

DECLARATION OF COVENANTS AND RESTRICTIONS FOR

SARATOGA BAY

THIS DECLARATION OF COVENANTS AND RESTRICTIONS is made this \_\_\_ day of \_\_\_\_\_, 198\_, by BURG & DIVOSTA CORPORATION, a Florida corporation, hereinafter called the "DEVELOPER", and by the SARATOGA BAY HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit, hereinafter called the "ASSOCIATION".

W I T N E S S E T H:

WHEREAS, Developer is the owner of the real property described in Exhibit "A" to this Declaration; and the Developer desires to create thereon a planned community of single-family homes with permanent open spaces, and traffic and open areas for the benefit of the community; and

WHEREAS, Developer desires to provide for the preservation and enhancement of the property values, amenities, and opportunities in said community, and for the maintenance of the properties and improvements thereon, and to this end desires to subject the real property described in Exhibit A to the covenants, restrictions, easements, charges, and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an entity to which should be delegated and assigned the powers of owning, maintaining, and administering the community properties and facilities; administering and enforcing the covenants and restrictions; collecting and disbursing the assessments and charges hereinafter created; and promoting the convenience, safety, and welfare of the residents; and

WHEREAS, Developer has incorporated under the laws of the State of Florida the SARATOGA BAY HOMEOWNERS ASSOCIATION, INC. as a nonprofit corporation for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, the Developer hereby declares that the real property described in Exhibit A is and shall be held, transferred, sold, conveyed and occupied subject to the terms, conditions, covenants, provisions, restrictions, easements, servitudes, and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth, which shall be binding on all persons, their heirs, successors, and assigns having any right, title or interest in or to the real property, and shall inure to the benefit of each lot owner.

ARTICLE I

DEFINITIONS

1. "Articles" shall mean the Articles of Incorporation of the Association.

2. "Association" shall mean and refer to the Saratoga Bay Homeowners Association, Inc., its successors and assigns.

3. "Association Expenses" shall mean the expenses payable by owners to the Association as shall be set forth in this Declaration.

4. "Association Property" shall mean all real and personal property transferred to the Association for the benefit of all members.

5. "Board" shall mean the Board of Directors of the Association.

6. "Common Area" shall mean those areas of real property shown on the subdivision plat of Saratoga Bay, together with all improvements thereto, which are devoted to the common use and enjoyment of the members of the Association. The term "Common Area" may sometimes be used interchangeably with the term "Association Property".

7. "Declaration" shall mean the covenants, conditions, restrictions, easements, and all other terms set forth in this document, and as may be amended from time to time.

8. "Developer" shall mean and refer to BURG & DIVOSTA CORPORATION, a Florida corporation, its successors and assigns.

9. "General Plan of Development" shall mean the subdivision plat of Saratoga Bay, as approved by the appropriate governmental agencies, and which shall represent the development plan and general uses of the real property.

10. "Homeowners Documents" means in the aggregate this Declaration, the Articles, the By-Laws of the Association, the Rules and Regulations of the Association, the Contract for Purchase and Sale of a Lot, the Escrow Agreement, and all of the instruments and documents referred to herein and executed in connection with the general plan of development, including without limitation, the Villages of Palm Beach Lakes Declaration of Covenants and Restrictions, and the Articles of Incorporation and By-Laws of the Villages of Palm Beach Lakes Property Owners Association, Inc.

11. "Institutional Mortgagee" shall mean any lending institution having a first lien on a "Lot" (hereinafter defined), including any of the following institutions: an insurance company or subsidiary thereof, a federal or state savings and loan association, a federal or state building and loan association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, a federal or state banking association, the Palm Beach County Housing Authority or similar entity, a real estate investment trust, or any mortgage banking company authorized to do business in the State of Florida.

12. "Lot" shall include a parcel of real property as described on the subdivision plat of Saratoga Bay, a zero lot line, single family home (also referred to as "Home"), and a membership interest in the Saratoga Bay Homeowners Association, Inc., and in the Villages of Palm Beach Lakes Property Owners Association, Inc.

13. "Lot Perimeter Wall" means the exterior wall of a single family home which is located approximately two (2) feet from the lot line.

14. "Occupant" shall mean the occupant of a single family home in Saratoga Bay, who shall be the owner, the lessee, or their respective guest.

15. "Owner" shall mean the fee simple title holder of any lot, whether one or more persons or entities.

16. "Property" shall mean all of the real and personal property subject to this Declaration. The real property is described in Exhibit A, attached hereto and made a part hereof.

17. "Rules and Regulations" shall mean the rules, regulations, and policies which are attached to and incorporated into this Declaration, and as may be adopted by the Board from time to time by resolution duly made and carried.

18. "Saratoga Bay" is the name given to a planned residential community of single family homes to be constructed by Developer in the City of West Palm Beach, Florida. The Plat of Saratoga Bay is recorded in Plat Book \_\_\_Pages \_\_\_inclusive, of the Public Records of Palm Beach County, Florida.

19. "Saratoga Bay Homeowners Association, Inc." shall mean that certain entity created to manage, maintain, and control the Common Areas of Saratoga Bay. It may also be referred to as the "Homeowners Association" or "HOA".

20. "Single family" means one person or a group of two or more persons living together and interrelated by bonds of consanguinity, marriage, or legal adoption, or not more than two persons living together who may or may not be interrelated.

21. "Transfer Date" shall mean the date that the Developer relinquishes the right to appoint a majority of the Directors to the Board of Directors of the Association and conveys legal title to the Common Area to the Association. The transfer date shall occur 120 days after the Developer has closed the sales of 70% of the 122 lots contemplated by the general plan of development, or three years after the Developer has closed the sale of the first lot in Saratoga Bay or after the Developer elects to relinquish its control of the Association, whichever shall first occur.

22. "Villages of Palm Beach Lakes" shall mean the property platted as the Village of Palm Beach Lakes, Plat No. 1, recorded in Plat Book 41, Pages 174-180, Public Records of Palm Beach County, Florida, and the Village of Palm Beach Lakes, Plat No. 2, recorded in Plat Book 44, Pages 1-19, Public Records of Palm Beach County, Florida.

23. "Villages of Palm Beach Lakes Property Owners Association, Inc." shall mean that certain entity created to manage, maintain, and control the Common Areas of the Villages of Palm Beach Lakes. It may also be referred to as the "Villages POA".

ARTICLE II  
GENERAL PLAN OF DEVELOPMENT

1. Developer intends to build one hundred twenty-two (122) single family homes at Saratoga Bay.

2. If sales response warrants the development, it is the intention of the Developer to develop Saratoga Bay in a single phase. The general plan of development may not be completed in its entirety, but the Developer will complete any single family home for which a City of West Palm Beach building permit is obtained. Development shall be commenced within 90 days of the recording of this Declaration in the Public Records of Palm Beach County, Florida.

ARTICLE III  
MEMBERSHIP AND VOTING RIGHTS

1. The owner of the fee simple title of record of each lot shall be a mandatory member of the Association.

2. Each lot owner shall become a member of the Association upon acceptance of the special warranty deed to his lot. As a member of the Association, the owner shall be governed by the Articles of Incorporation and the By-Laws of the Association; and shall be entitled to one (1) vote for each lot owned; provided however, the Developer shall retain the right to appoint a majority of the directors to the Board of Directors of the Association until the Transfer Date.

ARTICLE IV  
USE OF PROPERTY

1. The lots shall be used solely for zero lot line, single family purposes. Nothing herein shall be deemed to prevent an owner from leasing a home to a single family, subject to all of the terms, conditions and covenants contained in this Declaration.

2. The homeowner shall not permit any nuisance to exist upon his property so as to be detrimental to any other property or to its owners. No homeowner or lessee shall make or permit any noise that will disturb or annoy the occupants of any other homeowner, or do or permit anything to be done which will interfere with the rights, comfort or convenience of other occupants.

3. No homeowner or lessee shall do or permit any act or failure to act which shall cause any Association insurance policy to become void or suspended, nor which would cause any increase in premiums payable by the Homeowners Association.

4. No garage shall be used as a living area. The lot shall not be further subdivided or separated by any owner; and no portion less than all of any such lot, nor any easement or other interest granted herein, shall be conveyed or transferred by an owner; provided, however, that this shall not prevent corrective deeds, deeds to resolve boundary disputes and other similar corrective instruments.

5. The single family homes shall not be used in any trade, business, professional or commercial capacity, except that the home may be leased as a single family residence. Nothing contained herein shall prohibit the Developer from carrying on any and all types of construction activity necessary to accomplish the general plan of development, including the construction and operation of a sales model and office by the Developer until all of the lots have been sold.

6. No animals shall be raised, bred or kept on any lot, except that dogs, cats, or other household pets may be kept on the lot, provided they are not kept, bred or maintained for any commercial purpose, or in numbers deemed unreasonable by the Board. Notwithstanding the foregoing, no homeowner may keep more than two (2) dogs and no animal may be kept on the lot which in the judgment of the Board results in a nuisance or is obnoxious to the residents in the vicinity. No Owner shall be permitted to maintain on the premises a pit bull, a doberman pinscher, a German shepard, a greyhound, any dog containing partial blood of the aforementioned types of dogs, or any dog/or dogs generally considered to be of mean or of violent temperament or otherwise evidencing such temperament. Pets shall not be permitted in any of the Common Areas of Saratoga Bay unless under leash. Each pet owner shall be required to clean up after the pet in order to properly maintain the Common Areas. Each lot owner by acquiring a lot at Saratoga Bay agrees to indemnify the Association, and hold it harmless against any loss or liability resulting from his, his family member's, or lessee's ownership of a pet. If a dog or any other animal becomes obnoxious to other homeowners by barking or otherwise, the owner shall remedy the problem or upon written notice from the Association, he will be required to dispose of the pet.

7. All draperies, curtains, shades, or other window coverings installed in a home, and which are visible from the exterior of a home shall have a white backing unless otherwise approved in writing by the Board. No sign, symbol, name, address, notice, or advertisement shall be inscribed or exposed on or at any window or other part of a home or common areas without the prior written approval of the Board.

8. No motorcycle, all-terrain vehicle (excluding passenger cars with four-wheel drive, i.e. Jeeps, Broncos, Blazers, and similar vehicles),

truck, trailer, boat, van, camper, motorhome, bus, or similar vehicle shall be parked on any lot, or driveway, within the confines of Saratoga Bay except: (1) within a single family home garage, (2) commercial vehicles, vans, or trucks delivering goods or furnishing services temporarily during daylight hours, and (3) upon such portions of Saratoga Bay as the Board may, in its sole discretion, allow. In the event that there is a dispute concerning the type of vehicle, then the State of Florida vehicle registration shall control. The Association shall have the right to authorize the towing away of any vehicles in violation of this rule with the costs and fees, including attorneys' fees, if any, to be borne by the vehicle owner or violator.

9. The Developer shall install a sprinkler system on each lot, however, irrigation water service shall be at the expense of each lot owner. All owners shall provide reasonable and sufficient water service to the lawn and landscaped areas in order to maintain the appearance of the development. No wells shall be drilled on any lot for irrigation or any other purpose.

10. All weeds, rubbish, debris, or unsightly materials or objects of any kind shall be regularly removed from the lots and shall not be allowed to accumulate thereon. All refuse containers (except on scheduled trash pick-up days), all machinery and equipment, and other similar items of personal property shall be obscured from view of adjoining streets, lots or common areas.

ii.. Each homeowner who intends to be absent from his home during the hurricane season (June 1 - November 30 of each year) shall prepare his home prior to his departure by doing the following:

- A. Removing all furniture, potted plants, and other movable objects from his yard; and
- B. Designating a responsible person or firm, satisfactory to the Association, to care for his home should it suffer hurricane damage. Such person or firm shall also contact the Association for permission to install temporary hurricane shutters, which must be removed when no longer necessary for storm protection. At no time shall hurricane shutters be permanently installed, without the prior written consent of the Board.

12. The homeowners shall abide by each and every rule and regulation promulgated from time to time by the Board. The initial Rules and Regulations of the Association are attached hereto, made a part hereof and marked Exhibit "B". The Board shall give an owner in violation of the Rules and Regulations, written notice of the violation by U.S. Certified Mail, return receipt requested, and fifteen (15) days in which to cure the violation.

13. Should the Association be required to seek enforcement of any provision of this Declaration or the Rules and Regulations, then and in that event, the offending homeowner (for himself or for his family, guests, invitees, or lessees) shall be liable to the Association for all costs incurred in the enforcement action, including reasonable attorneys' fees, whether incurred in trial or appellate proceedings or otherwise.

ARTICLE V  
EASEMENTS

1. The Developer hereby grants a perpetual non-exclusive easement to the Association and to the homeowners, their families, guests, and lessees upon, over, and across the sidewalks, walkways, and rights-of-way and other common areas. The Developer hereby grants an additional perpetual non-exclusive easement to the Association over, across, through, and under all lots for the purpose of performing the maintenance and repair requirements of the Association as described in this Declaration. The Association, its assigns or representatives shall enter upon an owner's lot only after reasonable notice has been given to the owner.

2. The Developer hereby also grants a perpetual non-exclusive easement to all utility or service companies servicing Saratoga Bay upon, over, across, through, and under the lots and common areas for ingress, egress, installation, replacement, repair, and maintenance of all utility and service lines and systems including, but not limited to water, irrigation, sewer, gas, telephone, electricity, television cable or communication lines and systems. It shall be expressly permissible for the Developer or the providing utility or service company to install and maintain facilities and equipment on said property, to excavate for such purposes and to affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of the homes, providing such company restores any disturbed area substantially to the condition existing prior to their activity; provided, however, that no utility service line or system may be installed or relocated within the common areas without the consent of the Association. The easements over, across, through and under the lots shall be limited to improvements as originally constructed.

3. The Developer hereby grants to each owner a two (2) foot sideyard easement over that portion of an adjacent lot on which a lot perimeter wall and party fence (hereinafter defined) have been located. Said sideyard easement is granted for the sole purpose of maintaining the exterior of such lot perimeter wall and party fence adjoining the easement area. The easement area shall be used exclusively by the owner of the lot adjoining the easement area, or by the Association, its successors or assigns. The easement area shall not be used in any manner by the owner of the lot holding fee simple title to the easement area.

4. The Developer hereby grants an easement for encroachment in the event any improvements upon the common areas now or hereafter encroaches upon a lot, or in the event that any lot now or hereafter encroaches upon the common area, as a result of minor inaccuracies in survey, construction, reconstruction, or due to settlement or movement or otherwise. The encroaching improvements shall remain undisturbed as long as the encroachment exists. This easement for encroachment shall also include an easement for the maintenance and use of the encroaching improvements.

Provided, however, that at no time shall there be any encroachment onto the surface water management systems, without the written consent of the Northern Palm Beach County Water Control District.

5. There is hereby reserved to the Developer and to the Association an easement over, on, across, under, and through each lot for lawn, landscaping, and sprinkling so that the Association may maintain front yard lawns, landscaping and a sprinkling system on each lot

ARTICLE VI

MAINTENANCE OF EXTERIOR OF THE SINGLE FAMILY HOME

1. Each owner shall maintain the exterior of his single family home, including the walls (excluding the lot perimeter wall as specified herein) and fences in good condition and repair. ~~The Association~~ Each owner shall also maintain, repair and replace the roof, fascia and soffit of each the single family home located on such owner's lot at such owner's sole expense. Such single family home must be maintained in good condition and repair by such owner at all times. All costs reasonably related to the Association's maintenance of the roof, fascia, and soffit shall be borne by the Association as a common expense. The Association will pressure clean and paint the roof tile surface periodically as common expense. (Amended 3/27/1997)

2. Each owner shall maintain his own lawn, landscaping, and the sprinkler system located in the rear yard of each lot, which shall include all portions of the lot behind and including the vertical plane of the gated wall or fence between a single family home and an adjacent lot perimeter wall. The Association shall maintain the lawn, landscaping, and the sprinkler system located in the front yard (street side) of each lot.

3. Maintenance of the lot perimeter wall shall be the obligation of the owner of the lot adjacent to the lot perimeter wall. The adjacent lot owner shall have an easement over that portion of the adjacent lot on which a lot perimeter wall has been located, as specified herein, in order to maintain and to make superficial repairs to said lot perimeter wall. However, in no event, shall any person make any structural changes in the walls, including, but not limited to, change of paint color, without the express written approval of the Architectural Control Committee. Structural repairs to the lot perimeter wall shall be performed solely by the Association or its assigns. In the event the Board of Directors of the Association shall determine that the lot perimeter 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 lot owner within thirty (30) days, unless extended by the Board, the Association or its designated committee shall have the right at reasonable times to enter the adjacent lot to effect such repair, and the cost thereof shall be charged to adjacent lot owner, and, if not paid in a timely manner, shall become an individual assessment upon such adjacent lot.

4. Those walls or fences which are constructed between two adjoining lots and are to be shared by the owners of said adjoining lots are to be known as and are hereby declared to be "Party Fences". Party Fences shall be the joint maintenance obligation of the owners of the lots bordering the fences. Each owner shall have the right to full use of said fence subject to the limitation that such use shall not infringe on the rights of the owner of the adjacent lot or in any manner impair the value of said fence. Each owner shall have the right and duty to maintain and to perform superficial repairs to that portion of a party fence which faces such owners's lot. The cost of said maintenance and superficial repairs shall be borne solely by said owner. In the event of damage or destruction of the Party Fence from any cause whatsoever, other than negligence or wilful misconduct of one of the adjacent lot owners, the owners shall, at their joint expense, repair and rebuild said fence within 30 days, unless extended by the Board. In the event it is necessary to repair or rebuild a party fence, the owners shall agree on the cost of such repairs or rebuilding, and shall agree on the person or entity to perform such repairs, provided however, all such repairs must be performed by a qualified contractor. If the owners cannot agree on the cost of such repairs or on the person or entity to perform such repairs, each owner shall chose a member of the Board to act as their arbiter. The Board members so chosen shall agree upon and chose a third Board member to act as an additional arbiter. All of the said Board members shall thereafter chose the person or entity to perform the repairs and shall assess the costs of such repairs in equal shares to the owners. Whenever any such fence or any part thereof shall be rebuilt, it shall be erected in the same manner and be of the same size and of the same or similar materials and of like quality and color and at the same location where it was initially constructed. Provided, that if such maintenance, repair or construction is brought about solely by the neglect or the wilful misconduct of one lot owner, any expense incidental thereto shall be borne solely by such wrongdoer. If the lot owner shall refuse to repair or reconstruct the fence within 30 days, unless extended by the Board of Directors of the Association, and to pay his share, all or part of such cost in the case of negligence or wilful misconduct, any other lot owner may have such fence repaired or reconstructed and shall be entitled to a lien on the lot of the lot owner so failing to pay for the amount of such defaulting owner's share of the repair or replacement. In the event repairs or reconstruction shall be necessary, all necessary entries on the adjacent lots shall not be deemed a trespass so long as the repairs and reconstruction shall be done in a workmanlike manner, and consent is hereby given to enter on the adjacent lots to effect necessary repairs and reconstruction.

5. In the event an owner of any lot shall fail to maintain the premises and the improvements thereon, as provided herein, the Association, after notice to the owner, shall have the right to enter upon any lot to correct drainage and to repair, maintain and restore the exterior of the buildings and fences and any other improvements erected thereon. All costs related to such correction, repair or restoration shall become an individual assessment upon such lot.

ARTICLE VII

MAINTENANCE OF COMMON AREAS

The Association shall maintain the common areas as are shown on the site plan for Saratoga Bay, which shall include, but not be limited to, all roads, grounds, and landscaped areas, the landscaped portions of the Saratoga Road right-of-way and the canal right-of-way abutting the general plan of development, and the identification signage. The cost to the Association of maintaining the common areas shall be assessed equally among the lot owners, as part of the Association expenses pursuant to the provisions of this Declaration. The determination of any expenses shall not lie solely within a lot owner's discretion, but shall rest on the determination of the Board of Directors of the Association.

ARTICLE VIII

ARCHITECTURAL CONTROL

1. The Architectural Control Committee (hereinafter referred to as "ACC") consisting of three (3) or more persons shall be appointed by the Board of Directors.

2. The ACC shall regulate the external appearance, use, and maintenance of the lots and of improvements thereon in such a manner so as to, in ACC's sole judgment, best preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography. Nothing herein shall give the ACC authority to regulate, control or determine external appearance, use or maintenance of lots under development, to be developed, or dwellings under construction, or to be constructed or marketed or sold by the Developer, its successors or assigns.

3. General Provisions.

A. The address of the ACC shall be the principal office of the Association as designated by the Board of Directors pursuant to the By-Laws. Such address shall be the place for the submittal of plans and specifications and the place where the current Architectural Standards, if any, shall be kept.

B. The ACC shall establish time limitations for the completion of any architectural improvements for which approval is required pursuant to the Architectural Standards.

C. Plans and specifications are not approved for engineering design, and by approving such plans and specifications, neither the ACC, the members thereof, the Association, its members, the Board of Directors of the Association or Developer assumes liability or responsibility therefor, or for any defect in any structure constructed from such plans and specifications.

4. In the event the ACC fails to approve, modify or disapprove in writing an application within thirty (30) days after plans and specifications in writing have been submitted to it, in accordance with adopted procedures, approval will be deemed granted.

5. In the event plans and specifications submitted to the ACC are disapproved thereby, the party or parties making such submission may appeal in writing to the Board of Directors of the Association. The written request must be received by the Board not more than thirty (30) days following the final decision of the ACC. The Board shall have forty-five (45) days following receipt of the request for appeal to render its written decision. The Board may reverse or modify the ACC decision by a majority vote of the Directors. The failure of the Board to render a decision within the forty-five (45) day period shall be deemed a decision in favor of the appellant.

6. Conditions.

A. No clearing, grading, construction of improvements (including without limitation, pools, saunas, spas, jacuzzis, screened enclosures, buildings, mailboxes or fences), decorations, attachments, fixtures, alterations, repairs, change of paint or stain color, pressure cleaning, or other work shall be erected, constructed, affixed, placed, or altered on any lot or on any home located thereon until the proposed plans, specifications, exterior colors and/or finishes, landscaping plan, and plot plan showing the proposed location of such improvements shall have been approved by the ACC, its successors or assigns. Refusal or approval of plans, location or specifications may be based by the ACC upon any reason, including purely aesthetic conditions, which in the sole discretion of the ACC shall be deemed sufficient. One (1) copy of all plans and related data shall be furnished to the ACC for its records.

B. No fence, wall, tree, hedge or shrub planting shall be permitted on that portion of any lot which is maintained by the Association except as may be approved by the Association.

C. No clothing, laundry or wash shall be aired or dried on any portion of the lots in an area exposed to view from any other lot. Drying areas will be permitted only in locations approved by the ACC and only when protected from view by approved screening or fencing.

D. No television or other outside antenna system or facility shall be erected or maintained on any lot to which cable television service is then currently available except with the specific consent of the ACC, which consent may be unreasonably withheld.

E. No owner shall be permitted by the ACC to construct or install any building, structure, improvement, machinery, fixture, or equipment within the landscape easement areas shown on the general plan of development.

F. Unless specifically excepted by the ACC, all improvements for which an approval of the ACC is required under this Declaration shall be completed within twelve (12) months from the date of commencement of said improvements.

ARTICLE IX

ASSOCIATION EXPENSES, METHOD OF DETERMINING  
ASSESSMENTS, AND MAINTENANCE OF EXTERIOR AREAS

1. The costs and expenses incurred by the Association with regard to the ownership, operation, maintenance and repair of the common area shall be Association expenses. The costs and expenses assessed by the Association against the lot owners or the Association shall be collected from the lot owners as an Association expense. Common Area expenses and utility expenses shall be payable to the Association on an equal basis by all lot owners.

2. To defray the Association expenses, there is hereby imposed upon each lot and its owner, the affirmative covenant and obligation to pay to the Association, and upon the Association the obligation to assess, collect and expend, the Association's expenses and those expenses hereinafter set forth.

A. Taxes. All taxes levied or assessed upon the common areas, by any and all taxing authorities, including all taxes, charges and assessments, imposition and liens for public improvements, special charges and assessments; and, in general, all taxes on personal property and improvements which are now and which hereinafter may be placed in the common area, including any interest penalties and other charges which may accrue on such taxes.

B. Utility Charges. All charges levied for utility services to the common areas, whether supplied by a private or public firm including, without limitation, all charges for water, gas, electricity, telephone, sewer and any other type of utility or service charge. All charges levied for water, sewer, and waste collection services to the individual lots supplied by the City of West Palm Beach Water and Sewer Department. (Emphasis added.)

C. Insurance. The premiums on any policy or policies of insurance required under Article X hereof, together with the costs of such other policies of insurance, as the Board, with the consent of the unit owners at any meeting thereof, shall determine to be in the best interest of the Association, provided however, that fire and extended coverage on common areas shall be maintained on a current replacement cost basis in an amount not less than 100% of the insurable value based on a current replacement cost.

D. Insurance Trustee. All expenses necessary to retain and continue to retain a lending institution in Palm Beach County, Florida, having a trust department to act as "Insurance Trustee". The functions of the Insurance Trustee shall include holding all original policies purchased by the Association, being named as loss payee, distributing proceeds of such insurance, assisting in the reconstruction of improvements from insurance premiums and performing such other functions as shall be agreed upon.

E. Fidelity Coverage. The cost to the Association of purchasing adequate fidelity insurance or bonds to protect against dishonest acts on the part of officers, directors, trustees, agents and employees of the Association and all other persons who handle or are responsible for handling of the Association. Each fidelity insurance shall meet the following requirements.

(i) All such fidelity insurance or bonds shall name the Association as an obligee; and

(ii) Such fidelity insurance or bonds shall be written in the amount equal to at least 150% of three months operating expenses of the Association, and the amount in reserve as of the end of each fiscal year of the Association; and

(iii) Such fidelity insurance or bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or a similar expression; and

(iv) Such insurance or bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premiums) without at least thirty (30) days prior written notice of the servicer or the insured

F. Reconstruction of buildings and improvements. All sums necessary to repair, replace, construct or reconstruct ("repair") any buildings or improvements located in the common areas damaged by any casualty to the extent insurance proceeds are insufficient for repair. Any difference between the amount of insurance proceeds received on behalf of the Association with respect to repair and the actual cost of the repair ("repair sums") shall be an Association expense for which the Association shall levy a special assessment against all owners, if any, to obtain the funds necessary to pay for such repair sums within ninety (90) days from the date such damage was incurred. The Association shall establish an account with an Institutional Mortgagee located in Palm Beach County, Florida, and deposit into such account all repair sums and all insurance proceeds collected by the "Insurance Trustee", if any, so that the amounts on deposit will equal the costs of repair. The Association shall proceed so that repairs shall be completed within one (1) year from the date of damage, if possible.

G. Maintenance, repair and replacement. All expenses necessary to maintain the lawns, landscaping and sprinkler systems located in the front yard of each lot, the common areas, and the public road rights-of-way abutting the common areas shall be common expenses, including such expenses as irrigating, grass cutting, trimming, fertilizing, and the like, in a manner consistent with the covenants and restrictions contained herein. In addition, all costs reasonably related to the Association's ~~maintenance~~ cleaning and painting of the roof, ~~fascia, and soffit~~ of a all single family homes shall be a common expense. (Amended 3/27/1997)

H. Optional expenses. The costs of administration for the Association, including any secretaries, bookkeepers and other employees necessary to carry out the obligations and covenants of the Association under the Declaration, notwithstanding the fact that some of these services may be expanded in providing services to collecting sums owed by a particular lot. In addition, the Association may retain a managing company or contractors to assist in the operation of Association and to perform or assist in the performance of certain obligations of the Association hereunder. The fees or costs of any management company or contractor so retained shall be deemed to be part of the Association's expense.

I. Indemnification. The costs to the Association to indemnify and save harmless Developer from and against any and all claims, suits, actions, damages and/or causes of action arising from any personal injury, loss of life and/or damage to property in or about the common areas, if any, from and against all costs, counsel fees, expenses, liabilities occurring in and about such claim, the investigation thereof, or the defense at any level of any action or proceeding brought which may enter therein. Included in the foregoing provisions for indemnification are any expenses the Developer may be compelled to incur and bring suit for the purposes of enforcing rights thereunder, or for the purpose of compelling this specific enforcement of the provisions, conditions, covenants and restrictions, contained in the Declaration to be kept and performed by the Association and/or the owners, including the payment of Association expenses.

Further, the cost of the Association indemnifying its officers and members of the Board for all costs and expenses whatsoever incurred in pursuance of their duties, obligations and functions hereunder. Nothing in the provisions of this subparagraph shall require any institutional mortgagee to pay the Association expenses or portion thereof attributable to costs of the Association to indemnify and save harmless Developer in accordance with such paragraph. Any such Association expense shall be reallocated amongst the owners other than the institutional mortgagees.

J. Reserve funds. The costs to establish an adequate reserve fund for replacement and/or capital refurbishment of the common areas (the "capital contributions") in the amounts determined proper and sufficient by the Board, if any. Each owner acknowledges, understands and consents that capital contributions are the exclusive property of the Association as a whole, and that no owner shall have any interest, claim or right to any such capital contributions or funds composed of the same. The Association shall be responsible for maintaining the capital contribution in a separate reserve account and to use such funds only for capital costs and expenses as aforesaid.

K. Special assessments. Any special assessment that shall be levied to defray (a) extraordinary items of Association expense other than those contemplated by capital contribution; and (b) such other Association expenses determined by the Board to be payable by the Association and which are not inconsistent with the terms of this Declaration, the Articles of Incorporation or the By-Laws.

L. First mortgagees. First mortgagees of lots may, jointly or singularly, pay taxes or other charges which are in default, and which may or have become a charge or encumbrance against the common areas, and may pay overdue premiums on hazard insurance policies or new hazard coverage upon lapse of a policy with respect to the common areas, with a right of immediate reimbursement from the Association.

M. Villages of Palm Beach Lakes Property Owners Association, Inc. All expenses of the lot owners or the Association due and payable to the Property Owners Association for the maintenance and repair of the common areas of the Villages of Palm Beach Lakes. Said expenses to be assessed to the lot owners, and to be paid through the Association in accordance with the Villages of Palm Beach Lakes Declaration of Covenants and Restrictions.

3. Method of Determining Assessments. The "assessments" (as hereinafter defined) for Association expenses shall be levied and paid for as follows:

A. It is hereby declared and all owners and the Association agree that the Association expenses shall be paid by the Association out of funds assessed and collected from and paid by all owners, provided, however, that the Developer shall not be required to contribute any amounts for Association expenses on units owned by the Developer until no remaining units are being sold in the ordinary course of business. Each individual lot owner other than Developer shall be required to pay the Association expenses.

B. As provided in the By-Laws of the Association, the Board shall prepare an estimated annual budget which shall reflect the estimated Association expenses. Thereupon the Board shall allocate an equal share of the Association expenses to all lots.

For the purpose of determining an equal share of Association expenses the number of lots in Saratoga Bay shall include only such lots as have been conveyed to purchasers. The total number of lots in Saratoga Bay conveyed to purchasers shall be used as the denominator and the number "1" shall be used as the numerator for the calculation of equal shares of Association expenses. For example, if all of the lots in Saratoga Bay have been conveyed to purchasers, the total number of lots shall be one hundred twenty-two (122) and therefore each lot shall be liable for 1/122 of the Association expenses.

C. The assessments may be adjusted as necessary to allow for any change in the amount of Association expenses. The adjustment may be made by dividing the total anticipated Association expenses for the remainder of the calendar year by the total number of lots in Saratoga Bay.

D. The assessments shall be payable no less frequently than quarter-annually in advance on the first day of January, April, July and October, or otherwise as the Board may determine.

ARTICLE X

INSURANCE

1. Casualty. The Association shall maintain a master policy or policies to insure all Association property in the general plan of development against casualty loss. This coverage shall insure **100%** of the current replacement cost of the common area improvements, personal property, and supplies. It shall be in such amounts so that the insured will not be a co-insurer except under deductible clauses required to obtain coverages at a reasonable cost.

A. The coverages will EXCLUDE the following:

- (i) Land, foundations, excavations or other items that are usually excluded from insurance coverage; and
- (ii) Any increase in the value of Association property

as a result of special Improvements, alterations and betterments.

B. The coverage will INCLUDE the following:

- (I) Loss or damage by fire or other hazards covered by a standard extended coverage endorsement;
- (ii) All other perils customarily covered for similar types of projects, including those covered by the standard "all risk" endorsement;
- (iii) Agreed Amount and Inflation Guard Endorsement, when it can be obtained;
- (iv) Demolition Cost Endorsements, Contingent Liability from Operation of Building Laws Endorsement, and Increased Cost of Construction Endorsement;
- (v) Steam Boiler Endorsement, if applicable, providing at least \$50,000.00 coverage for each accident at each location;

C. When appropriate and possible, the policies shall waive the insurer's right to:

- (1) Subrogation against the Association and against the lot owners, individually and as a group;
- (ii) The 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 the Board, or by a member of the Board or by one or more lot owners.

D. In addition, the policy shall provide that:

(i) Any Insurance Trust Agreement will be recognized;

(ii) The policy shall be primary, even if the Association has other insurance that covers the same loss; and

(iii) The named insured shall be the Association. The "loss payable" clause should show said Association or the designated insurance trustee.

2. Reconstruction and Repair after Casualty.

A. Under ordinary circumstances Association property which is damaged by casualty shall be reconstructed and repaired. If a dispute arises as to whether the Association property should be repaired or reconstructed, the Board of Directors shall make the determination to repair or reconstruct. All owners shall be bound by this determination.

B. Although it is impossible to anticipate all problems which may arise from a casualty the intent is to try to assure that the overall quality development plan of Saratoga Bay is maintained by requiring damaged Association property to be rebuilt or repaired and that unsightly and dangerous conditions are remedied as soon as possible. Any reconstruction and repair must be substantially in accordance with the plans and specifications for such property as originally constructed, or if none, then according to plans and specifications approved by the Board. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair for which the Association is responsible, or if at any time during that work or upon completion of the work the funds available for payment of the costs are insufficient, assessments shall be made by the Association against all lot owners in sufficient amounts to provide funds for the payment of those costs.

3. Public Liability Coverage. The Association shall obtain comprehensive general liability coverage insuring the Association against any and all claims and demands made by any person or persons for injuries received in connection with the operation and maintenance of the Common Areas and improvements located thereon, or for any other risk insured against by such policies which the Association, in its sole discretion, determines to insure against. Each policy purchased by the Association shall have limits of not less than \$1,000,000.00 covering all claims for personal injury and property damage arising out of a single occurrence. The liability coverage shall include protection against liability for non-owned and hired automobiles, and liability for hazards related to usage. In addition, the coverage shall include protection against liability that results from actions related to employment contracts in which the Association is a party. All such policies will name the Association (and the Developer until the Transfer Date), as their respective interests may appear, as insured parties under such policy or policies. The original of each policy shall be held by the Board or in the office of the "Insurance Trustee" (as hereinafter defined).

4. Fidelity Bond Coverage. The Association shall obtain Fidelity Bonds covering officers, directors, employees and other persons who handle or are responsible for handling Association funds. Such bonds shall be in an amount equal to at least one hundred fifty percent (150%) of three months operating expenses, and the amount in reserve as of the end of each fiscal year of the Association and shall contain waivers of any defense based upon the exclusion of persons serving without compensation.

5. Flood Insurance. If any part of the common areas are in a special flood hazard area, as defined by the Federal Emergency Management Agency, the Association shall insure same. The coverage shall be 100% of the current replacement cost of any common area improvements or buildings and other insurable common property, or the maximum coverage available for such improvements, buildings, or property under the National Flood Insurance Program.

6. All insurance shall be issued by a company authorized to do business in the State of Florida.

7. Premiums on policies purchased by the Association shall be paid as an Association Expense. The Association will furnish evidence of premium payment to each mortgagee upon request.

8. All insurance policies purchased by the Association shall be for the benefit of the Association and shall provide that all proceeds covering property losses shall be paid to the Association as trustee or to such institution in Florida with trust powers as may be designated as Insurance Trustee by the Board.

9. This Article is additionally for the benefit of first mortgagees of homes and may not be amended without the consent of all such mortgagees.

10. All insurance policies purchased by the Association shall require the insurer to notify in writing the Association or the designated Insurance Trustee and each first mortgagee named in any mortgage clause at least 10 days before it cancels or substantially changes the coverage.

11. The Association is irrevocably appointed agent to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

## ARTICLE XI

### ESTABLISHMENT AND ENFORCEMENT OF LIENS

1. All assessments for Association Expenses, including special assessments for same, and all installments thereof, (collectively, the "assessments") with interest thereon and costs of collection, including reasonable attorneys' fees at trial level, appellate level, or otherwise, are hereby declared to be a charge and a continuing lien upon the lot against which such assessments are made.

Each assessment against a lot, together with such interest thereon at the highest rate allowed by law and costs of collection thereof, including attorneys' fees, shall be the personal obligation of the person, persons or entity owning the lot assessed. Said lien shall be effective only from and after the time of recordation amongst the Public Records of Palm Beach County, Florida, of a written, acknowledged statement by the Association setting forth the amount due to the Association as of the date the statement is signed. Upon full payment of all sums secured by that lien and costs and fees accrued, the party making payment shall be entitled to a recordable Satisfaction of Lien. When any first mortgagee obtains title to a lot as a result of a foreclosure of mortgage or deed (or assignment) is given in lieu of foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of assessments pertaining to such lot or chargeable to the former owner which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu of foreclosure, unless such share is secured by a Claim of Lien for assessments and recorded prior to the recordation of a mortgage. Such unpaid share of assessments for which a Claim of Lien has not been recorded prior to the recording of the foreclosed mortgage or deed given in lieu of foreclosure shall be deemed to be assessments collectable from all lots, as the necessity may arise in the discretion of the Board.

2. In the event any owner shall fail to pay assessments or any installment thereof charged to his lot within (15) days after the same becomes due, the Association, through its Board, shall have all of the following remedies to the extent permitted by law.

A. To accelerate the entire amount of any assessments for the remainder of the calendar year notwithstanding any provisions for the payment thereof in installments.

B. To advance on behalf of said owner funds to accomplish the needs of the Association and the amount or amounts of money so advanced, including reasonable attorneys' fees and expenses which might have been reasonably incurred because of or in connection with such advance, including costs and expenses of the Association if it must borrow to pay expenses because of said owner, together with interest at the highest rate allowable by law, may thereupon be collected or enforced by the Association and such advance or loan by the Association shall not waive the default.

C. To file an action in equity to foreclose its lien at any time after the effective date thereof. The lien may be foreclosed by an action in the name of the Association in a like manner as the foreclosure of a mortgage on real property.

D. To file an action at law to collect said assessments, plus interest at the highest rate allowable by law plus court costs, without waiving any lien rights and/or rights of foreclosure by the Association.

## ARTICLE XII

### ENFORCEMENT OF DECLARATION

The enforcement of this Declaration may be by proceeding at law for damages or in equity to compel compliance with its terms or to prevent violation or breach of any of the covenants or terms herein.

The Developer, the Association, or any individual may, but shall not be required to, seek enforcement of the Declaration. Any individual

who seeks enforcement of the Declaration shall by his actions be deemed to have indemnified the Developer and the Association from all liabilities resulting from his actions. Should the party seeking enforcement be the prevailing party in any action, then the person against whom enforcement has been sought shall pay all costs and reasonable attorneys' fees at all trial and appellate levels to the prevailing party.

## ARTICLE XIII

### AMENDMENTS

1. Until the closing of the first conveyance of a lot by Developer to an owner, other than Developer, (Amendment Date), any amendment may be made by Developer with consent of any mortgagee who has advanced funds for construction or who is under contract to advance construction funds, if any.

2. After the Amendment Date, this Declaration may be amended only by consent of fifty-one percent (51%) of all lot owners together with the consent of the institutional mortgagee with the highest aggregate mortgage indebtedness on the lots. The aforementioned consent shall be in writing and affixed to the Amendment to this Declaration.

3. Notwithstanding the foregoing, no amendment to Articles IX or X, and no other amendment shall be effective which shall, in a material fashion impair or prejudice the rights or priorities of any owner, the Developer, or any institutional mortgagee under this Declaration without the specific written approval of the owner, the Developer or institutional mortgagee affected thereby. In addition, any amendment which would affect the surface water management system, including the water management portions of the common areas, must have the prior approval of the South Florida Water Management District.

4. Prior to the transfer date, the Developer may amend this Declaration in order to correct a scrivener's error or other defect or omission without the consent of the owners or the Board; provided that such amendment is reasonable and does not adversely affect in a material manner an owner's property rights. This amendment shall be signed by the Developer alone and a copy of the amendment shall be furnished to each owner, the Association and all institutional mortgagees as soon after recording thereof amongst the Public Records of Palm Beach County, Florida, as is practicable.

5. An amendment to the Declaration shall become effective upon the recordation amongst the Public Records of Palm Beach County, Florida.

ARTICLE XIV

CONVEYANCES

In order to assure a community of congenial residents and thus protect the value of the homes in the Saratoga Bay community, the sale or lease of homes shall be subject to the following provisions:

1. The home owner shall notify the Association in writing of his intention to sell or lease his home and furnish with such notification a copy of the contract for sale or lease, whichever is applicable.

2. Any and all lease agreements between an owner and a lessee of such owner shall be in writing, shall provide for a term of not less than four (4) months, and must provide that the lessee shall be subject in all respects to the terms and provisions of this Declaration and that any failure by the lessee under such lease agreement to comply with such terms and conditions shall be a material default and breach of the lease agreement. The lease agreement shall also State who will be responsible for the assessments as stated above, and it shall be the obligation of all home owners to supply the Board with a copy of said written agreement prior to the lessee occupying the premises. Unless provided to the contrary in a lease agreement, a home owner, by leasing his home, automatically delegates his right of use and enjoyment of the common areas and facilities to his lessee; and in so doing, said owner relinquishes said rights during the term of the lease agreement.

3. Upon receipt of a copy of the contract for sale or lease, the Association shall within ten (10) business days, issue a Certificate indicating the Association's approval of the transaction. In the event of a sale it shall then be the responsibility of the purchaser to furnish the Association with a recorded copy of the deed of conveyance indicating the owner's mailing address for all future maintenance bills and other correspondence from the Association. Provided, however, prior to the issuance by the Association of a Certificate indicating the Association's approval of the transaction, the purchaser or lessee shall be required to execute a copy of the Rules and Regulations of Saratoga Bay acknowledging that he takes title subject to and agrees to abide by the Rules and Regulations. The Association shall then retain one signed copy in the Association's records, and furnish one copy to the purchaser or lessee.

4. Except as provided in paragraph 5 below, it is not the intention of this Article to grant to the Association a right of approval or disapproval of purchasers or lessees. It is, however, the intent of this paragraph to impose an affirmative duty on the owners to keep the Association fully advised of any changes in occupancy or ownership for the purposes of facilitating the management of the Association's membership records. As this Article is a portion of the Declaration which run with the land, any transaction which is conducted without compliance with this Article may be voidable by the Association.

5. Notwithstanding the provisions of paragraph 3 above, in the event that a home owner is delinquent in paying any assessment, or the owner or his buyer, family, guests, agents, licensees or invitees are not in compliance with any provisions of the Declaration, the Association has the right to disapprove of any sale; and in the case of a lease, the right to disapprove of and to void any lease at any time prior to or during the leasehold tenancy until any delinquent assessment is paid and/or until any violation of any provision of the Declaration is corrected.

#### ARTICLE XV

#### TERMINATION

1. This Declaration may be terminated upon the affirmative written consent of eighty percent (80%) of all lot owners, and upon the affirmative written consent of all institutional mortgagees holding mortgages encumbering lots.

2. If this Declaration is terminated in accordance herewith, it is hereby declared by the Developer, and each and every owner of a lot by acquiring title to his lot covenants and agrees, that the termination documents shall require:

A. That all homes shall continue to be used solely as single family residences.

B. All common areas shall be owned and held in equal shares by the lot owners as tenants in common, and each lot owner shall remain obligated to pay his prorata share of expenses to continually maintain the common areas.

3. The lot owners and their grantees, successors, and assigns by acquiring title to a lot covenant and agree that no termination of this Declaration shall be made for a period of twenty-five (25) years from the date of recordation of this Declaration. This Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens and liens contained herein shall run with and bind the subject property and inure to the benefit of Developer, the Association, the owners, institutional mortgagees and their respective legal representatives, heirs, successors., and assigns for said period. After this period, the Declaration shall be automatically renewed and extended for successive periods of ten (10) years each unless at least one (1) year prior to the termination of such twenty-five (25) year term or any such ten (10) year extension there is recorded amongst the Public Records of Palm Beach County, Florida, an instrument signed by at least eighty percent (80%) of all institutional mortgagees holding mortgages encumbering the lots agreeing to terminate this Declaration, upon which event this Declaration shall be terminated upon the expiration of twenty-five (25) years or the ten (10) year extension thereof during which the termination instrument is recorded.

4. If the Association is terminated, the property consisting of the surface water management system operated and maintained as part of the common areas shall be conveyed to an appropriate agency of local government, and if not accepted thereby, then it must be conveyed to a similar non-profit corporation.

ARTICLE XVI

VILLAGES OF PALM BEACH LAKES

PROPERTY OWNERS ASSOCIATION, INC.

Each owner in Saratoga Bay is a mandatory member of the Villages of Palm Beach Lakes Property Owners Association, Inc. The Homeowners Association is obligated to collect and to pay to the Villages FOA such assessments for expenses as are billed to each lot owner. Each lot owner agrees to accept membership in said Villages POA, and further agrees to be bound by all of the terms, provisions, and conditions contained in the Declaration of Covenants and Restrictions, Articles of Incorporation, and the By-Laws of the Villages POA, including, without limitation, the duty to pay the assessments of Villages POA through the Homeowners Association.

ARTICLE XVII

MISCELLANEOUS

1. The failure of the Developer, the Association, or any owner to object to an owner's or other person's failure to comply with the Covenants and Restrictions contained herein shall in no event be deemed a waiver of any right to object to same and to seek compliance therewith in accordance with the provisions herein.

2. Article and paragraph captions inserted throughout this Declaration are intended only as a matter of convenience and for reference only and in no way shall such captions or headings define, limit or in any way affect any of the terms and provisions of this Declaration.

3. Whenever the context requires, any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof and the singular form of any nouns or pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

4. In the event any one of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

5. The Association may not convey, encumber, abandon, partition or subdivide any of the common areas without the approval of all Institutional Mortgagees. All first mortgagees, upon request, shall be entitled to written notification from the Association of (a) any default by a individual lot owner of any obligation hereunder not cured within sixty (60) days, (b) any condemnation loss or any casualty loss which affects a material portion of the plan of development or any lot encumbered by such mortgages, and (c) any cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

6. The Association is required to make available to owners and to lenders, holders, insurers or guarantors of any first mortgage, current copies of the Declaration, Articles of Incorporation, By-Laws, Rules and Regulations and other such documents governing Saratoga Bay or the Association, as well as the books, records, and financial statements of the Association. "Available" shall be defined as obtainable for inspection, upon written request after reasonable notice, during normal business hours or under such other reasonable circumstances.

7. Any holder of a first mortgage shall be entitled, upon written request after reasonable notice, to a financial statement of the Association for the immediately preceding fiscal year.

8. Upon written request to the Association, identifying the name and address of the holder, insurer, or guarantor and the lot number and address, such mortgage holder, insurer, or guarantor will be entitled to timely notice of any proposed action that requires the consent of a specified percentage of mortgage holders.

9. Notwithstanding any provision to the contrary set forth above, unless at least two-thirds of the first mortgagees (based on one vote for each first mortgage owned) or two-thirds of the owners of the lots (other than the Developer) have given their written approval, the Association is not entitled to change the method of determining the assessments or other charges that may be levied against a lot owner; the Association may not, by act or omission, change, waive, or abandon any scheme of regulations or their enforcement pertaining to architectural design or the exterior appearance of lots, or the care and maintenance of the common areas; nor may the Association use hazard insurance proceeds for losses to the common areas other than for the repair, replacement, or reconstruction of the common areas.

10. Each lot owner will be subject to the taxing authority of the Northern Palm Beach County Water Control District. For a period of four years, commencing with real estate tax year 1987, and ending with real estate tax year 1991, Perini Land & Development Company has agreed to refund to each lot owner any part of said Water Control District's annual maintenance tax which is in excess of \$400.00 per acre or portion thereof. In order to receive such a refund, the lot owner must present a copy of his paid tax bill to Fermi Land & Development Company on or before June 30th of the following real

estate tax year. Failure to present a copy of the paid tax bill by said date will make the lot owner ineligible for such a refund. Perini Land & Development Company has no duty to notify the lot owner of this refund privilege.

IN WITNESS WHEREOF, the Declaration of Covenants and Restrictions of Saratoga Bay has been signed by the Developer and the Association

on the day and year first above set forth. The Developer and the Association have caused these presents to be executed in their names and their corporate seals to be hereunto affixed by their proper officers thereunto duly authorized.

BURG & DIVOSTA CORPORATION

(Corporate Seal) By: \_\_\_\_\_

Clifford F. Burg, President

SARATOGA BAY  
HOMEOWNERS ASSOCIATION, INC.

(Corporate Seal) By: \_\_\_\_\_

Charles H. Hathaway, President

STATE OF FLORIDA

COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this \_\_\_day of \_\_\_\_\_, 1987 by CLIFFORD F. BURG, President of BURG & DIVOSTA CORPORATION, a Florida corporation, on behalf of the corporation.

\_\_\_\_\_(SEAL)  
Notary Public  
My Commission expires:

STATE OF FLORIDA

COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this \_\_\_day of \_\_\_\_\_, 1987 by CHARLES H. HATHAWAY, President of the SARATOGA BAY HOMEOWNERS ASSOCIATION, INC., a Florida corporation, on behalf of the corporation.

\_\_\_\_\_(SEAL)  
Notary Public  
My Commission expires:

LEGAL DESCRIPTION

All of the Flat of SARATOGA BAY according to the plat thereof  
recorded in Flat Book \_\_\_\_\_ Pages \_\_\_\_\_ Public Records of Palm Beach  
County, Florida.