

REPLAT DECLARATION
FOR
ISLAND LAKES SECTION ONE

THIS REPLAT DECLARATION FOR ISLAND LAKES SECTION ONE (hereinafter referred to as the "Subject Replat Declaration") is made this 23rd day of JUNE, 1986 by ORIOLE HOMES CORP., a Florida corporation, its successors and assigns ("Developer"), and joined in by LOGGERS' RUN, INC., a Florida corporation not for profit ("Corporation"), and ISLAND LAKES SECTION ONE HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit ("Association").

WHEREAS, the Developer is the owner in fee simple of the real property included within ISLAND LAKES SECTION ONE, PLAT ONE according to the Plat thereof, recorded in Plat Book 54, at Pages 7 through 10, of the Public Records of Palm Beach County, Florida ("Subject Replat") subject to the dedications set forth on the Subject Replat; and

WHEREAS, the Developer has promulgated that certain Declaration of Protective Covenants and Restrictions for Loggers' Run ("Declaration") recorded in Official Records Book 2793 at Page 1 of the Public Records of Palm Beach County, Florida, in which Declaration the Corporation joined; and

WHEREAS, the Developer desires to designate the property included within the Subject Replat ("Subject Property") as "Committed Property" as set forth in the Declaration and a part of "Loggers' Run"; and

WHEREAS, the Developer desires by this Subject Replat Declaration to provide for the preservation of the values and amenities of the Subject Property;

NOW, THEREFORE, in consideration of the premises and covenants herein contained, the Developer hereby declares that the Subject Property shall be owned, held, used, transferred, sold, conveyed, demised and occupied subject to the covenants, restrictions, easements, reservations, regulations, burdens and liens hereinafter set forth, all of which shall run with the Subject Property and any part thereof and which shall be binding upon all parties having any right, title or interest in the Subject Property or any part thereof, their heirs, successors and assigns.

ARTICLE I

DEFINITIONS

A. Unless defined in this Subject Replat Declaration to have a different meaning, or unless the context clearly requires another meaning, any terms used herein which are defined in the Declaration shall have the same meaning as therein set forth, provided that the provisions hereof shall only be applicable to the Subject Property. Any such terms shall be in quotation marks with initial capital letters the first time they appear herein.

B. "Assessments" means any and all assessments made by the Association in accordance with the provisions of this Subject Replat Declaration or any of the Island Lakes Section One Documents, including Individual Residence Assessments, Guaranteed Assessments and Special Assessments as more specifically set forth in Article VI hereof.

C. "Association" means Island Lakes Section One Homeowners Association, Inc., a Florida corporation not for profit.

D. "Association Articles" means the Articles of Incorporation of the Association, a copy of which is attached hereto as Exhibit A.

E. "Association Board" means the Board of Directors of the Association.

→ **RETURN TO** ←

THIS INSTRUMENT PREPARED BY

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F. "Association Budget" means the budget prepared annually by the Association Board which sets forth the total anticipated Association Operating Expenses for each calendar year.

G. "Association Bylaws" means the Bylaws of the Association, a copy of which is attached hereto as Exhibit B.

H. "Association Director" means a member of the Association Board.

I. "Association Member" means a member of the Association.

J. "Association Operating Expenses" means the expenses for which Residence Owners are liable to the Association as described in the Island Lakes Section One Documents and includes, but is not limited to, the costs and expenses described in the Island Lakes Section One Documents as such and includes those incurred by the Association in administering, operating, reconstructing, maintaining, repairing and replacing the Association Property.

K. "Association Property" means such portions of the "Nonresidential Property" within the Subject Property as are dedicated to the Association in a Replat or conveyed or intended to be conveyed to the Association, including, but not limited to the "Drives" (as defined in Article III hereof).

L. "Corporation" means Loggers' Run, Inc., a Florida corporation not for profit.

M. "County" means Palm Beach County, Florida.

N. "Declaration" means that certain Declaration of Protective Covenants and Restrictions for Loggers' Run recorded in Official Records Book 2793, at Page 1 of the Public Records of the County.

O. "Developer" means Oriole Homes Corp., a Florida corporation, its successors and assigns; provided, however, that a purchaser of a Lot or Residence shall not be deemed a successor or assign of the Developer under this Subject Replat Declaration unless such purchaser is specifically so designated as such by the Developer.

P. "Institutional Mortgagee" means: (i) any lending institution having a first mortgage lien upon a Lot or Residence including, but not limited to, any of the following institutions: a federal or state savings and loan or building and loan association or commercial bank doing business in the State of Florida, or bank or real estate investment trust, or mortgage banking company licensed to do business in the State of Florida or any subsidiary thereof licensed or qualified to make mortgage loans in the State of Florida, or a New York State banking corporation or a national banking association chartered under the laws of the United States of America; or (ii) any and all investing or lending institutions, or their successors or assigns of such lenders ("Lenders") which have loaned money to the Developer and which holds a mortgage upon any portion of the Subject Property securing such a loan; or (iii) such other Lenders as the Association Board shall hereafter approve in writing which have acquired a mortgage upon a Lot or Residence; (iv) a life insurance company doing business in the State of Florida and approved by the Commissioner of Insurance for the State of Florida; (v) the Veterans Administration or the Federal Housing Administration or the Department of Housing and Urban Development if such entities have acquired a first mortgage upon a Lot or Residence; (vi) the Developer; or (vii) any "Secondary Mortgage Market Institution" including the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and such other Secondary Mortgage Market Institution as the Association Board shall hereafter approve in writing, which has acquired a mortgage upon a Lot or Residence.

B4950 P1161

Q. "Island Lakes Section One Documents" means in the aggregate this Subject Replat Declaration, the Association Articles, the Association Bylaws and all of the instruments and documents referred to therein or referred to herein and the Loggers' Run Documents.

R. "Plat" means the BOUNDARY PLAT OF ORIOLE COUNTRY, as recorded in Plat Book 32, at Page 175, of the Public Records of the County.

S. "Residence" means a detached single-family "Dwelling Unit."

T. "Residence Owner" means the owner or owners of the fee simple title to a Lot in the Subject Property and includes the Developer for so long as it is the owner of the fee simple title to a Lot.

ARTICLE II

IDENTIFICATION OF THIS INSTRUMENT AS A REPLAT DECLARATION;
DESIGNATION OF THE SUBJECT PROPERTY AS COMMITTED PROPERTY;
DESIGNATION OF ISLAND LAKES SECTION ONE HOMEOWNERS
ASSOCIATION, INC. AS AN ASSOCIATION; THE DEVELOPER'S RIGHT
TO EXCLUDE CERTAIN PROPERTY FROM THE SUBJECT PROPERTY

A. This instrument is intended as and declared to be a "Replat Declaration."

B. The Subject Property, which was "Uncommitted Property," is hereby declared to be "Committed Property" as set forth in the Declaration.

C. Island Lakes Section One Homeowners Association, Inc. is hereby declared to be an "Association" as defined in the Declaration.

D. Notwithstanding anything to the contrary contained in this Subject Replat Declaration, the Developer shall have the absolute right to exclude from the Subject Property, from time to time, any portion or portions of the Subject Property which has not previously been conveyed by the Developer provided that such an exclusion shall only be accomplished by filing a statement ("Exclusion Statement") amongst the Public Records of the County which identifies the portion of the Subject Property thereby being excluded ("Excluded Property"). Excluded Property shall not be a part of the Subject Property and shall not be subject to this Subject Replat Declaration or the terms and provisions hereof as if such Excluded Property had never been included within the Subject Property under this Subject Replat Declaration. In the event Developer elects to file an Exclusion Statement as to any portion of the Subject Property, Developer shall assume the responsibility to maintain existing roads and drainage facilities within the Excluded Property (or those hereinafter constructed by Developer) until a new homeowners association is established and the responsibility for maintenance of roads and drainage is transferred to the new homeowners association and the new homeowners association is approved by the applicable authorities of the County, or unless the County approves an alternative method of maintenance. The foregoing, however, shall not require Developer to construct proposed improvements on the Excluded Property subsequent to the date of recording the Exclusion Statement.

ARTICLE III

CERTAIN LAND USE CLASSIFICATIONS; CERTAIN EASEMENTS;
RULES AND REGULATIONS; CONVEYANCE OF CERTAIN PROPERTY

A. Single Family Lots

Lots 1 through 76, both inclusive, of ISLAND LAKES SECTION ONE, PLAT ONE as shown on the Subject Replat, are hereby declared to be "Residential Property" and "Single-Family Lots."

B. Drives

"Drives" are those portions of the Subject Property designated as, or dedicated for use as, Drives in the Subject Replat or a supplement to this Subject Replat Declaration and shall be used, kept and maintained as private drives for the use of the Association, the Developer and the Residence Owners and their family members, guests, licensees, lessees and invitees. The Drives include any gate and/or telephone entrance system (whether attended or unattended) installed by the Developer or the Association. The Drives and the gate and/or telephone entrance system shall be deemed Association Property and shall be maintained, repaired and replaced by the Association and the expense thereof included as an Association Operating Expense notwithstanding that such has not been dedicated or conveyed to the Association.

There is hereby granted and reserved to any municipality of which the Subject Property may hereafter be a part (the Subject Property presently being located in unincorporated Palm Beach County), the County, the State of Florida and the United States of America (the foregoing being hereinafter collectively referred to as the "Governmental Authorities") a non-exclusive easement for ingress and egress over and across the Drives for all activities of the Governmental Authorities in providing all governmental services including, but not limited to, police and fire protection, garbage collection, mail delivery, building inspections, etc. (collectively the "Governmental Purposes"). The easements in favor of the Governmental Authorities herein granted for Governmental Purposes shall inure to the benefit of and run exclusively to such Governmental Authorities and no other persons or entities shall have any rights, claims or interests by reason of or arising under the easements herein granted in favor of the Governmental Authorities. Notwithstanding the foregoing, should a Residence encroach upon a Drive, such encroachment shall not be deemed violative of the provisions hereof. The Drives are subject to easements which are hereby granted and imposed upon the Drives in favor of the County, the Association, the Corporation and the designees of the Association or the Corporation for the construction, operation and maintenance of underground utility and drainage facilities. Notwithstanding anything in this Subject Replat Declaration to the contrary, any easements reserved or granted to the Corporation are limited to the specific purpose intended and are not for the benefit of all Owners in Loggers' Run.

C. Certain Easements

The Developer hereby reserves unto itself, and hereby grants to, the Association and such appropriate utility and other service companies or providers of the services hereinafter set forth as are from time to time designated by the Developer or the Association such easements over, under, in and upon any portion of the Subject Property as may be necessary to provide utility services and for ingress and egress for persons and vehicles to provide and maintain such utility services, including, but not limited to, power, electric, sewer, water, drainage, telephone, gas, lighting facilities, irrigation, television transmission and cable television facilities, telecommunications, security service and facilities in connection therewith for Loggers' Run or portions thereof; provided that all facilities for any of the foregoing shall be installed underground except those aboveground facilities as shall be permitted in writing by both the Association and the Corporation, jointly. Notwithstanding the foregoing, no such easements shall be permitted or deemed to exist which cause any buildings, permanent structures or other permanent facilities within the Subject Property which have been constructed:

(i) in accordance with this Subject Replat Declaration and the Island Lakes Section One Documents; and (ii) prior to the use of such an easement; to be materially altered or detrimentally affected thereby nor shall any such easements be granted or deemed to exist under any such structures or buildings so built in accordance with this Subject Replat Declaration and the other

B4950 P1163

Island Lakes Section One Documents prior to the actual use of such easement. The foregoing shall not preclude such easements under then-existing improvements other than buildings or structures (such as, but not limited to, a Drive) provided that the use and enjoyment of the easement and installation of the facilities in connection therewith would not result in other than minor, temporary alterations to such improvements other than a building or structure (such as, but not limited to, temporary excavation within a Drive) and provided that same is repaired and/or restored, as the case may be, by the one making use of such easement at its expense and within a reasonable time thereafter. The Subject Property shall also be subject to such easements as may be shown on the Subject Replat.

D. Rules and Regulations

The Association shall, from time to time, impose rules and regulations regulating the use and enjoyment of the Association Property, the Residential Property, and other portions of the Subject Property. The rules and regulations so promulgated shall, in all respects, be consistent with the provisions of the Island Lakes Section One Documents (including, but not limited to, the Loggers' Run Documents). In the event of any conflict, the following documents shall control in the order stated: the Loggers' Run Documents, the remaining Island Lakes Section One Documents and the rules and regulations.

E. Conveyance of Drives

The Developer agrees that it shall convey to the Association by quit claim deed and the Association is obligated to accept fee simple title to the Drives subject to the terms and provisions of this Subject Replat Declaration, all applicable Island Lakes Section One Documents and the Subject Replat; real estate taxes for the year of such conveyance and thereafter; all applicable zoning ordinances; such facts as an accurate survey would show; and all covenants, easements, restrictions and reservations of record or common to the subdivision. While the Developer shall have the right to convey such portions or all of the Drives as the Developer shall from time to time determine, the conveyance of all of the Drives shall be effectuated no later than the "Transfer Date" which shall be ninety (90) days after the "Turnover Date," as defined in the Association Articles, except that those portions of the Subject Property, if any, which become Association Property subsequent to the Turnover Date shall be conveyed by the Developer within thirty (30) days after the property in question becomes Association Property.

F. Vacation of Subject Replat

No portion of the Subject Replat may be vacated unless the entire Subject Replat is vacated or unless otherwise approved by the County.

G. Additional Land

Certain additional land more particularly described in Exhibits C-1 and C-2 hereto, or any portion thereof (hereinafter referred to as the "Additional Land") and any and all improvements now or hereafter constructed thereon may become subject to this Subject Replat Declaration and hence part of the Subject Property pursuant to the terms and conditions set forth in Article XIII hereof. It is contemplated that the Subject Property and the Additional Land, if fully developed, will contain not more than Two Hundred Forty (240) Residences. Nothing in this Article III or any other Article of this Subject Replat Declaration shall in any way obligate Developer to develop the Additional Land in the manner contemplated by Article XIII hereof, or in any manner.

Developer reserves the right, but shall not be obligated, to construct such facilities upon the nonresidential portions of the Subject Property (including without limitation, the "Open Space" as shown on the

84950 P1164

Subject Replat) or upon the Additional Land as Developer may deem appropriate ("Recreation Facilities"). The decision as to whether to construct Recreation Facilities and the erection thereof shall be in the sole discretion of Developer. The Recreation Facilities, if constructed, shall be for the use of Residence Owners hereunder and owners of residential units on the Additional Land, and their family members, guests, invitees and lessees and the cost of maintenance thereof shall be an Association Operating Expense. Without limiting the generality of the foregoing, notwithstanding any statement on the Subject Replat designating any tract as a "Recreation Area", the Developer shall have no obligation to construct Recreational Facilities upon the Recreation Area or any other area.

H. Water Management Tracts

"Water Management Tracts" are those portions of the Subject Property designated as, or dedicated for use as, Water Management Tracts in the Subject Replat or a supplement to this Subject Replat Declaration and shall be used, kept and maintained as such for the Corporation, the Developer, the Association, and the "Owners" (as defined in the Declaration) subject to such Rules and Regulations promulgated by the Corporation. The Water Management Tracts shall be deemed the property of the Corporation and shall be maintained by the Corporation and the expense thereof included as an expense of the Corporation.

Notwithstanding the foregoing provisions of this Paragraph H, the Developer shall have the right, but not the obligation, to dredge and excavate the Water Management Tracts and utilize any fill or other materials obtained for its own purposes including, without limitation, the development and construction of the Subject Property and other property within Loggers Run. In addition to the foregoing, and not as a limitation thereof, the Developer shall have the right to store on the Water Management Tracts any fill or other materials so desired.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION;
ASSOCIATION BOARD; DURATION OF THE ASSOCIATION

A. Membership and Voting Rights

Membership in the Association shall be established and terminated as set forth in the Association Articles. Each Association Member shall be entitled to the benefit of, and be subject to, the provisions of the Island Lakes Section One Documents as same may be amended from time to time. The voting rights of the Association Members shall be as set forth in the Association Articles.

B. Association Board

The Association shall be governed by the Association Board which shall be appointed, designated or elected, as the case may be, as set forth in the Association Articles.

C. Duration of Association

The duration of the Association shall be perpetual, as set forth in the Association Articles.

B4950 P1165

ARTICLE V

COVENANT TO PAY ASSESSMENTS FOR ASSOCIATION OPERATING EXPENSES; ESTABLISHMENT AND ENFORCEMENT OF LIENS; CERTAIN RIGHTS OF DEVELOPER AND INSTITUTIONAL MORTGAGEES

A. Affirmative Covenant to Pay Association Operating Expenses

In order to: (i) fulfill the terms, provisions, covenants and conditions contained in this Subject Replat Declaration; and (ii) maintain, operate and preserve the Association Property for the use, safety, welfare and benefit of the Residence Owners and their guests, invitees, lessees and licensees, there is hereby imposed upon each "Contributing Unit" (as defined in the Declaration) within the Subject Property ("Residence Contributing Unit") and each owner of a Residence Contributing Unit ("Residence Contributing Unit Owner") the affirmative covenant and obligation to pay to the Association (in the manner herein set forth) all Assessments including, but not limited to, the Individual Residence Assessments, Guaranteed Assessments and Special Assessments. The documents by which any portion of the Subject Property, if any, is submitted to the condominium form of ownership ("Condominium Documents") shall recognize that all of the covenants set forth in this Subject Replat Declaration including, but not limited to, the obligations to pay Association Operating Expenses as herein set forth shall run with the land submitted to such condominium form of ownership with any Assessments made pursuant to this Subject Replat Declaration against any Dwelling Unit constituting part of such condominium being deemed a common expense of such condominium and assessable against all of the property so submitted to the condominium form of ownership ("Condominium Property") as a whole and against the "Association" (as defined in the Declaration, though not meaning Island Lakes Section One Homeowners Association, Inc.) responsible for the operation thereof. Each Residence Owner, by acceptance of a deed or other instrument of conveyance conveying a Lot or Dwelling Unit within the Subject Property, whether or not it shall be so expressed in such deed or instrument, shall be obligated and agrees to pay to the Association all Assessments for Association Operating Expenses in accordance with the provisions of the Island Lakes Section One Documents.

B. Establishment of Liens

Any and all Assessments made by the Association in accordance with the provisions of this Subject Replat Declaration or any of the Island Lakes Section One Documents with interest thereon at the highest nonusurious rate allowed by law and costs of collection, including, but not limited to, reasonable attorneys' fees as hereinafter provided, are hereby declared to be a charge and continuing lien upon the Residence Contributing Units against which each such Assessment is made. Each Assessment against a Residence Contributing Unit, together with interest thereon at the highest nonusurious rate allowed by law and costs of collection thereof, including, but not limited to, reasonable attorneys' fees as hereinafter provided, shall be the personal obligation of the Residence Contributing Unit Owner of such Residence Contributing Unit. Said lien shall be effective only from and after the time of the recordation amongst the Public Records of the County 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, the party making payment shall be entitled to a satisfaction of the statement of lien in recordable form. Notwithstanding anything to the contrary herein contained, where an Institutional Mortgagee of record obtains title to a Residence Contributing Unit as a result of foreclosure of its mortgage or deed in lieu of foreclosure, such acquirer of title, its successors or assigns, shall not be liable for the share of Assessments pertaining to such Residence Contributing Unit or chargeable to the former Residence Contributing Unit Owner thereof which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the Assessment against the Residence Contributing Unit in

B4950 P1166

question is secured by a claim of lien for Assessments that is recorded prior to the recordation of the mortgage which was foreclosed or with respect to which a deed in lieu of foreclosure was given. The provisions of Chapter 718.116(6), Florida Statutes, with respect to any first mortgagee, may be incorporated in the applicable condominium documents establishing the condominium form of ownership in the Subject Property, if any.

C. Collection of Assessments

In the event any Residence Contributing Unit Owner shall fail to pay any Assessment, or installment thereof, charged to such Residence Contributing Unit Owner within fifteen (15) days after the same becomes due, then the Association, through its Association Board, shall have any and all of the following remedies to the extent permitted by law, which remedies are cumulative and which remedies are not in lieu of, but are in addition to, all other remedies available to the Association:

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

2. To advance on behalf of the Residence Contributing Unit Owner(s) in default funds to accomplish the needs of the Association up to and including the full amount for which such Residence Contributing Unit Owner(s) is liable to the Association and the amount or amounts of monies so advanced, together with interest at the highest nonusurious allowable rate, and all costs of collection thereof, including, but not limited to, reasonable attorneys' fees, may thereupon be collected by the Association and such advance by the Association shall not waive the default.

3. 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 like manner as a foreclosure of a mortgage on real property.

4. To file an action at law to collect said Assessment plus interest at the highest nonusurious rate allowed by law plus court costs and reasonable attorneys' fees through all trial and appellate levels and postjudgment proceedings, without waiving any lien rights or rights of foreclosure in the Association.

5. To charge interest on such Assessment from the date it becomes due at the highest nonusurious rate allowed by law, as well as a reasonable late charge as determined from time to time by the Association Board to defray additional collection costs.

D. Collection of Operating Expenses by the Association

The Association shall assess and collect, as an Association Operating Expense, the pro rata share of each Residence Owner of the "Operating Expenses" of the Corporation, as assessed by the Corporation in accordance with the provisions of the Declaration. In the event a Residence Owner is obligated to pay a greater amount to the Corporation than the pro rata share assessed by the Association (by virtue of his Residence having a higher "value" as set forth in Article VI.A of the Declaration), then such Residence Owner shall remit the difference to the Association. The Association shall promptly remit sums collected for the pro rata share of the Operating Expenses to the Corporation. In the event the Association fails to promptly remit such sums to the Corporation, the Corporation shall have all remedies provided in law or equity or as set forth in the Declaration. The foregoing obligation of the Association to collect the pro rata share of the Operating Expenses for each Residence Owner shall not limit the Corporation's rights of collection pursuant to the Declaration.

E. Collection by the Developer

In the event for any reason the Association shall fail to collect the Assessments, then in that event, the Developer shall at all times have the right (but not the obligation): (i) to advance such sums as the Association could have advanced as set forth above; and (ii) to collect such Assessments and, if applicable, any such sums advanced by the Developer; using the remedies available to the Association against a Residence Contributing Unit Owner as set forth above, which remedies (including, but not limited to, recovery of attorneys' fees) are hereby declared to be available to the Developer.

F. Rights of the Developer and Institutional Mortgagees to Pay Assessments and Receive Reimbursement

The Developer and any Institutional Mortgagees shall have the right, but not the obligation, jointly or singly, and at their sole option, to pay any of the Assessments which are in default and which may or have become a charge against any Residence Contributing Units. Further, the Developer and any Institutional Mortgagees shall have the right, but not the obligation, jointly or singly, and at their sole option, to pay insurance premiums or fidelity bond premiums or other required items of Association Operating Expenses on behalf of the Association where the same are overdue and where lapses in policies or services may occur. The Developer and any Institutional Mortgagees paying overdue Association Operating Expenses on behalf of the Association will be entitled to immediate reimbursement from the Association plus interest at the highest nonusurious rate permitted by law and any costs of collection including, but not limited to, reasonable attorneys' fees, and the Association shall execute an instrument in recordable form to this effect and deliver the original of such instrument to each Institutional Mortgagee who is so entitled to reimbursement and to the Developer if the Developer is entitled to reimbursement.

ARTICLE VI

METHOD OF DETERMINING ASSESSMENTS AND
PROPERTY AND RESIDENCE OWNERS TO ASSESS

A. Determining Amount of Assessments

The total anticipated Association Operating Expenses for each calendar year shall be set forth in a budget ("Association Budget") prepared by the Association Board as required under the Island Lakes Section One Documents. The total anticipated Association Operating Expenses (other than those Association Operating Expenses which are properly the subject of a Special Assessment and those contemplated by Paragraph V.D hereof) shall be apportioned equally among the Residence Contributing Units by dividing the total anticipated Association Operating Expenses as reflected by the Association Budget, other than those Association Operating Expenses which are properly the subject of a Special Assessment (adjusted as hereinafter set forth) by the total number of Residence Contributing Units which have been conveyed by the Developer (as evidenced by the recordation of a deed of conveyance), with the quotient thus arrived at being the "Individual Residence Assessment." Notwithstanding anything in the Island Lakes Section One Documents to the contrary, any assessment for legal expenses incurred by the Association to begin legal proceedings against the Developer shall be deemed an Association Operating Expense which is properly the subject of a Special Assessment.

B. Assessment Payments

The Individual Residence Assessments shall be payable quarterly, in advance, on the first day of each of January, April, July and October of each year. The Individual Residence Assessments and the quarterly installments thereof, as well as all Assessments provided for herein and all installments

thereof, shall be adjusted from time to time by the Association Board to reflect changes in the number of Residence Contributing Units (thus apportioning all such Assessments and installments thereof among all Residence Contributing Units in existence at the time such installment is due) or changes in the Association Budget or in the event that the Association Board determines that the Assessments or any installment thereof is either less than or more than the amount actually required. When a Residence Contributing Unit ("New Residence Contributing Unit") comes into existence during a period with respect to which an Assessment or installment thereof has already been assessed, the New Residence Contributing Unit shall be deemed assessed the amount of such Assessment or installment thereof which was assessed against Residence Contributing Units in existence at the time of such Assessment, prorated from the date the New Residence Contributing Unit comes into existence through the end of the period in question. If the payment of such Assessment or installment thereof was due at the time the New Residence Contributing Unit came into existence or prior thereto, said prorated amount thereof shall be immediately due and payable.

C. Special Assessments

"Special Assessments" include, in addition to other Assessments designated as Special Assessments in the Island Lakes Section One Documents, and whether or not for a cost or expense which is included within the definition of "Association Operating Expenses," those Assessments which are levied for capital improvements which include the costs (whether in whole or in part) of constructing or acquiring improvements for, or on, the Association Property or the cost (whether in whole or in part) of reconstructing or replacing such improvements. Notwithstanding anything to the contrary herein contained, it is recognized and declared that Special Assessments shall be in addition to, and are not part of, any Guaranteed Assessment under any of the Island Lakes Section One Documents (including, but not limited to, this Subject Replat Declaration) and any such Special Assessments assessed against Residence Contributing Units and Residence Contributing Unit Owners thereof shall be paid by such Residence Contributing Unit Owners in addition to any such Guaranteed Assessments. Special Assessments shall be assessed in the same manner as the Individual Residence Assessment provided that no Residence Contributing Unit owned by the Developer shall be subject to any Special Assessments without the prior written consent of the Developer. Any Residence Contributing Units owned by the Developer which are not subject to a Special Assessment shall not be deemed to be Residence Contributing Units in determining the respective amount of such Special Assessments being assessed against the Residence Contributing Units subject thereto. Special Assessments shall be paid in such installments or in a lump sum as the Association Board shall, from time to time, determine.

D. Developer's Guaranteed Assessment Not the Obligation of Institutional Mortgagees

Notwithstanding anything to the contrary herein contained, it is specifically understood and declared and each Residence Owner by the acceptance of a deed or other instrument of conveyance of a Single-Family Lot or Residence within the Subject Property shall be deemed to have acknowledged and agreed that no Institutional Mortgagee (other than the Developer) or any successors or assigns of such Institutional Mortgagee, or any person acquiring title to any part of the Subject Property by reason of the foreclosure of an Institutional Mortgage or deed taken in lieu of such foreclosure shall be deemed to have made, assumed or otherwise undertaken any covenants or obligations of the Developer: (i) to guarantee the level and/or duration of any Guaranteed Assessments provided for under any of the Island Lakes Section One Documents; or (ii) to pay the difference between the actual Association Operating Expenses and the Guaranteed Assessments, if any, assessed against Residence Contributing Units and the Residence Contributing Unit Owners thereof during any "Guarantee Period" as may be provided for in any of the

Island Lakes Section One Documents; provided, however, that an Institutional Mortgagee may, at its option, determine to continue the obligation of the Developer to guarantee the amount of the Assessments as herein provided.

E. Liability of Residence Contributing Unit Owners for Individual Residence Assessments

By the acceptance of a deed or other instrument of conveyance of a Single-Family Lot or Residence in the Subject Property, each Residence Owner thereof acknowledges that each Residence Contributing Unit and the Residence Contributing Unit Owners thereof are jointly and severally liable for their own Individual Residence Assessment and their applicable portion of any Special Assessments (as to Special Assessments, subject to the limitations thereon relating to Residence Contributing Units owned by the Developer) as well as for all Assessments for which they are liable as provided for herein. Such Residence Contributing Unit Owners further recognize and covenant that they are jointly and severally liable with the Residence Contributing Unit Owners of all Residence Contributing Units for the Association Operating Expenses (subject to any specific limitations provided for herein such as, but not limited to, the limitation with respect to matters of Special Assessments insofar as Residence Contributing Units owned by the Developer are concerned and the limitations on the liability of Institutional Mortgagees and their successors and assigns). Accordingly, subject to such specific limitations, it is recognized and agreed by each Residence Owner who is or becomes a Residence Contributing Unit Owner, for himself and his heirs, executors, successors and assigns, that in the event Residence Contributing Unit Owners fail or refuse to pay their Individual Residence Assessments or any portion thereof or their respective portions of any Special Assessments or any other Assessments, then the other Residence Contributing Unit Owners may be responsible for increased Individual Residence Assessments or Special or other Assessments due to the nonpayment by such other Residence Contributing Unit Owners, and such increased Individual Residence Assessment or Special or other Assessment can and may be enforced by the Association and the Developer in the same manner as all other Assessments hereunder as provided in this Subject Replat Declaration. The limitations applicable to Residence Contributing Units owned by the Developer insofar as Special Assessments are concerned also apply to any portion of an Assessment arising from the failure of any Residence Contributing Unit Owner to pay a Special Assessment or any portion thereof.

F. "Guaranteed Assessment" During "Guarantee Period"

By an amendment or supplement to this Subject Replat Declaration (which need only be executed by the Developer to be effective as such), the Developer may establish a period of time ("Guarantee Period") during which the Developer may agree that the Individual Residence Assessments shall not exceed the amount or amounts set forth in such supplement or amendment to this Subject Replat Declaration providing for same ("Guaranteed Assessment"). During the Guarantee Period, each Residence Contributing Unit (except Residence Contributing Units owned by the Developer as hereinafter set forth) shall pay its Guaranteed Assessment to the Association. During the Guarantee Period, the Developer covenants and agrees with the Association and the Residence Contributing Unit Owners that the Developer will pay the difference, if any, between the Association Operating Expenses (other than those Association Operating Expenses which are properly the subject of a Special Assessment or which are specifically set forth in the amendment or supplement establishing the Guaranteed Assessment to be in addition to any Guaranteed Assessment) incurred by the Association during the Guarantee Period and the amounts assessed as Guaranteed Assessments. In consideration of the aforesaid covenants of the Developer, during any such Guarantee Period, the Developer shall not be required to make any payment of Assessments for any Residence Contributing Units owned by the Developer and no such Residence Contributing Units owned by the Developer shall be subject to any such Assessments. While

B4950 P1170

the Developer shall have the right to establish any such Guarantee Period and Guaranteed Assessments, nothing herein contained shall be construed to require the Developer to establish any such Guarantee Period or Guaranteed Assessments.

G. Working Capital Contribution

Each Residence Owner who purchases a Residence from the Developer shall pay to the Association at the time legal title is conveyed to such Residence Owner a "Working Capital Contribution." The Working Capital Contribution shall be an amount equal to no less than one-sixth (1/6) of the Individual Residence Assessment (exclusive of that portion of the Individual Residence Assessment applicable to assessments levied by the Corporation) then applicable to such Residence. In determining the Working Capital Contribution, the then applicable Residence Assessment may be determined by dividing the Association Budget by all Residence Contributing Units without regard to whether the Developer has conveyed title to all Residence Contributing Units. The foregoing, however, shall not obligate the payment of an Individual Residence Assessment by Residence Contributing Units which have not been conveyed by the Developer.

The purpose of the Working Capital Contribution is to insure that the Association will have cash available to meet unforeseen expenditures or to acquire additional equipment and services deemed necessary or desirable by the Association Board. Working Capital Contributions are not advance payments of Individual Residence Assessments and shall have no effect on future Individual Residence Assessments.

ARTICLE VII

ASSOCIATION OPERATING EXPENSES;
CERTAIN ASSESSMENT CLASSIFICATIONS

The following expenses of the Association Property and of the Association are hereby declared to be Association Operating Expenses which the Association is obligated to assess and collect and which the Residence Contributing Unit Owners are obligated to pay as provided herein or as may be otherwise provided in the Island Lakes Section One Documents.

A. Taxes

Any and all taxes or special assessments levied or assessed at any and all times upon any Association Property or any improvements thereto or thereon by any and all taxing authorities, including, without limitation, all taxes, charges, assessments and impositions and liens for public improvements, special charges and assessments, and water drainage districts, and in general all taxes and tax liens which may be assessed against the Association Property and against any and all personal property and improvements, which are now or which hereafter may be placed thereon, including any interest, penalties and other charges which may accrue thereon as opposed to any such levies or assessments against an individual Residence or Single-Family Lot which shall be paid by the owner thereof.

B. Utility Charges

All charges levied for utilities providing services for the Association Property (including, but not limited to, any gate and/or telephone entrance system) or providing services for the individual Residences though not separately metered to such Residences, whether supplied by a private or public firm, including, without limitation, all charges for water, gas, electricity, telephone, sewer, cable television, and any other type of utility or any other type of service charge.

B4950 P1171

All charges levied for utility service and/or maintenance of street lights which may be erected within the Subject Property shall be deemed an Association Operating Expense and shall be the sole obligation of Residence Owners, notwithstanding that Residence Owners pay a pro rata portion of the Operating Expenses of the Corporation which pays for the utility service and/or maintenance of street lights in other communities in Loggers' Run. The Drives within the Subject Property are not open to all Owners of the Corporation, as more particularly set forth in Article III.B of this Subject Replat Declaration, and thus the Corporation has no obligation to pay for the utility service and/or maintenance of street lights erected within the Subject Property.

C. Insurance

The premiums on any policy or policies of insurance required to be maintained under the Island Lakes Section One Documents and the premiums on any policy or policies of insurance which the Association determines to maintain even if not required to be so maintained under the Island Lakes Section One Documents.

D. Maintenance, Repair and Replacement

Any and all expenses necessary to: (i) maintain and preserve the Association Property; (ii) keep, maintain, operate, repair and replace any and all buildings, improvements, personal property and furniture owned by the Association, fixtures and equipment upon the Association Property in a manner consistent with the development of the Subject Property and in accordance with the covenants and restrictions contained herein and in the Island Lakes Section One Documents, and in conformity with all applicable federal; state, county or municipal laws, statutes, ordinances, orders, rulings and regulations; and (iii) maintain and repair the portions of the Subject Property which are the responsibility of the Association as provided for in the Island Lakes Section One Documents.

E. Administrative and Operational Expenses

The costs of administration for the Association in the performance of its functions and duties under the Island Lakes Section One Documents including, but not limited to, costs for secretarial and bookkeeping services, salaries of employees, legal and accounting fees and contracting expenses. In addition, the Association may retain a management company or companies or contractors (any of which management companies or contractors may be, but are not required to be, a subsidiary, affiliate, or an otherwise-related entity of the Developer) to assist in the operation of the Association Property, or portions thereof, and to perform or assist in the performance of certain obligations of the Association under the Island Lakes Section One Documents and the fees or costs of any management company or contractor so retained shall be deemed to be part of the Association Operating Expenses.

F. Compliance with Laws

The Association shall take such action as it determines necessary or appropriate in order for the Association Property and the improvements thereon to be in compliance with all applicable laws, statutes, ordinances and regulations of any governmental authority, whether federal, state or local, including, without limitation, any regulations regarding zoning requirements, setback requirements, drainage requirements, sanitary conditions and fire hazards, and the cost and expense of such action taken by the Association shall be an Association Operating Expense.

G. Indemnification

The Association covenants and agrees that it will indemnify and hold harmless the Developer, its shareholders, officers, and directors from and against any and all claims, suits, actions, causes of action and/or damages

B4950 P1172

arising from any personal injury, loss of life and/or damage to property sustained on or about the Association Property and improvements thereof and thereon, and from and against all costs, expenses, counsel fees (including, but not limited to, all trial and appellate levels and postjudgment proceedings and whether or not suit be instituted) and liabilities incurred by the Developer arising from any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders, judgments and/or decrees which may be entered thereon. The Association shall also indemnify the Developer for any expense the Developer may incur in bringing any suit or action for the purpose of enforcing the rights of the Developer under any of the Island Lakes Section One Documents or of compelling the specific enforcement of the terms, conditions and covenants contained in any of the Island Lakes Section One Documents to be kept or performed by the Association or the Residence Owners. The costs and expense of fulfilling this covenant of indemnification set forth in this Paragraph shall be an Association Operating Expense, provided that the amount of any Assessment arising therefrom shall be in addition to, and not part of, any Guaranteed Assessment provided for in the Island Lakes Section One Documents, and shall not be assessed against any Residence owned by the Developer.

H. Failure or Refusal of Residence Contributing Unit Owners to Pay Assessments

Funds needed for Association Operating Expenses due to the failure or refusal of Residence Contributing Unit Owners to pay Assessments levied shall, themselves, be deemed to be Association Operating Expenses and properly the subject of an Assessment; provided, however, that any Assessment for any such sums so needed to make up a deficiency due to the failure of Residence Contributing Unit Owners to pay a Special Assessment shall, itself, be deemed to be a Special Assessment subject to the limitations thereon with respect to Residence Contributing Units owned by the Developer.

I. Extraordinary Items

Extraordinary items of expense under the Island Lakes Section One Documents such as expenses due to casualty losses and other extraordinary circumstances shall be the subject of a Special Assessment subject to the limitations thereon with respect to Residence Contributing Units owned by the Developer.

J. Matters of Special Assessments Generally

Amounts needed for capital improvements, as hereinbefore set forth, or for other purposes or reasons as determined by the Association Board to be the subject of a Special Assessment which are not inconsistent with the terms of any of the Island Lakes Section One Documents must also be approved by a majority vote (at any meeting thereof having a quorum) of the Association Members, except that no such approval need be obtained for a Special Assessment for the replacement or repair of a previously existing improvement on the Association Property which was destroyed or damaged, it being recognized that the sums needed for such capital expenditures shall be the subject of a Special Assessment.

K. Costs of Reserves

The funds necessary to establish an adequate reserve fund ("Reserves") for periodic maintenance, repair, and replacement of the Association Property and the facilities and improvements thereupon in amounts determined sufficient and appropriate by the Association Board from time to time shall be an Association Operating Expense. The Reserves shall be deposited in a separate account to provide such funds and reserves. The monies collected by the Association on account of Reserves shall be and shall remain the exclusive property of the Association and no Residence Owner shall have any interest, claim or right to such Reserves or any fund composed of

84950 P1173

same. During any Guarantee Period existing under any of the Island Lakes Section One Documents, the Association Board need not include any Reserves in the Association Budget or Association Operating Expenses and the Developer shall not be subject to any Assessment for Reserves without its prior written consent.

L. Cable Television System

Any and all costs and expenses incurred by the Association under or pursuant to any agreement(s) ("Cable Agreement") entered into by the Association pursuant to which cable television service ("Cable Service") will be provided to all of the Residences in the Subject Property and whether or not the Cable Service includes features in addition to television reception such as, but not limited to, a smoke/heat detection system, push button panels for emergency calls or other features; provided that, notwithstanding anything to the contrary contained in this Subject Replat Declaration, the costs and expenses charged to the Association under the Cable Agreement shall be apportioned equally but only amongst those Residences with respect to which the Association is being charged under or pursuant to the Cable Agreement except to the extent, if any, that any Residence Owner elects to receive an "Optional Service" (being a service not automatically received by all Residence Owners entitled to receive Cable Service pursuant to the Cable Agreement). Each Residence Owner who receives an Optional Service, if any, shall be responsible for paying for the costs thereof. The foregoing shall in no way obligate the Developer or the Association to enter into a Cable Agreement. In the event the Association does enter into a Cable Agreement, each Residence Owner shall be obligated to pay the applicable Individual Residence Assessment regardless of whether or not such Residence Owner desires cable service.

M. Miscellaneous Expenses

The cost of any item of cost or expense pertaining to or for the benefit of the Association or the Association Property, or any part thereof, not herein specifically enumerated and which is determined to be an appropriate item of Association Operating Expense by the Association Board shall be an Association Operating Expense.

N. Operating Expenses

The Association shall be responsible to pay to the Corporation a sum equal to the total of all assessments levied by the Corporation against all Residence Contributing Units, as those assessments are more particularly described in the Declaration.

ARTICLE VIII

INSURANCE AND CONDEMNATION

The Association shall purchase and maintain the following insurance coverages subject to the following provisions, and the cost of the premiums therefor shall be a part of the Association Operating Expenses:

A. Public Liability Insurance

A comprehensive policy or policies of general liability insurance naming the Association and, until the Transfer Date, the Developer as named insureds thereof and including the Residence Owners as insureds thereunder insuring against any and all claims or demands made by any person or persons whomsoever for injuries received in connection with, or arising from, the operation, maintenance and use of the Association Property and any improvements and buildings located thereon and for any other risks insured

B4950 P1174

against by such policies with limits of not less than One Million Dollars (\$1,000,000) for bodily injury and property damage for any single occurrence. Such coverage shall include as appropriate, without limitation, protection against any legal liability that results from lawsuits related to employment contracts in which the Association is a party; bodily injury and property damage liability that results from the operation, maintenance or use of the Association Property; water damage liability; liability for non-owned and hired automobiles; liability for property of others and such other risks as are customarily covered with respect to areas similar to the Association Property in developments similar to the Subject Property in construction, location and use. The insurance purchased shall contain a "Severability of Interest Endorsement," or equivalent coverage, which would preclude the insurer from denying the claim of a Residence Owner because of the negligent acts of either the Association, the Developer or any other Residence Owners or deny the claim of either the Developer or Association because of negligent acts of the other or the negligent acts of a Residence Owner.

B. Building Insurance

Insurance for all buildings or equipment located on the Association Property, if any, in an amount equal to one hundred percent (100%) of the "Replacement Value" thereof with an "Agreed Amount and Inflation Guard Endorsement," if available, a "Construction Code Endorsement" (including a "Demolition Cost Endorsement," "Contingent Liability from Operation of Building Laws Endorsement" and an "Increased Cost of Construction Endorsement") or its equivalent, if necessary. The term "Replacement Value" shall mean one hundred percent (100%) of the current replacement costs exclusive of land, foundation, excavation, and other items normally excluded from coverage. The Association Board may determine the kinds of coverage and proper and adequate amount of insurance. Such insurance shall afford protection against at least the following:

1. loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage; and
2. such other risks as shall customarily be covered with respect to areas similar to the Association Property in developments similar to the Subject Property in construction, location and use.

C. Flood Insurance

If determined appropriate by the Association Board or if required by an Institutional Mortgagee, a master or blanket policy of flood insurance covering the Association Property, if available, under the National Flood Insurance Program, which flood insurance shall be in the form of a standard policy issued by a member of the National Flood Insurers Association, and the amount of the coverage of such insurance shall be the lesser of the maximum amount of flood insurance available under such program, or one hundred percent (100%) of the current replacement cost of all buildings and other insurable property located in the flood hazard area.

D. Conditions of Insurance

All insurance purchased by the Association pursuant to this Article shall be subject to the following provisions:

1. The Institutional Mortgagee holding the highest dollar indebtedness encumbering Residences in the Subject Property ("Lead Mortgagee") shall have the right, for so long as it holds such highest dollar indebtedness, to approve the form of such insurance policies, the amounts thereof, the company or companies which shall be the insurers under such policies, the insurance agent or agents and the designation of an "Insurance Trustee" (as hereinafter defined) (if it deems the use of an Insurance Trustee

84950 P1175

to be necessary it shall so notify the Association in writing), and a successor Insurance Trustee, which approval shall not be unreasonably withheld or delayed. If the use of an Insurance Trustee is requested in writing, as stated above, then the Lead Mortgagee shall be deemed to have approved the Insurance Trustee unless the Lead Mortgagee's written disapproval is received by the Association within thirty (30) days after notice from the Association of the identity of the proposed Insurance Trustee. If no Insurance Trustee is required, the Association Board shall receive, hold, and expend insurance proceeds in the manner hereinafter provided as if it were the Insurance Trustee. The Association shall have the right to designate an insurance trustee ("Insurance Trustee") to act as an insurance trustee in the manner provided in this Subject Replat Declaration, which Insurance Trustee (if required) shall be a commercial bank or trust company which is authorized to do business in the State of Florida and which has its principal office in Palm Beach County, Broward County or Dade County, Florida, and thereafter, at any time and from time to time, the Association shall have the right to change the Insurance Trustee to another such bank or trust company. Notwithstanding anything in this Subject Replat Declaration to the contrary, the Association Board may act as the Insurance Trustee hereunder unless otherwise required by the Lead Mortgagee or the Association Board.

2. If an Insurance Trustee is required pursuant to the request of either the Lead Mortgagee or the Association Board, then, in that event, all policies of insurance purchased by the Association shall be deposited with the Insurance Trustee upon its written acknowledgment that the policies and any proceeds thereof will be held in accordance with the terms hereof. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee, and the Insurance Trustee may deduct from the insurance proceeds collected a reasonable fee for its services as Insurance Trustee. The Association Board is hereby irrevocably appointed agent for each Residence Owner to adjust all claims arising under insurance policies purchased by the Association in which Residence Owners have or may have an interest. The Insurance Trustee shall not be liable in any manner for the payment of any premium on policies, the renewal of policies, the sufficiency of the coverage of any such policies or any failure to collect any insurance proceeds under any policies.

3. The duty of the Insurance Trustee shall be to receive any and all proceeds from the insurance policies held by it as such Insurance Trustee and to hold such proceeds in trust for the Association, Residence Owners and Institutional Mortgagees under the following terms:

(a) In the event that a loss of Five Thousand Dollars (\$5,000) or less, as determined by detailed estimates or bids for repair and reconstruction obtained by the Association Board, occurs to the Association Property, the Insurance Trustee shall pay the proceeds received as a result of such loss to the Association. Upon receipt of such proceeds, the Association shall promptly cause the necessary repairs to be made. In the event the insurance proceeds are insufficient to pay for the cost of repair of the Association Property, the Association Board shall hold a special meeting to determine a Special Assessment against all Residence Owners.

(b) In the event the Insurance Trustee receives proceeds in excess of Five Thousand Dollars (\$5,000) as a result of damages to all or any portion of the Association Property, then the Insurance Trustee shall hold in trust all insurance proceeds received with respect to such damages and shall distribute such funds in the following manner:

(i) The Association Board shall obtain detailed estimates or bids for the cost of rebuilding and reconstruction of such damaged property for the purpose of determining whether such insurance proceeds are sufficient to pay for the same.

(ii) In the event the insurance proceeds are sufficient to rebuild and reconstruct all of such damaged improvements, then such damaged improvements shall be completely repaired and restored. The Association Board shall negotiate for the repair and restoration of such damaged Association Property and the Association shall negotiate and enter into a construction contract with a contractor to do the work on a fixed price basis or on any other reasonable terms acceptable to the Association Board, which contractor shall post a performance and payment bond with respect to such work. The Insurance Trustee shall disburse the insurance proceeds and other applicable funds held in trust in accordance with provisions for progress payments to be contained in such construction contract; provided, however, prior to any payment of such funds, the payees of such funds shall deliver to the Insurance Trustee any paid bills, waivers of liens under any lien laws and executed affidavits required by law, the Association or any respective Institutional Mortgagees.

(iii) In the event the insurance proceeds are insufficient to repair and replace all of the damaged improvements, the Association Board shall hold a special meeting to determine a Special Assessment against all Residence Owners to obtain any necessary funds to repair and to restore such damaged improvements. Upon the determination by the Association Board of the amount of such Special Assessment, the Association Board shall immediately levy such Special Assessment against the Residences setting forth the date or dates of payment of the same, and any and all funds received from the Residence Owners pursuant to such Special Assessment shall be delivered to the Insurance Trustee and disbursed as provided in subparagraph (b)(ii) immediately preceding.

(c) In the event that after the completion of and payment for the repair and reconstruction of the damage to the Association Property, and after the payment of the Insurance Trustee's fee with respect thereto, any excess insurance proceeds remain in the hands of the Insurance Trustee, then such excess shall be disbursed to all Residence Owners on a pro rata basis.

Notwithstanding anything in this Article VIII to the contrary, the amounts set forth for the purchase of insurance hereunder are the minimum amounts to be purchased. Therefore, the Association may purchase insurance in excess of the amounts set forth herein. The amounts set forth do not constitute a representation or warranty of any kind by the Developer, the Corporation or the Association as to the proper amount or kinds of insurance required.

E. Fidelity Coverage

Adequate fidelity coverage to protect against dishonest acts of the officers and employees of the Association and the Association Directors and all others who handle and are responsible for handling funds of the Association (whether or not they receive compensation), such coverage to be in the form of fidelity bonds which meet the following requirements:

1. Such bonds shall name the Association as an obligee;
2. Such bonds shall be written in an amount equal to, at least the sum of three (3) months' assessments on all Residences, plus the Reserves; and
3. Such bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

F. Cancellation or Modification

All insurance policies purchased by the Association shall provide

84950 P1177

that they may not be cancelled (including for nonpayment of premiums) or substantially modified without at least ten (10) days' prior written notice to the Association and to each first mortgage holder named in the mortgage clause.

G. Condemnation

In the event the Association receives any award or payment arising from the taking of any Association Property or any part thereof as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of such taken areas and improvements thereon to the extent deemed advisable by the Association and approved by Residence Owners owning at least two-thirds (2/3) of the Residences, and the remaining balance thereof, if any, shall then be distributed pro rata to Residence Owners and mortgagees of Residences as their respective interests may appear. The Association shall represent the Residence Owners in any condemnation proceedings or in negotiations, settlement, and agreements with the condemning authority for acquisition of the Association Property, or part thereof, by the condemning authority. Any condemnation award made payable to a Residence Owner but attributable to the taking of Association Property shall be paid to Residence Owners and their respective mortgagees as their interests may appear.

ARTICLE IX

RESIDENTIAL AND NONRESIDENTIAL AREAS

A. Single-Family Residence

Detached single-family homes shall be the only Dwelling Units constructed on the Residential Property. No commercial occupation or activity may be carried on in any Residence or on the Subject Property except as such occupation or activity is permitted to be carried on by Developer under this Subject Replat Declaration. A family is defined to mean any number of persons related by blood, marriage or adoption or not more than two (2) unrelated persons living as a single housekeeping unit.

B. Removal of Trees

No tree or shrub, the trunk of which exceed two inches (2") in diameter and forty-eight inches (48") in height, shall be cut down or otherwise removed without the express prior written consent of the Committee. Such consent for removal shall be given where necessary for the construction of the Residence and other permitted improvements, provided that the consent for such removal may nevertheless be conditioned upon and require that the tree or shrub in question be transplanted to another part of the Lot in question. Approval by the Committee shall not alleviate the requirement, if any, of a Residence Owner obtaining the approval of any applicable governmental authority.

Additionally, each Residence Owner must completely sod and maintain the "Swale(s)" lying in the rights-of-way between each Residence Owner's Lot and the street(s) in the rights-of-way abutting same except for the paved portion thereof. The underground sprinkler system required to be installed on the sodded portion of the Lot as hereinbefore set forth shall have such "heads" as are necessary to adequately water the sodded areas of such Swale(s) when that sprinkler system is operating. Each Residence Owner shall be required to maintain the Swale areas required to be sodded by such Residence Owner as above set forth in the same manner as the sodded areas of each such Residence Owner's Lot except that no Residence Owner shall plant any trees or shrubs or the like in or on a Swale area.

B4950 P1178

C. Landscape and Maintenance Obligation

Unless and until otherwise determined by the Board, each Residence Owner of a Lot which abuts any of the Water Management Tracts ("Lakeside Owners") as shown on the Subject Replat must completely sod and maintain the area ("Maintenance Area") which is bounded by (1) the "Common Boundary" of such Residence Owner's Lot and said Water Management Tracts; (2) the edge of the water body, if any, from time to time existing on such Water Management Tracts or on property adjacent thereto which is now, or hereafter becomes Committed Property; and (3) the extension to any such water body of the lot lines of the Lot in question which intersect with such Common Boundary. The Lakeside Owners are hereby granted the exclusive right to use their respective Maintenance Area subject to all easements now or hereafter existing. All uses made pursuant to this paragraph shall be subject to the prior written approval of the Committee. Notwithstanding the foregoing, the Lakeside Owners shall not place improvements upon the Maintenance Areas. Such prohibited improvements include, but are not limited to, a fence or a dock.

D. Mail Boxes and Other Delivery Boxes

If individual mail delivery for the Subject Property is available, each Lot on which a Residence has been completed shall have a mailbox which meets the approval of the Committee. Any alteration, repair or replacement, or change in location of the mailbox shall first require approval by the Committee. All milk, paper or other delivery boxes shall be permitted and located only in accordance with regulations established by the Committee.

E. Nonresidential Areas

Non-motorized boating may be permitted on the Water Management Tracts, subject to such reasonable rules and regulations as are established from time to time by the Association. Motorized boating is expressly prohibited. Neither Developer, the Association nor the Corporation shall assume any liability for actions of Residence Owners, their lessees, guests, family members, and invitees as to their use of the Water Management Tracts. The maintenance of the Water Management Tracts shall be the obligation of the Corporation and the cost thereof shall be deemed an "Operating Expense" as defined in the Declaration. The maintenance of Tracts D and E by the Corporation shall include maintaining such in an aesthetically pleasing and proper condition and shall include maintaining and repairing as necessary an entrance sign (including utility charges associated therewith) designating Island Lakes.

An underground sprinkler system is required for each Maintenance Area and, therefore, each Residence Owner shall install and maintain an underground sprinkler system on the Maintenance Area with respect to such Residence Owner's Lot which shall be part of and served by the sprinkler system on the Lot in question. Each Residence Owner shall be required to maintain the Maintenance Area required to be sodded by such Residence Owner as above set forth in the same manner as the sodded areas of each such Residence Owner's Lot.

ARTICLE X

EASEMENTS

A. Recognition of Existing Easements

Each Residence Owner, by acceptance of a deed or other instrument of conveyance, recognizes and consents to the easements reserved and/or granted with respect to the Subject Property under this Subject Replat Declaration.

B. Grant and Reservation of Easements

The Developer hereby reserves and grants the following perpetual easements over and across the Subject Property as covenants running with the Subject Property for the benefit of the Residence Owners and the Association as hereinafter specified for the following purposes:

1. Utility and Governmental Services Easements. Easements to provide utility services and for Governmental Purposes as is more particularly set forth in Article III hereof including, but not limited to, rights of access to maintain, repair, replace or install fixtures and appurtenances necessary for such utility services and Governmental Purposes subject to the limitations set forth in said Article III.

2. Easement for Encroachment. An easement for encroachment in favor of all Residence Owners in the event any portion of any of the Residences now or hereafter encroaches upon any of the other Residences or Lots or other portions of the Subject Property as a result of minor inaccuracies in survey, construction or reconstruction or due to settlement or movement. The encroaching improvements shall remain undisturbed for so long as the encroachment exists. Any easement for encroachment shall include an easement for the maintenance and use of the encroaching improvements in favor of each of the Residence Owners or their designees.

3. Right of Association to Enter Upon Residential Property. An easement or easements for ingress and egress in favor of the Association by the Association Board or the designees of the Association Board to enter upon the Residential Property for the purpose of fulfilling its duties and responsibilities of ownership, administration, maintenance and/or repair in accordance with the Island Lakes Section One Documents, including the making of such repair, maintenance or reconstruction to prevent damage or risk of loss to other Residence Owners.

The Association shall have the right to grant permits, licenses, and easements over the Association Property for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the Subject Property.

4. Assignments. The easements reserved hereunder may be assigned by the Association in whole or in part to any city, county or state government or agency thereof, or any duly licensed or franchised public utility, or any other designee of the Developer. The Residence Owners hereby authorize the Developer and/or the Association to execute, on their behalf and without further authorization, such Grants of Easement or other instruments as may from time to time be necessary to grant easements over and upon the Residential Property or portions thereof in accordance with or to complement the provisions of this Subject Replat Declaration subject to the limitations as to then existing buildings or other permanent structures or facilities constructed within the Subject Property in accordance with this Subject Replat Declaration and the Island Lakes Section One Documents and prior to the use of such easements as is provided in Article III.C hereof.

5. Easements Over Association Property. Every Residence Owner shall have a right and easement of enjoyment in and to the Association Property which shall be appurtenant to and shall pass with title to every Lot.

6. Limitation of Easements. Notwithstanding anything in this Subject Replat Declaration to the contrary, all easement rights reserved or granted to the Developer shall terminate upon the Developer no longer holding any Lots or Residences for sale in the ordinary course of business. In addition, the easement rights granted or reserved by the Developer hereunder are not to be construed as creating an affirmative obligation to act on the part of Developer.

B4950 P1180

C. Sign Easement

The Developer hereby grants to the Association and the Corporation, a perpetual easement on Parcels D and E on the Subject Replat for: (i) the placement, maintenance and/or replacement of a sign designating the entrance to Island Lakes Section One; and (ii) the placement, maintenance and/or replacement of a sprinkler pump and electric panel. By its joinder herein, the Corporation acknowledges the foregoing easements and ratifies same.

ARTICLE XI

CERTAIN ACTIVITIES RESTRICTED OR
PROHIBITED ON THE SUBJECT PROPERTY

A. Temporary Buildings, etc.

No tents, trailers, mobile homes, shacks or other temporary buildings or structures shall be constructed or otherwise placed within the Subject Property except in connection with construction, development, leasing or sales activities permitted under the Declaration or this Subject Replat Declaration or with the prior written consent of the Association Board and the "Committee" or, if the "Board" (being the Board of the Corporation as provided for in the Declaration) has delegated authority with respect thereto to the Association pursuant to Article III D.6 of the Declaration, then with the prior written consent of the Association Board alone. No temporary structure may be used as a residence.

B. Boats, Motor Vehicles, Trailers, etc.

No boats, boat trailers, house trailers, motor homes, campers, trucks, vans, motorcycles, motor scooters, go carts, motor bikes or other motor vehicles or trailers, whether of a recreational nature or otherwise, other than in connection with construction, development, leasing or sales activities permitted under the Declaration or this Subject Replat Declaration and other than four-wheel passenger automobiles, shall be placed, parked or stored within the Subject Property except within a Residence where same cannot be seen from any part of the Subject Property or Loggers' Run; except for temporary periods during which time lawful and permitted work associated therewith is being conducted (e.g., deliveries or repairs to a Residence) but in no event overnight; and except for such four-wheel noncommercial vehicles as the Association shall specifically approve in writing prior to their being placed, parked or stored on the Subject Property. No maintenance or repair shall be done upon or to any such boats, trailers, motorcycles, motor scooters, go carts, motor bikes or other motor vehicles (including, but not limited to, any permitted four-wheel passenger automobiles) except within a Residence and totally isolated from public view.

C. Signs

No sign of any kind shall be displayed to the public view on any Lot or Residence except Developer's signs for sales and leasing and except as may be previously and specifically approved in writing by the Committee and the Association Board or, if the Board has delegated authority with respect thereto to the Association pursuant to Article III D.6 of the Declaration, then with the prior written consent of the Association Board alone. Notwithstanding the foregoing, Residence Owners shall be permitted to place one (1) one-square-foot sign on their Lot for the sale or lease of their Residence.

D. Animals and Pets

Only common household pets may be kept on any Lot or in a Residence but in no event for the purpose of breeding or for any commercial purposes whatsoever. No other animals, livestock or poultry of any kind shall be kept,

B4950 P1181

raised, bred or maintained on any portion of the Subject Property. Permitted pets shall only be kept subject to and in accordance with such rules and regulations as shall be promulgated from time to time by the Association Board.

Each Residence Owner who determines to keep a pet thereby agrees to indemnify the Developer, the Association and the Corporation and hold them harmless against any loss or liability of any kind or character whatsoever arising from or growing out of his having any animal on the Subject Property.

E. Barbecues

Residence Owners shall be permitted to locate and utilize barbecues only upon their respective Lots to the rear of their respective Residences provided, however, that barbecuing shall be subject to such rules and regulations as may be promulgated from time to time by the Association Board.

F. Increase in Insurance Rates

No Residence Owner may engage in any action which may reasonably be expected to result in an increase in the rate of any insurance policy or policies covering or with respect to any portion of the Subject Property not owned by such Residence Owner.

G. Water Supply

No wells or individual water supplies shall be permitted except for sprinkler systems in compliance with all applicable governmental requirements.

H. Additions and Alterations

No Residence shall be enlarged by any addition thereto or to any part thereof, and no Residence Owner shall make any improvement, addition, or alteration to the exterior of his Residence, including, without limitation, the painting, staining, or varnishing of the exterior of the Residence, without the prior written approval of the Association Board and the Committee, which approval may be withheld for purely aesthetic reasons.

I. Casualties

In the event a Residence or any part thereof is damaged or destroyed by casualty or otherwise, the owner thereof shall promptly clear all debris resulting therefrom and commence either to repair, rebuild or reconstruct the Residence or to grass over and landscape the land previously underlying the Residence in a sightly manner.

J. Plans and Specifications

Any repair, rebuilding or reconstruction on account of casualty or other damage to any Residence, shall be substantially in accordance with the plans and specifications for such property as originally constructed or with new plans and specifications approved by the Association Board and the Committee; however, any material or substantive change in new plans and specifications approved by the Association Board and the Committee from the plans and specifications of previously constructed property shall require the written approval of Institutional Mortgagees holding mortgages encumbering at least two-thirds (2/3) of the Residences so encumbered. The Association Board, the Committee, the Association and the Corporation make no representations or warranties in the approval of new plans and specifications and, thus, assume no liability in this regard.

K. Water Management Tracts

The use and operation of the Water Management Tracts shall be subject to such rules and regulations as may be established by the Association or the Corporation.

B4950 P1182

L. Aerials

No antennae, satellite dish, aerial or the like shall be placed upon the Subject Property or affixed to the exterior of a Residence; and no antennae, satellite dish, aerial or the like shall be placed or affixed within a Residence shall extend or protrude beyond the exteriors, including the roof of the Residence or the planes of such exteriors, without the prior written approval of the Association and the Committee, which approval may be denied for purely aesthetic reasons.

M. Clotheslines

No clotheslines or clothes drying, which is visible from outside a Residence or from the Association Property, shall be undertaken or permitted on the Subject Property.

N. Certain Rights of Developer

The provisions, restrictions, terms and conditions of this Article XI shall not apply to the Developer as a Residence Owner.

ARTICLE XII

MAINTENANCE OF THE SUBJECT PROPERTY

In order to further establish and preserve the Subject Property and Loggers' Run, each Residence Owner covenants and shall be obligated at all times to maintain all portions of his Residence (including, but not limited to, walls, roofs, utility lines, ducts, conduits, pipes, wires and other utility fixtures and appurtenances located upon or under his Lot, and all glass and screens in windows and doors) and Lot (including, but not limited to, lawns, shrubbery, and landscaping) as well as the Swales and Maintenance Area which he is required to maintain, as provided for herein and in the Island Lakes Section One Documents, in a neat and aesthetically pleasing and proper condition and good repair. In the event that any Residence Owner fails to maintain his Residence and Lot and such Swales and Maintenance Area in accordance with this covenant and otherwise provide any maintenance required under the Island Lakes Section One Documents - ("Defaulting Owner"), the Association shall have the right, though not the obligation, upon thirty (30) days' written notice, to enter the property of the Defaulting Owner for the purpose of performing the maintenance and/or repairs described in the notice. The cost of performing such maintenance and/or repairs and the expense of collection (including, but not limited to, court costs and reasonable attorneys' fees through and including all appeals and postjudgment proceedings and whether or not suit be instituted) shall be assessed against the Defaulting Owner and shall become a lien upon the Lot and Residence of the Defaulting Owner. Said lien shall be effective only from and after the time of recordation amongst the Public Records of the County of a written statement claiming such a lien on behalf of the Association and setting forth the amount due which shall bear interest from the date thereof at the highest nonusurious rate allowed by law. The Association shall have all rights and remedies with respect to the enforcement and collection of such lien as the Association would have with respect to liens for Assessments as provided for in this Subject Replat Declaration. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a satisfaction thereof in recordable form. The Corporation shall have the same rights as the Association has under this Article but shall be under no obligation to exercise such rights.

In the event that the Association fails to maintain such portions of the Subject Property as the Association is required to maintain in accordance with the Island Lakes Section One Documents including, but not limited to, this Subject Replat Declaration, the Corporation shall have the right, but not the

B4950 P1183

obligation, upon thirty (30) days' written notice, to enter upon the Subject Property for the purpose of performing the maintenance and/or repairs described in the notice. The cost of performing such maintenance and/or repairs and the expense of collection (including, but not limited to, court costs and reasonable attorneys' fees for the services of the Corporation's attorneys through and including all appeals and postjudgment proceedings and whether or not suit be instituted) shall be assessed by the Corporation against the Residence Owners as if same were a Special Assessment (and thus subject to the limitations with respect to Special Assessments as provided for in the Island Lakes Section One Documents) and shall be assessed, levied, collected and enforced by the Corporation in the same manner as the Association might assess, levy, collect and enforce same, with the Corporation having all of the rights of the Association to so assess, levy, collect and enforce the same.

ARTICLE XIII

ADDITIONAL LAND

A. Additional Land

The Additional Land, or any part thereof, may be made part of the Subject Property subject to this Subject Replat Declaration by the recordation amongst the Public Records of the County of a "Supplement" or Supplements. The future improvements upon the Additional Land, if any, if made a part of the Subject Property, will be of compatible style and quality to the improvements located on the Subject Property.

B. Termination of Plan

Notwithstanding any provision of this Subject Replat Declaration to the contrary, nothing herein shall require or obligate Developer to file or record a Supplement as to any part of the Additional Land or to develop the Additional Land in the manner set forth in Paragraph A of Article XIII hereof. In the event Developer does not add any portion of the Additional Land as part of the Subject Property, nothing herein contained shall affect the Developer's right to develop such portion of the Additional Land in any manner determined by Developer, provided such development is in accordance with applicable governmental regulations.

C. Effect of Filing a Supplement

The following shall apply upon the filing of a Supplement with respect to all or any part of the Additional Land:

1. That part of the Additional Land which is the subject of a recorded Supplement shall be deemed to be part of the Subject Property subject to this Subject Replat Declaration ("Annexed Land").

2. The Annexed Land which was "Uncommitted Property" shall be deemed "Committed Property" as contemplated by and set forth in the Declaration.

3. Each owner of a dwelling unit located on the Annexed Land shall be deemed an Owner of a Residence under this Subject Replat Declaration, subject to all the rights, obligations, covenants, restrictions and easements of Residence Owners under this Subject Replat Declaration.

4. Each dwelling unit located on the Annexed Land shall be deemed a Residence and each owner thereof shall be subject to assessments (and lien rights and other remedies) and the other obligations and rights hereunder in the same manner and to the same extent as if the Annexed Land was part of the Subject Property hereunder.

5. The Annexed Land shall be subject to such further covenants, restrictions and easements as are set forth in the Supplement or Supplements therefor which are consistent with the intent and purposes of this Subject Replat Declaration.

6. Notwithstanding anything herein to the contrary, Developer reserves the right to amend this Subject Replat Declaration, which amendment may be made by Developer alone without the consent of the Residence Owners, to record a Supplement or Supplements amongst the Public Records of the County adding all or part of the Additional Land.

D. Termination Date

Notwithstanding any provision herein to the contrary, the right of Developer to record a Supplement or Supplements with respect to the Additional Land shall terminate upon the earlier of:

1. Seven (7) years after the date of the recording of this Subject Replat Declaration amongst the Public Records of the County; or

2. The recording by the Developer amongst the Public Records of the County of a termination statement reflecting the termination of any right of Developer to record thereafter, in the manner contemplated hereunder, a Supplement or Supplements with respect to the Additional Land, or any part thereof.

ARTICLE XIV

GENERAL PROVISIONS

A. Conflict With Declaration

In the event of any conflict between the provisions hereof and the provisions of the Declaration, the provisions of the Declaration shall control.

B. Notices

Any notice or other communication required or permitted to be given or delivered hereunder shall be deemed properly given and delivered upon the mailing thereof by United States mail, postage prepaid, to: (i) any Residence Owner, at the address of the person whose name appears as the Residence Owner on the records of the Association at the time of such mailing and, in the absence of any specific address, at the address of the Residence owned by such Residence Owner; and (ii) the Association, certified mail, return receipt requested, at 1151 Northwest 24th Street, Pompano Beach, Florida 33064, or such other address as the Association shall hereinafter notify the Developer, the Corporation and the Residence Owners of in writing; and (iii) the Corporation, certified mail, return receipt requested, at 1151 Northwest 24th Street, Pompano Beach, Florida 33064, or such other address or addresses as the Corporation shall hereinafter notify the Developer, the Association and the Residence Owners of in writing; and (iv) the Developer, certified mail, return receipt requested, at 1151 Northwest 24th Street, Pompano Beach, Florida 33064, or such other address or addresses as the Developer shall hereafter notify the Corporation of in writing, any such notice to the Corporation of a change in the Developer's address being deemed notice to the Association and the Residence Owners. Upon request of a Residence Owner or the Association, the Corporation shall furnish to such Residence Owner or Association the then current address for the Developer as reflected by the Corporation records.

C. Enforcement

The covenants and restrictions herein contained may be enforced by the Developer, the Corporation, the Association, any Residence Owner and any Institutional Mortgagee holding a mortgage on any portion of the Subject

B4950 P1185

Property in any judicial proceeding seeking any remedy recognizable at law or in equity, including damages, injunction or any other form of relief against any person, firm or entity violating or attempting to violate any covenant, restriction or provision hereunder. The failure by any party to enforce any such covenant, restriction or provision herein contained shall in no event be deemed a waiver of such covenant, restriction or provision or of the right of such party to thereafter enforce such covenant, restriction or provision. The prevailing party in any such litigation shall be entitled to all costs thereof including, but not limited to, reasonable attorneys' fees through all trial and appellate levels and post judgment proceedings.

D. Captions, Headings and Titles

Article and Paragraph captions, headings and titles inserted throughout this Subject Replat Declaration are intended as a matter of convenience only and in no way shall such captions, headings or titles define, limit or in any way affect the subject matter or any of the terms and provisions thereunder or the terms and provisions of this Subject Replat Declaration.

E. Context

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

F. Attorneys' Fees

Any provision herein for the collection or recovery of attorneys' fees shall be deemed to include, but not be limited to, attorneys' fees for the attorneys' services through all trial and appellate levels and postjudgment proceedings, arbitration proceedings and, unless the context clearly indicates a contrary intention, whether or not suit is instituted.

G. Severability

In the event any of the provisions of this Subject Replat 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, and any provisions of this Subject Replat Declaration deemed invalid by a court of competent jurisdiction by virtue of the term or scope thereof shall be deemed limited to the maximum term and scope permitted by law. In the event that any court should hereafter determine that any provision of this Subject Replat Declaration is in violation of the rule of property known as the "rule against perpetuities" or any other rule of law because of the duration of a time period, such provision shall not thereby become invalid, but instead the duration of such time period shall be reduced to the maximum period allowed under such rule of law, and in the event the determination of the duration of such time period requires measuring lives, such measuring life shall be that of the incorporator of the Association.

H. Subordination

The Developer, the Corporation and the Association agree that their respective interests as provided for in this Subject Replat Declaration shall be and are subordinated to the lien, encumbrance and operation of any existing (as of the date hereof) mortgages encumbering any portion of the Subject Property and any additional or replacement or subsequent mortgages obtained by the Developer for the purpose of financing the construction of improvements to take place upon any portion of the Subject Property. While the provisions of this Paragraph are self-operative, the Association and the Corporation

B4950 P118b

nevertheless agree to execute such instruments in recordable form as may be necessary or appropriate to evidence the foregoing subordination of their respective interests to any such mortgages and shall do so forthwith upon request of the Developer.

I. No Limitation on Committee

The fact that only certain architectural, landscaping and other criteria with respect to the Subject Property are herein set forth shall in no way be deemed or construed to limit the authority or power of the Committee or the Board as set forth in any of the Loggers' Run Documents including, but not limited to, the Declaration.

J. Certain Rights of the Developer

Notwithstanding anything to the contrary herein contained, no "Developer Improvements" as set forth in the Declaration shall be subject to either the approval of the Committee or the provisions and requirements of this Subject Replat Declaration. Notwithstanding the other provisions of this Subject Replat Declaration, the Developer reserves and the Developer and its nominees shall have the right to enter into and transact on the Subject Property any business necessary to consummate the sale, lease or encumbrance of Residences or real property including, but not limited to, the right to maintain models and a sales and/or leasing office, place signs, employ sales and leasing personnel, use the Association Property and show Residences, and the Developer reserves and shall have the right to make repairs to the Association Property and to carry on construction activity for the benefit of the Subject Property. The Developer and its nominees may exercise the foregoing rights without notifying the Association and without the payment of a fee to the Association. Any such models, sales office, signs and any other items pertaining to such sales or leasing efforts shall not be considered a part of the Association Property and shall remain the property of the Developer. This Article XIV may not be suspended, superseded or modified in any manner by any amendment to this Subject Replat Declaration unless such amendment is consented to in writing by the Developer. This right of use and transaction of business as set forth herein, the provisions of Paragraph N of Article XI, and the other rights reserved by the Developer in the Island Lakes Section One Documents may be assigned in writing by the Developer in whole or in part. For the purposes of this Article XIV, Paragraph J, the term "Developer" shall include any "Lender" which has loaned money to the Developer to acquire or construct improvements upon the Subject Property or its successors and assigns if such Lender, its successors or assigns, acquires title to any portion of the Subject Property as a result of the foreclosure of any mortgage encumbering any portion of the Subject Property securing any such loan to the Developer or acquires title thereto by deed in lieu of foreclosure. The rights and privileges of the Developer as set forth in this Article XIV, Paragraph J, which are in addition to, and are no way a limit on, any other rights or privileges of the Developer under any of the Island Lakes Section One Documents, shall terminate upon the Developer no longer owning any portion of the Committed Property or any portion of the Uncommitted Property which could, pursuant to the terms of the Declaration, become Committed Property or upon such earlier date as the Developer shall notify the Association in writing of the Developer's voluntary election to relinquish the aforesaid rights and privileges.

K. Disputes as to Use

In the event there is any dispute as to whether the use of the Subject Property or any portion or portions thereof complies with the covenants, restrictions, easements or other provisions contained in this Subject Replat Declaration, such dispute shall be referred to the Association Board, and a determination rendered by the Association Board with respect to such dispute shall be final and binding on all parties concerned therewith

B4950 P1187

except the Corporation with the Board of the Corporation retaining the right to make determinations with respect to compliance with the Declaration as provided for in the Declaration. Notwithstanding anything to the contrary herein contained, any use by the Developer of the Subject Property or any parts thereof in accordance with Paragraph J of this Article XIV shall be deemed a use which complies with this Subject Replat Declaration and shall not be subject to a contrary determination by the Association Board or the Board of the Corporation.

L. Amendment and Modification

The process of amending or modifying this Subject Replat Declaration shall be as follows:

1. Until the Turnover Date, as provided in the Association Articles, all amendments or modifications shall only be made by the Developer without the requirement of the Association's consent or the Corporation's consent or the consent of the Residence Owners, provided, however, that the Association and the Corporation shall, forthwith upon request of the Developer, join in any such amendments or modifications and execute such instruments to evidence such joinder and consent as the Developer shall, from time to time, request.

2. After the Turnover Date, as provided for in the Association Articles, this Subject Replat Declaration may be amended by (a) the consent of the Residence Contributing Unit Owners owning two-thirds (2/3) of all Residence Contributing Units together with (b) the approval or ratification of a majority of the Association Board. The aforementioned consent of the Residence Contributing Unit Owners owning two-thirds (2/3) of the Residence Contributing Units may be evidenced by a writing signed by the required number of Residence Contributing Unit Owners or by the affirmative vote of the required number of Residence Contributing Unit Owners at any regular or special meeting of the Association called and held in accordance with the Association Bylaws evidenced by a certificate of the Secretary or an Assistant Secretary of the Association.

3. Amendments for correction of scrivener's error or other nonmaterial changes may be made by the Developer alone until the Turnover Date as provided for in the Association Articles and by the Association Board thereafter and without the need of consent of the Residence Owners.

4. Notwithstanding anything to the contrary herein contained, no amendment to this Subject Replat Declaration shall be effective which shall impair or prejudice the rights or priorities of the Developer, the Association, the Corporation or of any Institutional Mortgagee under this Subject Replat Declaration or any other of the Island Lakes Section One Documents without the specific written approval of such Developer, Association, Corporation or Institutional Mortgagee affected thereby. Furthermore, notwithstanding anything to the contrary herein contained, no amendment to this Subject Replat Declaration shall be effective which would increase the liabilities of a then Residence Owner or prejudice the rights of a then Residence Owner or his guests, invitees, lessees and licensees to utilize or enjoy the benefits of the then existing Association Property unless the Residence Owner or Residence Owners so affected consent to such amendment in writing or unless such amendment is adopted in accordance with the procedures required for adoption of an amendment to this Subject Replat Declaration after the aforesaid Turnover Date (being the Turnover Date provided for by the Association Articles). Finally, notwithstanding anything to the contrary contained herein, no amendment to this Subject Replat Declaration shall be effective which shall eliminate or modify the provisions of Paragraph P of this Article XIV and any such amendment shall be deemed to impair and prejudice the rights of the Developer hereunder.

B4950 P1188

5. A true copy of any amendment to this Subject Replat Declaration shall be sent certified mail (herein called the "Mailing") by the Association to the Developer, the Corporation and to all Institutional Mortgagees holding a mortgage on any portion of the Subject Property requesting notice pursuant to Paragraph D of Article VIII of the Declaration. The amendment shall become effective upon the recording of a Certificate of Amendment to this Subject Replat Declaration setting forth the amendment or modification amongst the Public Records of the County.

M. Delegation

The Association, pursuant to a resolution duly adopted by the Association Board, shall have the continuing authority to delegate all or any portion of its responsibilities for maintenance, operation and administration, as provided herein, to any managing agency or entity selected by the Association Board from time to time and whether or not related to the Developer.

N. Term

The term hereof shall be coextensive with the term of the Declaration.

O. Rights of Mortgagees

1. Right to Notice

The Association shall make available for inspection upon request, during normal business hours or under reasonable circumstances, the Island Lakes Section One Documents and the books, records and financial statements of the Association to Residence Owners and the holders, insurers or guarantors of any first mortgages encumbering Residences. In addition, evidence of insurance shall be issued to each Residence Owner and mortgagee holding a mortgage encumbering a Residence upon written request to the Association.

2. Rights of Listed Mortgagee

Upon written request to the Association, identifying the name and address of the holder, insurer, guarantor (such holder, insurer or guarantor is herein referred to as a "Listed Mortgagee") of a mortgage encumbering a Residence and the legal description of such Residence, the Association shall provide such Listed Mortgagee with timely written notice of the following:

(a) Any condemnation, loss or casualty loss which affects any material portion of the Subject Property or any Residence encumbered by a first mortgage held, insured or guaranteed by such Listed Mortgagee;

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

(c) Any proposed action which would require the consent of mortgagees holding a mortgage encumbering a Residence; and

(d) Any failure by a Residence Owner owning a Residence encumbered by a mortgage held, insured or guaranteed by such Listed Mortgagee to perform his obligations under the Island Lakes Section One Documents, including, but not limited to, any delinquency in the payment of Assessments, or any other charge owed to the Association by said Residence Owner where such failure or delinquency has continued for a period of sixty (60) days.

3. Right of Listed Mortgagee to Receive Financial Statement

Any Listed Mortgagee shall, upon written request made to the Association, be entitled to financial statements for the Association for the

B4950 P1189

prior fiscal year free of charge and the same shall be furnished within a reasonable time following such request.

P. Approval of Association Lawsuits by Residence Owners

Notwithstanding anything contained herein to the contrary, the Association shall be required to obtain the approval of three-fourths (3/4) of all Residence Owners (at a duly called meeting of the Residence Owners at which a quorum is present) prior to the payment of legal or other fees to persons or entities engaged by the Association for the purpose of suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit other than for the following purposes:

(a) the collection of Assessments;

(b) the collection of other charges which Residence Owners are obligated to pay pursuant to the Island Lakes Section One Documents;

(c) the enforcement of the use and occupancy restrictions contained in the Island Lakes Section One Documents;

(d) in an emergency where waiting to obtain the approval of the Residence Owners creates a substantial risk of irreparable injury to the Association Property or to Residence Owner(s).

Q. Leases

Each lease entered into by a Residence Owner shall provide, and if it does not provide it shall be deemed to provide, that the lessee thereunder shall abide by and be subject to all the Island Lakes Section One Documents and shall be obligated to maintain the Lot and Residence to the same extent as the lessor and that failure to abide by the foregoing shall be deemed a material default under the terms of the lease, thus entitling the Association to enforce the terms of the lease as if it were the lessor thereunder. Notwithstanding the foregoing, a Residence Owner who leases his Residence shall remain liable for all the obligations set forth in the Island Lakes Section One Documents. The provisions of this Paragraph Q of Article XIV shall not be applicable to the lessees of Developer.

ARTICLE XV

INCORPORATION OF DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR LOGGERS' RUN

The Declaration has been recorded in Official Records Book 2793, Page 1 of the Public Records of Palm Beach County, Florida. In accordance with the plan of development of Loggers' Run, the Declaration and all amendments thereto are incorporated herein by reference and hereby made a part hereof.

IN WITNESS WHEREOF, this Replat Declaration for Island Lakes Section One has been signed by the Developer, the Association and the Corporation on the day and year first above set forth.

Signed, Sealed, and Delivered in the Presence of:

Mary Ann Yametti
Stephen D. Pella
(Witnesses as to Oriole Homes Corp.)

ORIOLE HOMES CORP.

By: Mark A. Levy as Pres.
Attest: Joan R. Peters
(SEAL) as Asst. Secy.

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ISLAND LAKES SECTION ONE HOMEOWNERS
ASSOCIATION, INC.

Barbara J. Abbott
Janet Foley
(Witnesses as to Island Lakes
Section One Homeowners
Association, Inc.)

By: Maureen D'Adelonia, President
Attest: Patricia C Pfund, Sec'y
(SEAL)

LOGGERS' RUN, INC.

Barbara J. Abbott
Janet Foley
(Witnesses as to Loggers' Run, Inc.)

By: Maureen D'Adelonia
President
Attest: Patricia C Pfund, Sec'y
(SEAL)

STATE OF FLORIDA)
) SS.:
COUNTY OF BROWARD)

I HEREBY CERTIFY that on this day personally appeared before me, MARK A. LEVY and JOAN RATNER, an officer duly authorized and acting, the PRESIDENT and ASSISTANT SECRETARY respectively, of ORIOLE HOMES CORP, to me known to be the persons who signed the foregoing instrument as such persons, and acknowledged the execution thereof to be their free act and deed as such persons for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my hand and official seal in the State and County last aforesaid this 23 day of JUNE, 19 86.

Stephen D. Tolson (SEAL)
Notary Public
State of Florida at Large

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA
MY COMMISSION EXPIRES FEB. 16, 1990.
BONDED THRU NOTARY PUBLIC UNDERWRITERS

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STATE OF FLORIDA)
) SS.:
COUNTY OF BROWARD)

I HEREBY CERTIFY that on this day personally appeared before me, Maria
D'Addario and Patricia C. Pfund, an
officer duly authorized and acting, the President and Secretary, respectively,
of ISLAND LAKES SECTION ONE HOMEOWNERS ASSOCIATION, INC., to me known to be
the persons who signed the foregoing instrument as such persons, and
acknowledged the execution thereof to be their free act and deed as such
persons for the uses and purposes therein mentioned, and they affixed thereto
the official seal of said corporation, and that the said instrument is the act
and deed of said corporation.

WITNESS my hand and official seal in the State and County last aforesaid
this 25th day of June, 1986.

Maria Joan Gannotti (SEAL)
Notary Public
State of Florida at Large

My Commission Expires: NOTARY PUBLIC STATE OF FLORIDA
COMMISSION EXPIRES SEPT 21 1987
FUNDED THRU GENERAL INSURANCE FUND

STATE OF FLORIDA)
) SS.:
COUNTY OF BROWARD)

I HEREBY CERTIFY that on this day personally appeared before me, Maria
D'Addario and Patricia C. Pfund, an
officer duly authorized and acting, the President and Secretary, respectively,
of LOGGERS' RUN, INC., to me known to be the persons who signed the foregoing
instrument as such persons, and acknowledged the execution thereof to be their
free act and deed as such persons for the uses and purposes therein mentioned,
and they affixed thereto the official seal of said corporation, and that the
said instrument is the act and deed of said corporation.

WITNESS my hand and official seal in the State and County last aforesaid
this 23rd day of June, 1986.

Maria Joan Gannotti (SEAL)
Notary Public
State of Florida at Large

My Commission Expires: 9-28-87

B4950 P1192