to the contrary set forth above, the Developer may amend any provision of this Declaration without the approval or joinder of the Owners or the Association, if required to do so to comply with the Rules and Regulations of the Federal National Mortgage Association, the Federal Housing Administration, the Veterans Administration or any other similar governmental institutional agency which desires to hold, insure or guaranty a mortgage on all or any part of the Project.

Section 7. Damage or Destruction to Common Open Space. Each Owner shall be liable to the Association for any damage to the Common Open Space not fully covered by collected insurance which may be sustained by reason of the negligence or willful misconduct of said Owner or of his family, tenants, guests and invitees, both minor and adult. Notwithstanding the foregoing, the Association reserves the right to charge such Owner a Special Assessment equal to the increase, if any, in the insurance premium directly attributable to the damage caused by such Owner. The cost of correcting such damage shall be a

Special Assessment against the Home and may be collected as provided herein for the collection of Assessments.

Section 8. HUD/VA Approval. Notwithstanding anything to the contrary set forth in this Declaration, so long as there is a Class "B" member, the prior approval of HUD/VA shall be required for (i) annexation of property; (ii) amendment to this Declaration; or (iii) dissolution, merger or consolidation of the Association.

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has hereunto executed this Declaration this _____ day of _____, 19____.

DCA HOMES, INC.

Attest: _____
Assistant Secretary

By: _____
Vice President

STATE OF FLORIDA
COUNTY OF DADE

The foregoing Declaration was acknowledged before me this _____ day of _____, 19____, by M. E. Saleda and Morris J. Watsky, the Vice President and Assistant Secretary, respectively, of DCA Homes, Inc., a Florida corporation, on behalf of the Corporation. They are personally known to me and did not take an oath.

Notary Public, State of Florida

PORTRAITS

LEGAL DESCRIPTION

PEMBROKE POINT PARCEL "D", according to the Plat thereof, as
recorded in Plat Book _____ at Page _____ of the Public
Records of Broward County, Florida.

EXHIBIT "A"

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of PORTRAITS HOMEOWNERS ASSOCIATION, INC., a Florida corporation, filed on December 18, 1992, as shown by the records of this office.

The document number of this corporation is N92000000863.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Twenty-first day of December, 1992



CR2EO22 (2-91)

Jim Smith

Jim Smith
Secretary of State

EXHIBIT "B" TO DECLARATION

EXHIBIT 3

ARTICLES OF INCORPORATION
OF
PORTRAITS HOMEOWNERS ASSOCIATION, INC.

FILED
1982 DEC 18 11:30
CLERK OF COURT
DADE COUNTY, FLORIDA

In compliance with the requirements of Chapter 617, Florida Statutes, the undersigned person does hereby make, subscribe and acknowledge that he has voluntarily associates himself for the purpose of forming a corporation not-for-profit, the articles of incorporation of which read as follows:

ARTICLE I

NAME

The name of the corporation is PORTRAITS HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association".

ARTICLE II

PRINCIPAL OFFICE AND MAILING ADDRESS

The principal office and mailing address of the Association is at 700 N. W. 107 Avenue, Miami, Florida 33172.

ARTICLE III

REGISTERED OFFICE AND REGISTERED AGENT

The initial registered office of the Association shall be at 700 N.W. 107 Avenue, Miami, Florida 33172, with the privilege of having its office and branch offices at other places within or without the State of Florida. The initial registered agent at that address shall be Morris J. Watsky.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance and preservation of the Common Open Space, and the architectural control of the residence Lots (all as defined in the Declaration referred to hereinafter) within that certain tract of property known as PORTRAITS, and to promote the health, safety and welfare of the residents within the Development and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and in furtherance of these purposes, to:

- 4.1 Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration for Portraits (the "Declaration") as amended from time to time and recorded or to be recorded in the Public Records of Broward County, Florida, said Declaration being incorporated herein as if set forth at length;
- 4.2 Fix, levy, collect and enforce payment of, by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- 4.3 Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

- 4.4 Borrow money, and with the assent of two-thirds (2/3) of the votes of each Class of Members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- 4.5 Dedicate, sell, or transfer all or any part of the Common Areas to any Public Agency or authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. Such dedication or transfer shall only be effective with the assent of two-thirds (2/3) of the votes of each Class of members, agreeing to such dedication, sale or transfer;
- 4.6 Participate in mergers and consolidations with other non-profit corporations organized for the same purposes, or annex additional residential property and common area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of the votes of each Class of members;
- 4.7 Purchase, lease, hold, sell, mortgage or otherwise acquire or dispose of interests in, real or personal property, except to the extent restricted hereby; to contract for the management and maintenance of the Common Open Space and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Areas with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Declaration, including but not limited to the making of assessments, promulgation of rules and execution of contracts on behalf of the Association; and
- 4.8 Have and to exercise any and all powers, rights and privileges which a corporation organized under the corporation not-for-profit law of the State of Florida, by law may now or hereafter have to exercise.

ARTICLE V

MEMBERSHIP

- 5.1 Each Lot or Home which is subject by covenants of record to assessment by the Association shall have appurtenant thereto a membership in the Association, which membership shall be held by the person or entity, or in common by the persons or entities owning such Lot or Home, except that no person or entity holding an interest or title to a Home as security for performance of an obligation shall acquire the membership appurtenant to such Lot or Home by virtue of such interest or title. In no event may any membership be severed from the Lot or Home to which it is appurtenant.
- 5.2 The Association shall have two classes of voting membership:
- (a) Class A. Class A Members shall be all Owners with the exception of the Developer and shall be entitled to one vote for each Lot or Home owned. When more than one (1) person holds an interest in any Lot or Home, all such persons shall be members. The vote for such Lot or Home shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot or Home.
 - (b) Class B. Class B Member(s) shall be the Developer (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot or Home owned. The Class B membership shall cease and be converted to Class A

membership on the happening of either of the following events, whichever occurs earlier:

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

(ii) Six (6) years from the date of filing of the Declaration; or

(iii) At such time as the Class B member voluntarily relinquishes its right to vote.

ARTICLE VI

FHA AND VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of either HUD or the Veterans Administration when either of subject entities has an interest: (i) annexation of additional properties, (ii) mergers and consolidations, (iii) mortgaging or dedication of the Common Areas, or (iv) dissolution and amendment of these Articles.

ARTICLE VII

BOARD OF DIRECTORS

7.1 The names and addresses of the members of the first Board of Directors who shall hold office until the annual meeting of the members and until their successors are elected or appointed and have qualified, are as follows:

<u>Name</u>	<u>Address</u>
Paul Holstein	8320 N.W. 27 Place Sunrise, Florida 33322
Robert Blanton	8320 N.W. 27 Place Sunrise, Florida 33322
Scott Woodrey	8320 N.W. 27 Place Sunrise, Florida 33322

7.2 The affairs of the Association shall be managed by a Board of Directors as provided in the By-Laws, but not less than three (3). So long as Declarant shall have the right to appoint the Board of Directors, Directors need not be members of the Association and need not be residents of the State of Florida; thereafter, all Directors shall be members of the Association and residents of the State of Florida. There shall be three (3) Directors appointed by the Class B member so long as the Class B member has the right to appoint the Board of Directors. After the Class B member's right to appoint the Board of Directors terminates, the Board of Directors shall be elected by the Class A members. Each Director elected by Class A members shall serve for a term from the date of the meeting where he is elected until the next annual meeting. In no event can a Board member appointed by the Class B member be removed except by action of the Class B member. Any Director appointed by the Class B member shall serve at the pleasure of the Class B member, and may be removed from office, and a successor Director may be appointed at any time by the Class B member.

ARTICLE VIII

DURATION

The Association shall have perpetual existence.

ARTICLE IX

AMENDMENTS

- 9.1 Proposal. An amendment or amendments to these Articles of Incorporation may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by a majority of the Members of the Association, whether meeting as Members or by instrument in writing signed by them. Upon any amendment or amendments to these Articles of Incorporation being proposed by the Board of Directors or Members, such proposed amendment or amendments shall be transmitted to the President of the Association, or the acting chief executive officer in the absence of a meeting of the Members of the Association not later than sixty (60) days from the receipt by him of the proposed amendment or amendments.
- 9.2 Notice. It shall be the duty of the Secretary to give each Member written notice of such meeting, stating the proposed amendment or amendments in reasonable detailed form, which notice shall be mailed or presented personally to each Member not less than fourteen (14) days nor more than sixty (60) days before the date set for the meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the Member at his Post Office address as it appears on the records of the Association, with postage thereupon prepaid. Any Member may, by written waiver of notice signed by such Member, waive such notice, and such waiver when filed in the records of the Association, whether before, during or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such Member.
- 9.3 Resolution. At the meeting at which the amendment is to be proposed and considered, a resolution for the adoption of the proposed amendment may be made by any Member of the Board of Directors of the Association, or by any Member of the Association, present in person or by proxy.
- 9.4 Approval. Except as elsewhere provided, the approval of a resolution for the adoption of a proposed amendment to these Articles of Incorporation shall require the affirmative vote of a majority of the members of the Board of Directors of the Association, and the affirmative vote of not less than sixty-six (66%) percent of the total votes present at a duly called membership meeting. Members of the Board of Directors and members of the Association not present in person or by proxy at the meeting at which the amendment is to be considered may express their approval (or disapproval) of the amendment in writing, provided that such approval is delivered to the Secretary of the Association prior to the commencement of the meeting.
- 9.5 Limitation. Provided, however, that no amendment shall make any changes in the qualification for membership nor in the voting rights or property rights of Members, nor any changes in Sections 4.4, 4.5 and 4.6 of Article IV entitled "Powers", without approval of 2/3 of the votes of each Class of Members and the joinder of all record owners of mortgages upon Homes. No amendment shall be made that is in conflict with the Act or the Declaration, nor shall any amendment make any changes which would in any affect any of the rights, privileges, powers or options herein provided in favor of or reserved to the Declarant, or an affiliate of the Declarant, unless the Declarant shall join in the execution of the amendment. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication and/or mortgaging of Common Open Space, dissolution and amendment of these Articles and mergers and consolidations.

- 9.6 Recording. Such amendment or amendments of these Articles of Incorporation shall be transcribed and certified in such form as may be necessary to file the same in the office of the Secretary of State of the State of Florida. A certified copy of each amendment of these Articles of Incorporation shall be recorded in the Public Records of Broward County, Florida, within thirty (30) days from the date on which the same is filed and returned from the office of the Secretary of State.

ARTICLE X

OFFICERS

The affairs of the Association will be administered by the officers designated in the By-Laws of the Association. Said officers will be elected by the Board of Directors at its first meeting following the annual meeting of Members of the Association and will serve at the pleasure of the Board of Directors. The names and addresses of the officers who are to manage the affairs of the Association until the annual meeting of the Board of Directors and until their successors are duly elected and qualified are:

PRESIDENT:	Paul Holstein 8320 N.W. 27 Place Sunrise, Florida 33322
VICE PRESIDENT:	Scott Woodrey 8320 N.W. 27 Place Sunrise, Florida 33322
SECRETARY/TREASURER:	Robert Blanton 8320 N.W. 27 Place Sunrise, Florida 33322

ARTICLE XI

INDEMNIFICATION

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

otherwise in defense of any action, suit or proceeding referred to in Section 11.1 above, or in defense of any action, suit or proceeding referred to in Section 11.1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.

- 11.3 Approval. Any indemnification under Section 11.1 above (unless ordered by a Court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Directors, officers, employees or agent is proper under the circumstances because he has met the applicable standard of conduct set forth in Section 11.1 above. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (b) if such quorum is not obtainable, or even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or by a majority of the members.
- 11.4 Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition or such action, suit or proceeding as authorized by the Board of Directors in any specific case upon receipt of an undertaking by or on behalf of the affected Director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article 11.
- 11.5 Miscellaneous. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any By-Law, agreement, vote of members or otherwise, and shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs and personal representatives of such person.
- 11.6 Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Association, as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE XII

BY-LAWS

The first By-Laws of the Association will be adopted by the Directors named herein, and may be altered, amended, or rescinded in the manner provided by said By-Laws. Any By-Laws adopted by the Board of Directors shall be consistent with these Articles.

ARTICLE XIII

TRANSACTIONS IN WHICH DIRECTORS OF OFFICERS ARE INTERESTED

- 13.1 No contract or transaction between the Association and one or more of its Directors or officers, or between the Association and any other corporation, partnership or Association or other organization in which one or more of its Directors or officers are Directors or officers have a financial interest, shall be invalid, void or voidable solely for this reason, or solely because the Director or officer is present at or participates

in the meeting of the Board or committee thereof which authorized the contract or transaction, or solely because his or their votes are counted for such purpose. No Director or officer of the Association shall incur liability by reason of the fact that he is or may be interested in any such contract or transaction.

- 13.2 Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

ARTICLE XIV

SUBSCRIBER

The name and address of the subscriber to these Articles of Incorporation is:

Morris J. Watsky 700 N.W. 107 Avenue
Miami, Florida 33172

ARTICLE XV

DISSOLUTION

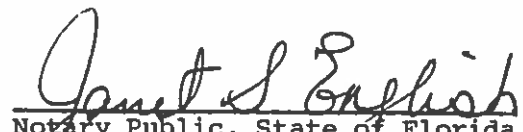
The Association may be dissolved with the assent given by not less than two-thirds (2/3) of the votes of each Class of Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be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

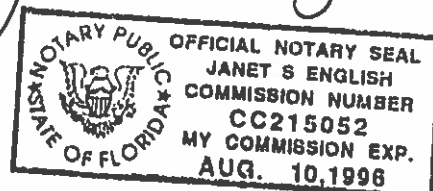
IN WITNESS WHEREOF, the undersigned subscriber has executed these Articles of Incorporation this 17th day of December, 1992.


Morris J. Watsky

STATE OF FLORIDA
COUNTY OF DADE

The foregoing instrument was acknowledged before me this 17th day of December, 1992, by Morris J. Watsky. He is personally known to me and did not take an oath.


Notary Public, State of Florida




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

Pursuant to Chapter 48.091, Florida Statutes, the following is
submitted in compliance with said Act;

That, PORTRAITS HOMEOWNERS ASSOCIATION, INC., desiring to organize
under the laws of the State of Florida, with its principal offices at
700 N.W. 107 Avenue, Miami, Florida 33172, has named MORRIS J. WATSKY,
whose office is located at 700 N.W. 107 Avenue, Miami, Florida 33172 as
its agent to accept service of process within the State.

ACKNOWLEDGEMENT

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


Morris J. Watsky

FILED
1972 DEC 18 11 16:00

AMENDMENT TO ARTICLES OF INCORPORATION

OF

PORTRAITS HOMEOWNERS ASSOCIATION, INC.

The undersigned, President and Secretary of PORTRAITS HOMEOWNERS ASSOCIATION, INC., a Florida corporation not-for-profit (hereinafter referred to as "Corporation"), do hereby certify that the following amendments to the Articles of Incorporation of Portraits Homeowners Association, Inc. ("Articles") were duly proposed, approved and adopted by the Board of Directors of the Corporation and by a unanimous vote of the members of the Association at a Special Meeting thereof, held on December 30, 1992 at 8320 N.W. 27 Place, Sunrise, Florida:

Article IV of the Articles is hereby amended by deleting the word "and" at the end of the paragraph.

Article V, Section 5.1 is hereby amended to read as follows:

5.1 Each Lot or Home which is subject by covenants of record to assessment by the Association shall have appurtenant thereto a membership in the Association, which membership shall be held by the person or entity, or in common by the persons or entities owning such Lot or Home, except that no person or entity holding an interest or title to a Home as security for performance of an obligation shall acquire the membership appurtenant to such Lot or Home by virtue of such interest or title. In no event may any membership be severed from the Lot or Home to which it is appurtenant.

Article V, Section 5.2 is hereby amended to to read as follows:

5.2 The Association shall have two classes of voting membership:

(a) Class A. Class A members shall be all Owners with the exception of the Developer and shall be entitled to one vote for each Lot or Home owned. When more than one (1) person holds an interest in any Lot or Home, all such persons shall be members. The vote for such Lot or Home shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot or Home.

Paragraph (b) shall remain the same.

Article IX, Section 9.5 is hereby amended to read as follows:

9.5 Limitation. Provided, however, that no amendment shall make any changes in the qualification for membership nor in the voting rights or property rights of Members, nor any changes in Sections 4.4, 4.5 and 4.6 of Article IV entitled "Powers", without approval of 2/3 of the votes of each Class of Members and the joinder of all record owners of mortgages upon Homes. No amendment shall be made that is in conflict with the Act or the Declaration, nor shall any amendment make any changes which would in any way affect any of the

rights, privileges, powers or options herein provided in favor of or reserved to the Declarant, or an affiliate of the Declarant, unless the Declarant shall join in the execution of the amendment. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication and/or mortgaging of Common Open Space, dissolution and amendment of these Articles and mergers and consolidations.

Article XI, Section 11.1 is hereby amended to read as follows:

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

IN WITNESS WHEREOF, the undersigned have signed these Articles of Amendment this 30th day of December, 1992.

PORTRAITS HOMEOWNERS
ASSOCIATION, INC.

By: Paul Holstein
Paul Holstein, President

Attest: Robert Blanton
Robert Blanton, Secretary

PORTRAITS HOMEOWNERS ASSOCIATION, INC.
PROPOSED 1993 BUDGET
BASED UPON 105 LOTS

INCOME: (Annual)

ASSESSMENTS	\$33,960.00
	<hr/>
TOTAL	\$33,960.00

EXPENSES: (Annual)

Entrance Landscaping	\$ 2,400.00
Pest Control	900.00
Insurance	2,513.00
Sprinkler Repairs	6,000.00
Management	7,500.00
Pool Maintenance	3,900.00
Pool Repair	1,500.00
General Repairs	1,000.00
Janitorial	2,400.00
Office Supplies/Postage	1,000.00
Electricity	2,400.00
Legal	1,000.00
Accountant	550.00
Permits/Fees	137.00
Taxes	100.00
Miscellaneous	600.00
	<hr/>
TOTAL	\$33,960.00

The monthly assessment will be \$26.95 per lot per this budget

BY-LAWS
OF
PORTRAITS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is PORTRAITS HOMEOWNERS ASSOCIATION, INC., a Florida corporation not-for-profit, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 700 N. W. 107 Avenue, Miami, Florida 33172, but meetings of the members and Directors may be held at such places within the State of Florida, in the Counties of Dade or Broward, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Defined terms in the Declaration referred to in the Articles of Incorporation of this Association (hereinafter referred to as the "Declaration") are herein used as therein defined.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held in January or February of each year thereafter. The first meeting of the Board of Directors of the Association shall be held immediately succeeding the annual meeting of members.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each

member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any question except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

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

ARTICLE IV

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class "A" members shall be all Owners with the exception of the Developer, and shall be entitled to one vote for each Undeveloped Lot or Home owned. When more than one person holds an interest in any Undeveloped Lot or Home, all such persons shall be members. The vote for such Undeveloped Lot or Home shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Undeveloped Lot or Home.

Class B. The Class "B" member(s) shall be the Developer (as defined in the Declaration), and shall be entitled to three (3) votes for each Undeveloped Lot or Home owned. The Class "B" membership shall cease and be converted to Class "A" membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class "A" membership equal the total votes outstanding in the Class "B" membership; or
- (b) Six (6) years from the date of filing of this Declaration; or
- (c) At such time as the Class "B" member voluntarily relinquishes its right to vote.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed and governed by a Board of Directors composed of not less than three (3) nor more than nine (9) persons. The number of Directors on the Board of Directors shall always be an odd number. The first Board of Directors shall have three (3) members, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting following the cessation of the Class B Membership, the Members shall elect two (2) Directors for a term of one (1) year, two (2) Directors for a term of two (2) years, and one (1) Director for a term of three (3) years. The candidate receiving the largest number of votes shall serve as Director for three (3) years, the two candidates receiving the second and third largest votes shall serve as Directors for two (2) years; and the two candidates receiving the fourth and fifth largest vote shall serve as Directors for one year. At each annual meeting thereafter the members shall elect the appropriate number of Directors for a term of three (3) years.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

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

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

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

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

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

ARTICLE VII

MEETINGS OF DIRECTORS

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

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

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act done or decision made by a majority of the Directors present at duly held meeting at which a quorum is present shall be regarded as an act of the Board.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) adopt and publish rules and regulations governing the use of the Private Drives and Common Open Spaces, and the personal conduct of the members and their guests thereon and to establish penalties for the infraction thereof;
- (b) suspend the voting rights of, and the right to the use of, the common facilities of a member during any period in which such member shall be in default in the payment of assessments levied by the Association. Such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by any other provisions of these By-Laws, the Articles of Incorporation or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

- (e) employ a manager, an independent contractor, or other such employees as they deem necessary, and to prescribe their duties;
- (f) accept such other functions or duties with respect to, including architectural control, in addition to maintenance responsibilities, as are determined from time to time to be proper by the majority of the Board of Directors; and
- (g) delegate to, and contract with, a mortgage company or financial institution, responsibility for collection of the assessments of the Association.

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

- (a) cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association and to see that their duties are properly performed;
- (c) as provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same.
- (d) issue or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether

or not any assessment has been paid. A reasonable charge may be made by the Board of the issuance of these certificates. If a certificate states an assessment has been paid, such certificates shall be conclusive evidence of such payment.

- (e) procure and maintain adequate liability and hazard insurance on property owned or controlled by the Association, or for which, in the opinion of a majority of the Directors, it may be liable and should provide coverage;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Open Space to be maintained.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and vice President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the board may from time to time by resolution create.

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

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

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

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of

such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

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

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

President

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

Vice President

The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

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

Treasurer

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account, cause an annual review of the Association books to be made by a Certified Public Accountant at the completion of each fiscal year; and shall

prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully described in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessments are made and are the personal obligation of the member.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: PORTRAITS HOMEOWNERS ASSOCIATION, INC., a Florida corporation not-for-profit, 1992.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration while either of such entities has an interest, shall have the right to veto any of the above while there is a Class B Membership.

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

case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, I have hereunto set my hand this 30 day of December, 1992.

Paul Holstein
Paul Holstein, President