



DECLARATION OF RESTRICTIONS

FOR

THE PALM CLUB VILLAGE III

THIS DECLARATION, made by HOWNANIAN OF PALM BEACH X, INC., hereinafter referred to as "Declarant";

W I T N E S S E I H:

WHEREAS, Declarant is the owner of certain property in Palm Beach County, Florida, more particularly described in EXHIBIT A affixed hereto and made a part hereof, and is desirous of subjecting such real property to the covenants, conditions and restrictions hereinafter set forth, each and all of which are for the benefit of such property and each present and future owner and shall apply to and bind every present and future owner of said property and their heirs, successors and assigns; and,

NOW, THEREFORE, Declarant hereby declares that the real property described in EXHIBIT A is and shall be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions and restrictions hereinafter set forth:

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to THE PALM CLUB HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property described in EXHIBIT A affixed hereto and made a part hereof, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (and interests therein and improvements thereon) and personal property owned or leased by or dedicated to the Association for the common use and enjoyment of the Owners. Initially, the Common Area shall consist of all portions of the Properties which are not Lots, nor dedicated to a governmental entity or the public, and shall specifically include the access roads to the Lots, the median circle located adjacent to Lots 43-47 (as said term is defined below), lakes, buffer zone and open spaces of the Properties which are not Lots.

Section 5. "Lot" shall mean a platted lot shown upon a Plat of the Properties recorded in the Public Records of Palm Beach County, Florida, excluding in the Common Area. No further subdivision shall be permitted, and no alienation, transfer, demise, sale or lease of a portion of a Lot shall be permitted. Any such alienation, transfer, demise, sale or lease must be of an entire Lot. The legal description for each Lot will be as specifically provided in the deed of conveyance from Declarant to each purchaser.

RECORD & RETURN TO:

Prepared by:  
Gary L. Kornfeld, Esq.  
Levy, Shapiro, Kneen  
& Kingcade, P.A.

218 Royal Palm Way  
Post Office Box 2755  
Palm Beach, Florida 33480  
Telephone: (305) 655-3751

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DECLARATION OF RESTRICTIONS

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Section 6. "Declarant" shall mean and refer to HDVNANIAN OF PALM BEACH X, INC., its specific successors and assigns as set forth in ARTICLE XI hereof.

Section 7. "Articles and By-Laws". It is intended that Articles of Incorporation for the Association be filed with the Florida Secretary of State, substantially in the form attached hereto as EXHIBIT B, and By-Laws for the Association be adopted substantially in the form attached hereto as EXHIBIT C.

Section 8. "The Palm Club Village III" shall mean the Properties which are proposed to contain a maximum of 93 Lots and the Common Area as hereinabove defined.

Section 9. "Project" shall mean all of the condominium units, townhouses, cluster homes, single-family residences and/or other parcels located within the land described in the plat entitled "THE PALM CLUB, A P.U.D.", as the same has been recorded in the Public Records of Palm Beach County, Florida.

#### ARTICLE II

#### ANNEXATION, WITHDRAWAL, VACATING AND DISSOLUTION

Section 1. Annexation of Declarant. Until such time as Class B Membership to the Association has ceased pursuant to the provisions of ARTICLE IV hereof, additional residential property and/or Common Area may be annexed to the Properties with the consent and approval of Declarant. Except for applicable governmental approvals, no consent from any other party, including Class A members, or any mortgagees of any Lots shall be required. Such annexed lands shall be brought within the scheme of this Declaration by the recording of a short form Notice of Declaration that shall be executed by Declarant in the Public Records of Palm Beach County, Florida. The short form of Declaration shall refer to this Declaration and shall, unless specifically otherwise provided, incorporate by reference all the terms, protective covenants and conditions of this Declaration, thereby subjecting said annexed lands to such terms, covenants, conditions and restrictions as fully as though said annexed lands were described herein as a portion of the Properties. Such Notice of Declaration may contain such additions or modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added land and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such a Notice of Declaration revoke, modify or add to the covenants established by this Declaration as to the Properties.

Section 2. Annexation by Members. At such time as Class B Membership has ceased pursuant to the provisions of ARTICLE IV hereof, additional lands may be annexed with the consent of two-thirds (2/3) of the vote of the membership in the Association, and applicable governmental approvals.

Section 3. Withdrawal. For a period of five years from the date of recording of this Declaration, the Declarant shall be entitled to withdraw any portion of the Properties which are described in Exhibit A affixed hereto (or any additions thereto which may be annexed in accordance with the provisions of Section 1 of this Article II) from the provisions and applicability of this Declaration and the Articles and By-Laws attached hereto, by recording a notice thereof in the Public Records of Palm Beach County; provided, however, that this right of Declarant to withdraw shall not apply to any portions of the Properties which have been conveyed to a Purchaser thereof unless said right is specifically reserved in such conveyance. The withdrawal of any portion of the Properties as hereinabove stated shall not require the consent or joinder of any other party, including any Owner, the Association, or any Mortgagee of the Properties, provided applicable governmental approvals are obtained.

Section 4. Vacating of Recorded Plat. Declarant hereby covenants that it will not vacate any portion of the recorded Plat for the Properties, as recorded in the Public Records of Palm Beach County, Florida, which provide for open space, unless it vacates the entire Plat of record.

Section 5. Dissolution. In the event of the dissolution of the Association, other than incident to a merger or consolidation, any Member may petition the Circuit Court of the Fifteenth Judicial Circuit in the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and to manage the Properties, in the place and instead of the Association, and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and the Properties.

#### ARTICLE III

##### PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area for its intended purpose, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

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

(b) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective without consent of two-thirds (2/3) of the votes of the Association, and without prior written consent of Declarant.

(c) Rules and regulations adopted by the Association governing use and enjoyment of the Common Area.

(d) The right of the Association to grant permits, licenses, and easements over the Common Area for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Properties.

(e) For purposes of this Article III, the Owner's right and easement of enjoyment in and to the Common Area shall not be deemed to have granted any Owner easement rights to use, or to gain access to, the lake within the Properties unless that Owner's Lot abuts and is adjacent to said lake.

Section 2. Delegation of Use. Any Owner may delegate by written instrument to the Association his right of enjoyment to the Common Area to specified members of his family, his tenants, or contract purchasers who reside on the property.

#### ARTICLE IV

##### MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. The Association shall have two classes of voting membership:

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

Class B. The Class B members shall be the Declarant and shall be entitled to ninety-four (94) votes. The Class B membership shall cease on the happening of one of the following events, whichever occurs earlier:

- (a) Four (4) months after 95% of the lots in The Palm Club Village III have been conveyed to lot purchasers; or,
- (b) Five (5) years following conveyance of the first lot in The Palm Club Village III to a lot purchaser; or,
- (c) Such earlier date as Declarant may determine.

Section 3. Each Owner is subject to that certain Declaration of Restrictive Covenants by Hovnanian of Palm Beach VII, Inc. recorded in Official Record Book 4039 at Page 1220, as amended in Official Record Book 4153, Pages 0485-0487, both of the Public Records of Palm Beach County, Florida. All rights, privileges, benefits, liabilities and obligations set forth in said Declaration of Restrictive Covenants are incorporated herein by reference and each Owner shall be bound thereby in all respects.

#### ARTICLE V

#### COVENANT FOR ASSESSMENTS

Section 1. Payment of Assessments. The Declarant hereby covenants, creates and establishes, and each Owner of a lot, by acceptance of a deed or instrument of conveyance for the acquisition of title in any manner, shall hereafter be deemed to have covenanted and agreed to pay to the Association the following dues, fees, charges and assessments, subject to the provisions of Section 3 of this ARTICLE V:

(a) Any annual assessment or charge for the purpose of operating the Association and accomplishing any and all of its purposes. At such time that there are improvements on any Common Area for which the Association is responsible to maintain, repair and replace, the Association shall include a "Reserve for Replacement" in the annual assessment in order to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Area. Such assessments shall be in equal amounts against the Owners of each lot.

(b) Any special assessments for capital improvements, emergencies, or non-recurring expenses; such assessments shall be in equal amounts against the Owners of each lot.

(c) Charges incurred in connection with the enforcement of any of the terms and conditions hereof, including reasonable attorney fees and costs.

(d) Fees or charges that may be established for the use of facilities or for any other purpose deemed appropriate by the Board of Directors of the Association.

(e) Assessments of any kind for the creation of reasonable reserves for any of the aforesaid purposes. Such assessments shall be in equal amounts against the Owners of each lot.

Section 2. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the

Properties hereby covenants, and each Owner of any Lot by acceptance of a deed or instrument of conveyance for the acquisition of title in any manner, whether or not it shall be so expressed in such deed or instrument, is deemed to covenant and agree that the annual and special assessments, or other charges and fees set forth in Section 1 hereof, together with interest, late fees, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. The lien is effective from and after recording a Claim of Lien in the public records of the county in which these documents are recorded, stating the description of the Lot, name of the Owner, amount due and the due dates. Each such assessment, together with interest, late fees, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due, as well as his heirs, devisees and personal representatives.

Section 3. Commencement of First Assessment. Assessments provided herein shall first commence as to each Lot on the day of the conveyance of title of each Lot by Declarant (unless otherwise specifically set forth by Declarant in such conveyance to the contrary). The annual assessments in effect at that time shall be adjusted according to the number of months remaining in the calendar year after such date.

Section 4. Establishment of Assessments. The Board of Directors of the Association shall approve and establish all sums which shall be payable by the members of the Association in accordance with the following procedures:

(a) Annual assessments against the Owners of all of the Lots shall be established after the adoption of an operating budget, and written notice of the amount and date of commencement thereof shall be given to each Owner not less than thirty (30) days in advance of the date thereof. Annual assessments shall be payable at such time or times as the Board of Directors shall direct which shall be quarterly until otherwise directed. Annual assessments shall include an amount for reserves so as to enable the Association to establish and maintain an adequate reserve fund for periodic maintenance, repair and replacement of improvements to the Common Areas.

(b) Special Assessments against the Owners and all other fees, dues and charges, including assessments for the creation of reasonable reserves, may be established by the Board of Directors at any regular or special meeting thereof, and shall be payable at such time or times as the Board of Directors shall direct.

(c) The Board of Directors may, from time to time, establish by a resolution, rule or regulation, or may delegate to an officer or agent, the power and authority to establish specific fees, dues or charges to be paid by Owners of Lots for any special or personal use of facilities, or to reimburse the Association for the expenses incurred in connection with the enforcement of any of the terms of this Declaration. Such sums shall be payable by the affected member at such time or times as shall be established by the resolution, rule or regulation of the officer or agent.

(d) The Association shall prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. The Association shall, upon demand, furnish an Owner liable for said assessment, a certificate in writing signed by an officer of the Association, setting forth whether the assessment has been paid and/or the amount which is due as of any date. As to parties without knowledge of error, who rely thereon, such certificates shall be conclusive evidence of payment or partial payment of any assessment therein stated having been paid or partially paid.

(e) Declarant shall establish a Working Capital Fund for the initial months of operation of the Association, which shall be collected by the Declarant from each Lot Purchaser at the time of conveyance of each Lot to such Purchaser in an amount equal to two months of the annual assessment for each Lot. Each Lot's share of the Working Capital Fund shall be collected and transferred to the Association at the time of closing of the sale of each Lot and maintained in a segregated account for the use and benefit of the Association. The purpose of this fund is to assure that the Association's Board of Directors will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the Board of Directors. Amounts paid into the fund are not to be considered as advance payment of regular assessments.

Section 5. Effect of Nonpayment of Assessments; Remedies of the Association. If any assessment is not paid within fifteen (15) days after the due date, a late fee of \$25.00, together with ten (10%) percent interest thereon per annum, beginning from the due date until paid in full, may be levied by the Board of Directors for each month the assessment is unpaid. The Association may at any time thereafter bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the property. The Association shall not be required to bring such an action if it believes that the best interests of the Association would not be served by doing so. There shall be added to the assessment all costs and expenses, including attorneys' fees, required to collect same. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 6. Subordination of the Lien to Mortgages. As hereinabove provided in Section 2, the lien of the Association for assessments and other charges of the Association becomes effective from and after recording of a Claim of Lien in the public records. This lien of the Association shall be subordinate to a bona fide first mortgage on any Lot, which mortgage is recorded in the public records prior to any said Claim of Lien against the same Lot being recorded in the public records. A lien for assessments shall not be affected by any sale or transfer of a Lot; provided, however, that in the event of a sale or transfer pursuant to a foreclosure of a bona fide first mortgage, the acquirer of title, his successors and assigns, shall not be liable for assessments pertaining to the Lot or chargeable to the former owner of the Lot which became due prior to such sale or transfer. However, any such unpaid assessments for which such acquirer of title is not liable, may be reallocated and assessed to all Lots (including such acquirer of title) as an Association expense. Any such sale or transfer pursuant to a foreclosure shall not relieve the Purchaser or transferee of a Lot from liability for, nor the Lot from the lien of, any assessments made thereafter. Nothing herein contained shall be construed as releasing the party liable for any delinquent assessments from the payment thereof, or the enforcement of collection by means other than foreclosure.

#### ARTICLE VI

#### MAINTENANCE OBLIGATION OF ASSOCIATION

Section 1. Common Area. The Association shall at all times maintain, repair and replace at its expense all Common Areas, including all improvements placed thereon, in good condition and repair.

Section 2. Right of Entry by Association. Whenever it is necessary to enter a Lot, or the dwelling thereon, for the purpose of inspection, including inspection to ascertain an Owner's compliance with the provisions of this declaration, or for performance of any maintenance, alteration or repair to any portion of the dwelling or improvements upon the Lot, the Owner thereof

shall permit an authorized agent of the Association to enter such dwellings, or go upon the Lot, provided that such entry shall be made only at reasonable times. In the case of emergency such as, but not limited to, fire or hurricane, entry may be made at any time. Each Owner does hereby appoint the Association as its agent for the purposes herein provided and agrees that the Association shall not be liable for any alleged property damage or theft caused or occurring on account of any entry.

Section 3. Others. The Association shall also maintain the vegetation, landscaping and sprinkler system upon areas which are not within the Properties but about same and are owned by a utility or governmental quasi-governmental entity, so as to enhance the appearance of the Properties, such as swale areas or median areas within the right of way of abutting public streets, roads and areas within drainage canal rights of ways or other abutting waterways.

*Section 4 - See Amendment*  
ARTICLE VII

MAINTENANCE OBLIGATION OF LOT OWNERS

*Section 1 - See Amendment*  
Section 1. Owner's Responsibility. Each Lot Owner is responsible for the repair, maintenance and/or replacement at his expense of all portions of the dwelling and other improvements constructed on his Lot. Owner is strictly prohibited from performing any maintenance duties of the Association without prior consent from the Board of Directors and Architectural Control Committee. *) Not in Amendment*

Section 2. Owner Liability. Should any Owner do any of the following:

- (a) Fail to perform the responsibilities as set forth in Section 1 of this ARTICLE VII; or,
  - (b) Cause any damage to any improvement which the Association has the responsibility to maintain, repair and/or replace; or,
  - (c) Undertake unauthorized improvements or modifications to his dwelling or to any other portion of his Lot or to the Common Area, as set forth herein; then,
- the Association, after approval of seventy-five percent (75%) vote of the Board of Directors and ten days prior written notice, shall have the right, through its agents and employees, to enter upon said Lot and cause the required repairs or maintenance to be performed, or as the case may be, remove unauthorized improvements or modifications. The cost thereof, plus reasonable overhead costs to the Association, shall be added to and become a part of the assessment to which the Lot is subject.

ARTICLE VIII

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Approval Necessary. No building, outbuilding, garage, fence, wall, retaining wall, or other structure of any kind shall be erected, constructed, placed or maintained on the Properties, nor after construction of a dwelling or other improvements upon said Lot, shall any dwelling or other improvements on each Lot, be altered, changed, repaired or modified unless the same shall be approved in writing by the Architectural Committee. The Architectural Committee hereby adopts the SUMMARY OF PROCEDURE AND DESIGN REQUIREMENTS FOR PALM CLUB VILLAGE III which is available at the Declarant's offices. The foregoing prior approval is intended to specifically apply to the painting of a dwelling, or any other maintenance or repair which changes the exterior appearance of a dwelling or other improvements on a Lot.

Section 2. Membership to Committee. The Architectural Committee shall, until their successors are appointed, consist of the following:

Mal Rice  
John Glick  
David Barclay

Until such time as the Declarant has sold its last Lot in The Palm Cluo Village III, in the event of the resignation, failure, refusal or inability of any member to act, Declarant shall have the right to appoint a person to fill such vacancy, and in the event Declarant fails to fill such vacancy within thirty (30) days of such occurrence, and upon the expiration Declarant's sale of its last Lot in The Palm Club Village III, the Board of Directors shall select and fill any such vacancy by appointment for a term as determined by the Board.

Section 3. Endorsement of Plans. Approval of plans, specifications and location of improvements by the Architectural Committee shall be as set forth in said SUMMARY OF PROCEDURE AND DESIGN REQUIREMENTS. The approval of the Architectural Committee of plans or specifications submitted for approval, as herein specified, shall not be deemed to be a waiver by the Architectural Committee of the right to object to any of the features or elements embodied in such plans or specifications if and when the same features and elements are embodied in any subsequent plans and specifications submitted for approval for use on other Lots.

Section 4. Construction to be in Conformance with Plans. After such plans and specifications and other data submitted have been approved by the Architectural Committee, no building, outbuilding, garage, fence, wall, retaining wall, or other improvements or structures of any kind shall be erected, constructed, placed, altered or maintained upon the Properties unless the same shall be erected, constructed or altered in conformity with the plans and specifications and plot plans theretofore approved by the Architectural Committee,

Section 5. Deemed Approval.

(a) After the expiration of one year from the date of completion of any structure or alteration, such structure or alteration shall be deemed to comply with all of the provisions of this ARTICLE IX unless notice to the contrary shall have been recorded in the office of the Clerk of the Circuit Court, in and for Palm Beach County, Florida, or legal proceedings shall have been instituted to enforce such compliance.

(b) In the event that the Architectural Committee shall fail, for a period of thirty (30) days to approve or disapprove any plans, specifications, or plot plans, submitted to it for approval, the same shall be deemed to have been approved.

Section 6. Right of Entry. Any agent or member of the Architectural Committee may at any reasonable time enter and inspect any building or property subject to the jurisdiction of the Architectural Committee under construction or on or in which the agent or member may believe that a violation of the covenants, restrictions, reservations, servitudes or easements is occurring or has occurred.

Section 7. Declarant Exempt. The Declarant, Lots owned by Declarant and improvements made by Declarant shall be exempt from the application of this ARTICLE IX and Declarant therefore is not obligated to comply with the provisions hereof.

Section 8. Enforcement. The Architectural Committee shall have the right to enforce the provisions of this Article VIII by injunctive relief or any other remedy which may be available and, if

any such suit is successful, the party defendant shall pay all costs of such suit, including but not limited to, court costs and reasonable attorney's fees at all levels of proceedings to the Architectural Committee.

#### ARTICLE IX

##### RIGHTS OF DECLARANT

Section 1. Sales Office. For so long as the Declarant owns any property affected by this Declaration the Declarant shall have the right to transact any business necessary to consummate sales of any said property or other properties owned by Declarant, including but not limited to, the right to maintain model dwellings, sales office, have signs on any portion of the Properties, employes in the offices, use the Common Area and show dwellings. Sales Office signs and all items pertaining to sales shall remain the property of the Declarant.

Section 2. Easements. For a period of ten (10) years, commencing upon the recording of this Declaration, declarant reserves the right to grant, in its sole discretion, easements for ingress and egress, for drainage, utilities service, cable I.V. and other similar purposes over, upon and across the Properties so long as any said easements do not run under any dwellings on the Lots nor interfere with the intended uses of any portion of the Properties.

#### ARTICLE X

##### ASSIGNMENT OF POWERS

All or any part of the rights and powers and reservations of the Declarant herein contained may be deeded, conveyed, or assigned to other persons or entities by an instrument in writing duly executed, acknowledged and recorded in the Public Records of Palm Beach County, Florida.

#### ARTICLE XI

##### USES

Section 1. All Owners and other persons shall use the Properties in accordance with the Rules and Regulation promulgated by the entity in control thereof and the provisions of this Declaration and the By-Laws of the Association.

Section 2. All garbage cans, trash containers, bicycles, and other personal property shall be kept, stored and placed in an area not visible from outside the dwelling.

Section 3. No temporary or permanent utility or storage shed, building, tent, structure or improvement shall be constructed, erected or maintained without the prior approval of the Architectural Committee.

Section 4. No horses, hogs, cattle, cows, goats, sheep, poultry or other animals, birds or reptiles, shall be kept, raised or maintained on any lot; PROVIDED, HOWEVER, that dogs, cats and other household pets may be kept in reasonable numbers in the dwelling if their presence causes no disturbance to others. All pets shall be kept on a leash when not on the Owner's Lot.

Section 5. No staple, livery stable or barn shall be erected, constructed, permitted or maintained on any Lot.

Section 6. No swimming pool or appurtenant pump house shall be constructed, erected or maintained on any Lot without prior approval of the Architectural Committee.

Section 7. No vehicles of any nature shall be parked on any portion of the Properties or a Lot except on the surfaced, parking area thereof. No vehicle which cannot operate under its own power for a period of twenty-four (24) hours shall be kept on the Properties or any portion of a Lot. All boats, trailers, recreational vehicles, motorcycles or the like, shall be kept in the garage when not in use.

Section 8. No "for sale" or "for rent" signs or other displays or advertising shall be maintained or permitted on any part of the Common Area or any Lot, except in locations as approved by the Architectural Committee. The right is reserved to the Declarant to place "for sale" or "for rent" signs in connection with any unsold Lot it may from time to time own. The same right is reserved to any institutional first mortgage or owner or holder of a mortgage originally given to an institutional mortgagee which may become the Owner of a Lot and to the Association as to any Lot which it may own.

Section 9. No trade or business shall be conducted, nor any commercial use made of any Lot.

Section 10. All Lots shall be kept in a clean and sanitary manner and no rubbish, refuse or garbage allowed to accumulate, or any fire hazard allowed to exist.

Section 11. No nuisance shall be allowed upon any Lot or any use or practice that is a source of annoyance to other Owners or interferes with the peaceful possession and proper use of the Lots by the Owners thereof.

Section 12. No immoral, improper, offensive or unlawful use shall be made of any Lot and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be strictly observed.

Section 13. No television or radio masts, towers, poles, antennas, aerials, or appurtenances may be erected, constructed, or maintained without the prior consent of the Architectural Control Committee first obtained.

Section 14. Each Lot is restricted to residential use as a single family residence.

Section 15. No person shall use the Lot or any parts, thereof, in any manner contrary to this Declaration.

Section 16. No docks nor motorized vessels shall be permitted in the lake contained within the Properties.

Section 17. No Owner nor the Architectural Committee, nor their use of any Lots, shall interfere with the Declarant's preparation, sale or use of any Lots.

Section 18. The above restrictions set forth in this ARTICLE XII shall not apply to Declarant or its agents, employees, designated successors or assigns during the period of construction and sales of the Properties.

#### ARTICLE XII

#### GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by 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. In any such suit the prevailing party shall also be entitled to recovery of all costs and expenses including court costs and attorneys' fees.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. 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 at any time and from time to time upon the execution and recording of an instrument executed by Owners who are entitled to vote seventy-five percent (75%) of all votes of the Association PROVIDED that for a period of five (5) years commencing from the recording of this Declaration in the Public Records of Palm Beach County, Florida, the Declarant's written consent must first be obtained. The Declarant shall have the right at any time within five (5) years from the date hereof to amend this Declaration to correct scrivener's errors or to clarify any ambiguities determined to exist herein. No amendment shall alter the subordination provisions of this Declaration without the prior approval of any mortgagee enjoying such protection.

Notwithstanding anything contained herein to the contrary, the prior written approval of the South Florida Water Management District is required for any amendments to this Declaration that could affect the surface water management system, including the water management portions of the common areas of THE PALM CLUB, A P.U.D.

Section 4. Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Owner on the records of the Association at the time of such mailing.

Section 5. Permits, Licenses and Easements. The Association shall have the right to grant permits, licenses and easements over, upon, across, under and through the Common Areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance and operation of Palm Club Village III, as so determined by the Board of Directors of the Association.

#### ARTICLE XIII

#### INFORMATION TO LENDERS AND LOT OWNERS

Section 1. The Association shall make available to Owners and to holders, insurers, or guarantors of any first mortgage on any Lot, current copies of this Declaration of Restrictions, the Articles of Incorporation or By-Laws of the Association, other rules concerning The Palm Club Village III and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

Section 2. Any holder of a first mortgage upon a Lot shall be entitled, upon written request, to a financial statement of the Association for the immediately preceding fiscal year.

Section 3. Upon written request to the Association by a holder, insurer, or guarantor of any first mortgage of a Lot (hereinafter referred to as "Lender"), which written request shall identify the name and address of the Lender and the Lot number and address thereof, the Lender will be entitled to timely written notice of:

(a) Any condemnation loss or casualty loss which affects a material portion of the Properties, or any Lot on which there is a first mortgage held by the Lender;

(b) Any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to a first mortgage held by the Lender, which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action which would require the consent of a specified percentage of mortgage holders.

#### ARTICLE XIV

#### INSURANCE

Section 1. Dwellings and Improvements on Lots. All Lot Owners except the Declarant shall purchase and maintain a policy of fire and standard extended coverage insurance on all insurable improvements situated upon all Lots within the Properties, including all fixtures, partitions, appliances and cabinetry, in an amount not less than the maximum insurable replacement value thereof, excluding land, foundation, excavation and other items normally excluded from coverage. Said coverage shall afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement and all other such risks as, from time to time, may be covered with respect to building and improvements similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm, war damage and war risk insurance, if available.

Section 2. Flood Insurance. If the Properties are located within an area which has special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program (NFIP), the Association shall obtain and pay the premiums upon a policy of flood insurance on Common Areas and any buildings or other common property covered by the required form of policy (herein "Insurable Property"), in an amount deemed appropriate, but not less than the following:

The lesser of (i) the maximum coverage available under NFIP for all buildings and other Insurable Property within any portion of the Common Area located within a designated flood hazard area; or (ii) one hundred percent (100%) of current "replacement cost" of all such buildings and other Insurable Property.

Section 3. Liability Insurance. The Association shall maintain comprehensive general liability insurance coverage covering all the Common Area. The coverage shall be at least for One Million Dollars (\$1,000,000.00) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage shall include, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Area, and legal liability arising out of lawsuits related to employment contracts of the Association. Such policies must provide that they may not be cancelled or substantially modified by any party, without at least ten (10) days' prior written notice to the Association.

Section 4. Fidelity Bonds. The Association shall maintain a blanket fidelity bond for all officers, directors, trustees and employees of the Association, and all other persons handling or responsible for funds or administered by the Association. In the event the Association delegates some or all of the responsibility for the handling of the funds to a management agent, such bonds are required for its officers, employees and agents, handling or responsible for funds of, or administered on behalf of the Association. The amount of the fidelity bond shall be based upon

best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than an amount equal to three months aggregate assessments on all Lots, plus reserve funds. The fidelity bonds required herein must meet the following requirements:

(a) Fidelity bonds shall name the Association as an obligee.

(b) The bonds shall contain waivers by the insurers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employee", or similar terms or expressions;

(c) The premiums on all bonds required herein for the Association (except for premiums on fidelity bonds maintained by a management agent, or its officers, employees and agents), shall be paid by the Owner's Association as a common expense;

(d) The bond shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association.

Section 5. Cost and Payment of Premiums. The Association shall pay the cost of obtaining all insurance hereunder, excluding any insurance purchased by individual Owners pursuant hereto, and any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof.

Section 6. Association as Agent. The Association is irrevocably appointed agent for each Owner, for each owner of a Mortgage upon a Lot and for each Owner of any other interest in the Common Area to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

Section 7. Responsibility. If the damage is only to those parts of a dwelling for which the responsibility of maintenance and repair is that of the Owner(s) then said Owner(s) shall be responsible for reconstruction after casualty.

Section 8. Nature of Reconstruction. Any reconstruction included hereunder shall be substantially in accordance with the plans and specifications of the original building, or as the building was last constructed, subject to modification to conform with the then current governmental restrictions and codes. Unless appropriate governmental approval is received, the dimensions of the replacement dwelling shall not exceed the dimensions of the previous dwelling.

Section 9. Authority of Association. In all instances herein, except when a vote of the membership of the Association is specifically required, all decisions, duties and obligations of the Association hereunder may be made by the Board. The Association and its members shall jointly and severally be bound thereby.

[END OF PAGE 13]

IN WITNESS WHEREOF, the undersigned, being the declarant hereunder, has hereunto set its hand and seal this 17th day of July, 1984.

DECLARANT:  
HOVNANIAN OF PALM BEACH



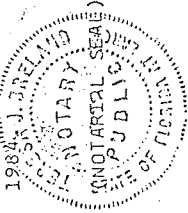
By Frank J. Melnikoff,  
Its Senior Vice President

(CORPORATE SEAL)

STATE OF FLORIDA )  
 ) SS.  
COUNTY OF Alachua

Before me personally appeared FRANK J. STEINIZ as Senior Vice President of HUVNANIAN OF PALM BEACH X, INC. to me well known and known to me to be the individual described in and who executed the foregoing instrument as Senior Vice President of said corporation, and he acknowledged to and before me that he executed such instrument as such and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that it was affixed to said instrument by due and regular corporate authority, and that said instrument is the free act and deed of said corporation.

I, Michael J. Brunel, NOTARY PUBLIC, do hereby certify that the foregoing instrument was signed and sealed by the individual named therein on this 10<sup>th</sup> day of July, 1984.



Michael J. Brunel  
NOTARY PUBLIC  
My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA  
MICHAEL J. BRUNEL  
1000 N. W. 10th Street, Tallahassee, Florida 32303

EXHIBIT A TO DECLARATION OF RESTRICTIONS FOR  
PALM CLUB VILLAGE III

LEGAL DESCRIPTION

THE PALM CLUB LEGAL DESCRIPTION VILLAGE III

A PARCEL OF LAND LYING IN THE EAST ONE-HALF OF SECTION 13, TOWNSHIP 43 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FROM A POINT OF REFERENCE BEING THE SOUTH ONE-QUARTER CORNER OF SAID SECTION 13, THENCE N 01°59'18"E ALONG THE WEST LINE OF THE EAST ONE-HALF OF SAID SECTION 13 AND THE CENTERLINE OF MILITARY TRAIL (STATE ROAD 809), A DISTANCE OF 1320.06 FEET; THENCE S 88°33'39"E A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING; THENCE N 01°59'18"E A DISTANCE OF 905.10 FEET; THENCE S 88°00'42"E A DISTANCE OF 10.00 FEET; THENCE N 46°59'18"E A DISTANCE OF 35.36 FEET; THENCE S 88°00'42"E A DISTANCE OF 605.00 FEET; THENCE S 43°00'42"E A DISTANCE OF 35.36 FEET; THENCE S 01°59'18"W A DISTANCE OF 188.32 FEET TO A POINT OF CURVATURE; THENCE 595.42 FEET ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 376.76 FEET, AND A CENTRAL ANGLE OF 90°32'57" TO A POINT OF TANGENCY; THENCE S 88°33'39"E A DISTANCE OF 496.42 FEET; THENCE S 01°26'21"W A DISTANCE OF 330.00 FEET; THENCE N 88°33'39"W A DISTANCE OF 1545.00 FEET TO THE POINT OF BEGINNING.

PARCEL CONTAINING 21.500 ACRES, MORE OR LESS.

SUBJECT TO ANY EASEMENTS OR RIGHTS-OF-WAY OF RECORD.

RECEIVED FEB 11 1992