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Palm Beach County, Florida

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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR LIBERTY ISLES**

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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR LIBERTY ISLES**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LIBERTY ISLES is made on _____, 2003, by Home Dynamics Liberty, LLC, a Florida limited liability company (the "Declarant"), joined by LIBERTY ISLES HOMEOWNER ASSOCIATION, INC., a Florida corporation not for profit (the "Association").

WHEREAS, Declarant is the owner of the following described real property lying in Palm Beach County, Florida:

SECTION 5 OF THE RENAISSANCE according to the Plat thereof, as recorded in Plat Book 90, at Page 162-174, of the Public Records of Palm Beach County, Florida

Also described as:

LIBERTY ISLES, according to the Plat thereof recorded in Plat Book 95, Page 153, of the Public Records of Palm Beach County, Florida.

(the "Property", also referred to as "LIBERTY ISLES"), and Declarant desires to develop it as a residential community; and

WHEREAS, Declarant desires, by this Declaration, to provide for the preservation of the values and improvements of the Property; and

WHEREAS, Declarant herewith imposes these protective covenants, conditions and restrictions set forth herein upon the Property; and

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the values and improvements established as aforesaid to create a not-for-profit corporation pursuant to Chapter 617, Florida Statutes, and to act and serve as a homeowners association pursuant to Chapter 720, Florida Statutes, known as the LIBERTY ISLES HOMEOWNERS ASSOCIATION, INC., to which there has been and will be delegated and assigned certain powers and duties of ownership, operation, administration, maintenance, repair or replacement of portions of the Property, and the enforcement of the covenants, restrictions, easements, reservations, regulations, burdens and liens contained herein and the collection and disbursement of the assessments and charges hereafter provided.

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

1. DEFINITIONS

1.1 "Articles" means the Articles of Incorporation of the Association, a copy of which is attached hereto as Exhibit "A". The Articles are incorporated herein.

1.2 "Assessment" means the Individual Lot Assessment, Special Assessments, Special Lot Assessments and any and all other assessments which are levied or collected by the Association in accordance with the provisions of this Declaration or any other of the LIBERTY ISLES Documents.

1.3 "Association" means the LIBERTY ISLES HOMEOWNERS ASSOCIATION, INC. which is responsible for operating the Property pursuant to this Declaration. The Association is not a condominium association under Chapter 718, Florida Statutes.

1.4 "Board", "Board of Directors" or "Directors" means the Directors of the Association acting as a Board of Directors.

1.5 "Briar Bay" means the property subject to the Master Declaration, which property includes the Property.

1.6 "Budget" means the budget for the Association.

1.7 "Bylaws" means the Bylaws of the Association, as same may be amended from time to time. A copy of the initial Bylaws is attached hereto as Exhibit "B".

1.8 "City" means the City of West Palm Beach, Florida.

1.9 "Common Costs" means the expenses for which Owners are jointly and severally liable to the Association as described in the LIBERTY ISLES Documents.

1.10 "Common Property" means all portions of the Property not included within a Lot, and such other portions of the Property, if any, as are designated by Declarant for use as same or declared in this Declaration to be Common Property, or such property as may be dedicated to the Association on the Plat. Common Property shall also be deemed to include the interest of the Association in and to any easement granted in favor of the Association, whether such easement has been granted as of the date hereof or shall be granted thereafter; and shall include any non-exclusive easement wherein Persons, in addition to Declarant, are also beneficiaries under the easement. The Common Property may include, without limitation, entrance ways, utility easements, roadways, roadway swales, sidewalks in the road right-of-way, street lighting, community walls, irrigation system, landscape buffer areas, and street signage, provided that the mentioning of any particular form of Common Property herein shall not require that such form of Common Property be provided.

1.11 "Contributing Lot" means each Lot upon its conveyance from Declarant to an Owner. Contributing Lot shall not mean a Lot upon its conveyance by Declarant to Declarant or any of its affiliates, unless specified in a written instrument recorded by Declarant.

1.12 "County" means Palm Beach County, Florida.

1.13 "Declarant" means Home Dynamics Liberty, LLC, a Florida limited liability company, its successors, grantees, and assigns. Notwithstanding the foregoing, an Owner shall not, solely by the purchase of a Lot or a Dwelling Unit, be deemed a successor or assign of Declarant or entitled to the rights of Declarant under this Declaration or any other LIBERTY ISLES Documents, unless such Owner is specifically so designated as a successor or assignee of such rights in the respective instrument of conveyance or any other instrument executed by Declarant and recorded in the Public Records of Palm Beach County, Florida. However, if the assignor assigns only a portion of its rights as Declarant hereunder to an assignee, then the term Declarant as used in this Declaration shall mean such assignee only when necessary to give such assignee the specific rights of Declarant hereunder which were specifically assigned to such assignee to the same extent as if the assignee had been the original Declarant, and such assignee shall not have any of the rights of Declarant hereunder which were not specifically assigned to such assignee. In addition, if any Person obtains title to all of the Property then owned by Declarant as a result of the foreclosure of any mortgage or deed in lieu thereof, such Person may elect to become Declarant by a written election recorded in the Public Records of the County, and regardless of the exercise of such election, such Person may appoint as Declarant any third party who acquires title to all or any portion of the Property, by written appointment recorded in the Public Records of the County. In any event, any subsequent Declarant shall not be liable for any default or obligations incurred by any prior Declarant, except as same may be expressly assumed by the subsequent Declarant.

1.14 "Declaration" means this instrument.

1.15 "Developer Control Period" means that period of time prior to the time that ninety (90%) of the Lots are conveyed to Owners, and shall also have the same meaning as "Class B Control Period", as such term is used in regulations governing FHA guaranteed loans.

1.16 "Director" means a Director, as defined in the Articles and Bylaws.

1.17 "Dwelling Unit" means a single family dwelling that is located on a Lot, provided that a final certificate of occupancy has been issued therefore by the applicable governmental authority. A Dwelling Unit cannot be transferred, demised, sold or leased apart from the Lot. There shall be only one Dwelling Unit on a Lot.

1.18 "LIBERTY ISLES Documents" means, in the aggregate, the Master Documents, this Declaration, the Articles, the Bylaws, the Rules, and all of the instruments and documents, including easements, referred to therein or referred to herein, as same may be modified from time to time.

1.19 "Individual Lot Assessment" means the Assessment due from each Lot, as further described in Paragraph 9.1 hereof.

1.20 "Institutional Mortgagee" means any Person owning or holding a first mortgage encumbering a Lot which is any of the following:

1.20.1 any Federal or State Savings and Loan or Building and Loan Association, or any commercial or other bank or real estate investment trust, or any mortgage banking company or any subsidiary thereof, or any credit union; or

1.20.2 any "Secondary Mortgage Market Institution," including the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, and any other secondary Mortgage Market Institution as the Board shall hereafter approve in writing which has acquired a first mortgage upon a Lot; or

1.20.3 any and all investors or lenders, or the successors and assigns of such investors or lenders (herein referred to as "Lenders") which have loaned money to Declarant and who hold a mortgage on any portion of the Property securing such a loan; or

1.20.4 Declarant, if Declarant owns or holds a mortgage on any portion of the Property, and the transferee of any mortgage encumbering any portion of the Property which mortgage was originally held by Declarant; or

1.20.5 any life insurance company.

1.20.6 Any person acquiring a first mortgage on a Lot securing the repayment of funds provided by the person for the purchase of the Lot by an Owner from Declarant.

1.20.7 such other persons as the Board shall hereafter approve in writing as Institutional Mortgagees which have acquired a mortgage upon a Lot; or

1.21 "Lot" means any one of the numbered parcels described on the Plat upon which a single family residential unit is constructed or intended to be constructed. The term "Lot" shall also be deemed to include the Dwelling Unit constructed thereon or to be constructed thereon, and other improvements thereto, except as may otherwise be provided in the Declaration. No Lot may be subdivided, and no alienation, transfer, demise, sale or lease of a portion of a Lot shall be permitted.

1.22 "Master Association" means the Briar Bay Community Association, Inc., and the "Master

"Declaration" or "Master Documents" shall mean the Master Declaration recorded at Official Records Book 13056, Page 1, of the Public Records of Palm Beach County, Florida, as same may have been or shall be amended. "Master Association Assessment" shall mean any assessment imposed by the Master Association as provided in the Master Declaration.

1.23 "Master Plat" means the Renaissance Plat recorded at Plat Book 90, Pages 162-174, Public Records of Palm Beach County, Florida.

1.24 "Member" or "LIBERTY ISLES Member" means a member of the Association.

1.25 "Owner" means the owner or owners of the fee simple title to a Lot and includes Declarant for so long as it is individually the owner of the fee simple title to any Lot.

1.26 "Person" means any individual, corporation, governmental agency, business trust, estate, personal representative of an estate, trust, trustee, partnership, association, two or more persons having a joint or common interest, or any other legal entity.

1.27 "Plat" means the LIBERTY ISLES Plat, recorded at Plat Book 95, Page 153, of the Public Records of Palm Beach County, Florida.

1.28 "Rules" means any rules and regulations adopted by the Association.

1.29 "Site Plan" means the Site Plan for LIBERTY ISLES as same has been approved and on file with the City and the County, and as same may be amended from time to time. Any reference to the Site Plan in this Declaration shall incorporate and refer to all easements, restrictions and other matters, which are contained in the Site Plan.

1.30 "Special Assessment" means, in addition to other Assessments designated as Special Assessments in the LIBERTY ISLES Documents, those Assessments further described in Paragraph 10.3 hereof.

1.31 "Special Lot Assessment" means an Assessment against an individual Owner, as further described in Paragraph 10.4 hereof.

1.32 "Environmental Regulatory Agency" means any governing authority having jurisdiction over any property contemplated in this document for the preservation, restoration or creation of any environmentally sensitive lands. These agencies include, but are not limited to, Any Drainage District (DD), Palm Beach County Department of Environmental Resource Management (DERM), South Florida Water Management District (SFWMD), the U.S. Army Corps of Engineers (ACOE) and the U.S. Environmental Protection Agency (EPA).

2. DEVELOPMENT PLANS. Declarant intends to develop or cause to be developed upon the Property a planned residential community to be known as LIBERTY ISLES. Declarant's general plan of development further contemplates that the Dwelling Units shall be whatever type(s) of structures Declarant may choose. The Property shall be comprised of Lots and Common Property.

3. COMMON PROPERTY

3.1 Easements in General. Every LIBERTY ISLES Member shall have a non-exclusive right and easement of enjoyment in and to the Common Property, and such easement shall be appurtenant to and pass with title to each Lot, subject to the right of the Association to adopt Rules governing the use and enjoyment thereof, and the right of Declarant or the Association to grant permits, licenses and easements over, through, across and under the Common Property for utilities, roads and other purposes reasonably necessary or useful for the maintenance or operation of the Property. Every Member shall have a non-exclusive easement and right of ingress, egress and access over and across all roadways, sidewalks and other portions of the Common Property as may be designated, designed or used for such purposes.

3.2 Conveyance of Common Property. Declarant agrees that it shall convey or cause to be conveyed by either special warranty deed or quitclaim deed and/or bill of sale (for other than easement rights) to the Association or other entity authorized by law, such as, but not limited to, any independent or dependent district created or established pursuant to Florida law (or any Chapter of the Florida Statutes), or any other district elsewhere referred to herein, or the City, County, State or other governmental agency or entity or quasi-governmental agency or entity, fee simple title to the Common Property or portion thereof (including any personal property and improvements) as may be necessary or desirable for the development and use of the Property and for consideration to be determined by Declarant. Declarant shall convey the foregoing, if not previously conveyed, on or before the first annual meeting of the Members occurring after the termination of the Developer Control Period, as described in the Articles, or Declarant may convey all or any portion of the Common Property at such earlier time as Declarant, in its sole discretion, may determine. Any additional Common Property created any time after the termination of the Developer Control Period will be conveyed as stated above upon such Common Property becoming subject to this Declaration. THE ASSOCIATION OR OTHER ENTITY SHALL ACCEPT SUCH CONVEYANCE OF THE COMMON PROPERTY AND THE PERSONAL PROPERTY AND IMPROVEMENTS APPURTENANT THERETO, IF ANY, IN ITS "AS IS" CONDITION AT THE TIME OF CONVEYANCE, WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESSED, IMPLIED, IN FACT OR BY LAW, AS TO THE CONDITION OR FITNESS OF THE COMMON PROPERTY OR PORTIONS THEREOF AND THE PERSONAL PROPERTY AND IMPROVEMENTS THEREON. Notwithstanding Paragraph 4.2 hereof or any other provision wherein the Association is required to maintain, operate or repair Common Property, in the event Declarant conveys all or a portion of the Common Property to an entity other than the Association, then such other entity shall be responsible for maintaining, operating and repairing the property conveyed.

3.3 Alienation of Common Property. Except as hereinafter provided, once title to the Common Property becomes vested in any such entity, such Common Property and the improvements thereon shall not be abandoned, partitioned, subdivided, alienated, released, transferred, hypothecated, or otherwise encumbered without first obtaining the written approval of the Owners owning not less than two-thirds of the total number of Lots and the written approval of two-thirds of the Institutional Mortgagees holding first mortgages. The last preceding sentence shall not be applicable to nor prohibit any such entity from (a) granting such easements as are reasonably necessary or appropriate for the development or maintenance of the Common Property in a manner consistent with the provisions of this Declaration and the other LIBERTY ISLES Documents; or (b) encumbering the Common Property vested in such entity, provided, however, such encumbrances are solely to secure loans obtained for improving the Common Property and are obtained pursuant to the LIBERTY ISLES Documents.

4. MAINTENANCE RESPONSIBILITIES In consideration of the benefits hereinafter contained, and in payment of the Common Costs, Declarant does hereby declare and the Association agrees that the following provisions shall be applicable to the Property, which shall be transferred, demised, sold, conveyed and occupied subject to the terms of this Declaration and the other LIBERTY ISLES Documents, as follows:

4.1 Maintenance of Lot and Dwelling Unit.

4.1.1 Each Owner of a Lot covenants that said Owner shall, at all times, maintain, repair and replace at the Owner's sole expense, all improvements on the Owner's Lot, including but not limited to all portions of the Owner's Dwelling Unit, lighting, fences (whether or not installed by Declarant) and screening, where applicable, sprinkler systems, sidewalks, mailboxes and landscaping, utility lines, ducts, conduits, pipes, wires, utility fixtures and appurtenances which service only the Owner's Lot. Notwithstanding anything provided herein, an Owner shall not be required to maintain any portion of any common or community entry feature to the Property or common or community wall located on the Owner's Lot. The foregoing obligations of the Owner shall be performed such that the Lot and all improvements thereto have a "first class appearance." Any determination as to what constitutes a "first class appearance" shall be made by the Board in its sole discretion. Each Owner, at the Owner's expense, shall properly maintain, repair, irrigate, cultivate and, upon death, removal or destruction of any tree planted by Declarant in such Owner's Lot, replace same. Each Owner shall be responsible for the care and maintenance of all portions of the Lot, and the Association shall have no responsibility therefore.

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4.1.2 If any Owner fails to carry out any of the Owner's responsibilities pursuant to this Declaration ("Defaulting Owner") (as shall be determined by the Association), the Association shall have the right but not the obligation, after ten (10) days' written notice to the Defaulting Owner, to enter the Lot of the Defaulting Owner for the purpose of performing the responsibilities described in the notice. Such entry on the Lot of the Defaulting Owner shall not be deemed a trespass. In the event of emergencies, the Association may, in its sole discretion, dispense with the aforesaid notice. The cost of performing such responsibilities and the expenses of collection (if any), including court costs and reasonable attorneys' fees at all trial and appellate levels, shall be specially assessed against the Defaulting Owner as a Special Lot Assessment and shall become a lien upon the Lot of the Defaulting Owner, in the manner provided in this Declaration. Nothing contained in this Paragraph 4.1.2 shall be deemed or construed as limiting any remedy or right of enforcement of the Association as may be otherwise provided herein.

4.2 Maintenance of Common Property and Other Property.

4.2.1 The Association shall maintain, operate, manage, and insure Common Property and repair and replace any improvements of any nature thereto, which may include but not be limited to landscaping, pavement, drainage facilities, signs, entry features (even if located on any Lot), and any fence or wall that may be installed by Declarant or the Association along the boundary of the Property, and pay utilities, insurance, taxes and assessments thereon. All expenses of the Association incurred under this Paragraph 4.2 and the obligations of the Association under Paragraph 3 shall be a Common Cost. Notwithstanding the foregoing, the improvements, landscaping and lawn located upon the surface of any drainage, utility or like kind easement, which may be located upon any portion of a Lot, shall be maintained by the Owner of such Lot. Nothing herein contained shall be construed as obligating the Association to maintain insurance, pay taxes or pay assessments on any portion of Common Property lying within a Lot.

4.2.2 The Association shall maintain all drainage systems on or under the Property, including, without limitation, all surface and underground drainage facilities and systems.

4.3 Any reimbursement from any utility company for the installation of street lighting shall accrue to the party who paid for the installation of such street lighting.

5. **PRESERVATION OF VALUES AND IMPROVEMENTS.** In order to preserve the values of the Property and improvements thereto, the following provisions shall be applicable to the Property:

5.1 Owner's Covenant for Use. Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Lot, whether or not it shall be so expressed in such deed or instrument, covenants and agrees that the Lot shall be used, held, maintained, and conveyed solely in accordance with and subject to the covenants, reservations, easements, restrictions, and lien rights regarding same as are set forth in the LIBERTY ISLES Documents.

5.2 Alterations and Improvements.

5.2.1 No construction or remodeling of existing buildings or alterations to existing buildings shall be permitted to be made (other than within the Dwelling Unit), other than by Declarant, without the prior written approval of the Directors, except that approval shall be given for those improvements which are set forth in Declarant's original plans and specifications (the "Plans and Specifications") for the type Dwelling Unit (which Plans and Specifications are on file with the City), and such improvements as were originally offered by Declarant as an optional improvement to the Dwelling Unit or Lot (subject to Paragraph 5.2.6). Except for the aforesaid improvements which are permitted, no Dwelling Unit or structure of any kind, including without limitation, additions, improvements, modifications, exterior painting, landscaping, replacement of exterior doors or windows, mailboxes, pools, fences, walls, pavement, patios, terraces, gazebos, sheds, huts, screening or screened enclosures, tree forts, playhouses or garages, shall be erected or altered, unless first approved by the Directors, as provided herein and in the Bylaws. During the Developer

Control Period, an approval of such improvements given by any Director shall be considered an approval on behalf of the Directors.

5.2.2 The Directors may establish reasonable fees to be charged for review of applications hereunder and may require such fees to be paid in full prior to review of any application. This Paragraph 5.2.2 shall not apply to construction of improvements or modifications to the Common Property by or on behalf of the Association or Declarant nor to the construction of any improvements on the Lots by Declarant.

5.2.3 The Directors may promulgate detailed standards and procedures governing improvements and construction and the processing of applications, consistent with those of the LIBERTY ISLES Documents. The Directors, at their discretion, may create a committee for the purpose of reviewing applications.

5.2.4 The approval of the Directors of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Directors, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

5.2.5 The Directors may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, natural conditions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall: (i) be effective unless in writing, (ii) be contrary to the restrictions set forth in the body of this Declaration, or (iii) estop the Directors from denying a variance in other circumstances.

5.2.6 The approval, rejection or withholding of any approval by the Directors of the plans, proposals and specifications and the location of all structures, and every alteration of any structure, shall not be construed or interpreted as a representation or determination by the Directors or Declarant that any building, zoning, plumbing, electrical code or other applicable governmental regulations or requirements have or have not been properly met by the Owner, it being understood that the approval of the Directors or Declarant relates only to the aesthetics of the improvements shown on the plans and specifications, and not to their sufficiency or adequacy. Each Owner shall be responsible for obtaining all necessary technical data and to make application to and obtain the approval of any appropriate governmental agencies prior to commencement of any work or construction. In the event that any improvement constructed to or on a Lot by or on behalf of an Owner is determined by an governmental agency to be in violation of any governmental building code, ordinance, regulation or other requirement, then Owner, at Owner's sole expense, shall promptly take such actions as are necessary to remedy the violation.

5.3 Residential Purposes. Lots shall be used for residential purposes only. No commercial or business occupations may be carried on any Lot except for the construction, development and sale or rental of such Lots and Dwelling Units to be constructed thereon by Declarant and for direct accessory services to the Lots such as utilities, maintenance, and other such services. Notwithstanding the preceding sentence, an Owner may conduct a business from a Dwelling Unit to the extent such business may be conducted solely by means of regular U.S. mail or electronic communications (telephone, facsimile, Internet e-mail and similar means) and does not involve the presence of other persons (e.g., customers, contractors, frequent parcel delivery) within LIBERTY ISLES; provided that such business is in compliance with all governmental requirements.

5.4 Single Family Units. All Lots shall be occupied by no more than one family. The term "family" means a group of persons related to each other by blood, adoption or marriage, together with any minor children entrusted to the care of any such persons, or a group of two persons not related by marriage who maintain a common household, together with persons related to them by blood, adoption or marriage.

together with any minor children entrusted to the care of any such persons. "Family" shall also include any person residing in a Dwelling Unit who is performing child care, nursing, housekeeping or other domestic services for the Owner or any member of the family residing therein. In no event shall the total number of persons residing in a Dwelling Unit exceed eight persons.

5.5 Additional Provisions for the Preservation of the Values and Amenities of LIBERTY ISLES. In order to preserve the values and amenities of LIBERTY ISLES, the following provisions shall be applicable to the Property:

5.5.1 One Dwelling Unit Per Lot: Only one single-family Dwelling Unit shall be permitted on any Lot.

5.5.2 Garages: If a garage is constructed on a Lot, it must be an enclosed garage, which shall be constructed in accordance with all applicable building codes and ordinances. No carports shall be permitted. Garage doors shall be kept closed at all times except when vehicles or persons enter or leave the garage.

5.5.3 Height Restrictions, Roofs: No Improvement on a Lot or the Common Property shall exceed 30 feet in height from the finished first floor or exceed two stories in height. Except with respect to dwelling units constructed by Declarant, roofs shall be constructed of materials such as may be from time to time specified by the Directors, but the adoption by the Directors of standards for roofing materials shall in no way be deemed to excuse the requirement for prior submission of roofing or reroofing plans to the Directors.

5.5.4 Parking: Vehicles shall be parked only in the driveways serving the Dwelling Units, except as set forth in Paragraph 5.5.5. No vehicles shall be parked on any roadway, swale or any other unpaved portion of the Property, including unpaved portions of any Lot, unless pursuant to express rules and regulations adopted by the Directors regarding such parking. No Owner shall conduct or permit to be conducted repairs (except in an emergency) or restorations of any motor vehicle, or other vehicle upon any portion of the Property, except in a garage with the doors thereto closed at all times. This section shall not apply to any activities of Declarant.

5.5.5 Prohibited Vehicles: Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, any trucks, including pick-up trucks with over 3/4 ton capacity, tractors, mobile homes, recreational vehicles (not including sport-utility vehicles commonly used as private vehicles), campers, camper trailers, boats and any watercraft, and any trailers for boats, watercraft or any vehicles shall not be parked anywhere on the Property, unless parked in an enclosed garage or in a portion of the Lot completely enclosed by a perimeter fence approved by the Directors. Unless located within an enclosed garage, stored vehicles, vehicles, which are obviously inoperable, vehicles with substantial body damage and vehicles that do not have a current operating license or tag shall not be permitted on the Property. Notwithstanding the foregoing, service and delivery vehicles may be parked in the Property during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Dwelling Unit or the Common Property. In addition, in order to preserve the aesthetic values of the community, the Association may require or cause the removal from the Property any vehicle not in compliance with this Paragraph 5.5.5 or with Paragraph 5.5.4 For purposes of this Paragraph 5.5.5, police cars shall not be considered commercial vehicles.

5.5.6 Driveway: All Lots shall have a paved driveway of stable, hard surface and permanent construction. Unless prior written approval of the Directors is obtained, the driveway shall be concrete, brick or pavers. Each driveway shall extend from the Dwelling Unit to the paved portion of the adjacent street. If any portion of the driveway located within a utility easement or within a dedicated right-of-way is damaged or removed as a result of work on the utilities located within such utility easement or dedicated right-of-way, then the Owner of the Lot served by such driveway shall promptly repair and replace such damaged portions of the Owner's driveway at the Owner's expense using materials and design similar to that for the driveway which was damaged. Different materials

may be used only where the prior written consent of the Directors is obtained.

5.5.7 No Time-Sharing: No "Time-Share Plan" (as defined in Chapter 721 of the Florida Statutes), or any similar plan shall be permitted for any Dwelling Unit.

5.5.8 Antennas and Aerials: Except as approved by the Directors, no antennas or aerials shall be placed upon the Property, unless completely inside a Dwelling Unit. Satellite reception dishes with a diameter in excess of eighteen (18") inches shall be permitted only if completely enclosed by a fence or landscaping meeting the requirements of the Directors.

5.5.9 Signs, Flags and Banners: No "for sale" signs or "for rent" signs shall be displayed during the Developer Control Period. Thereafter, any "for sale" or "for rent" signs shall be subject to requirements set by the Directors as to number, size, letterings and location. No other sign, advertisement or notice shall be permitted on the Property unless specifically permitted by the prior written consent of the Directors. Flags, banners, pennants and streamers may not be displayed, except that American flags may be displayed subject to requirements set by the Board as to size and location.

5.5.10 Maintenance of Premises: In order to maintain the standards of LIBERTY ISLES, the Property and improvements thereon shall be kept in a good, safe, neat, clean and attractive condition, and all improvements thereon shall be maintained in a finished, painted and attractive condition, and no weeds, underbrush or other unsightly growth shall be permitted to grow or remain on any portion of the Property, and no refuse or unsightly objects shall be allowed to be placed or permitted to remain anywhere thereon, and no grass on said Property shall be permitted to grow in excess of four inches for improved property and ten inches for unimproved property. Improved property shall be any Lot on which the construction of a Dwelling Unit has been completed as evidenced by the issuance of a certificate of occupancy. Unimproved property shall be any portion of the Property, which is not improved property. Excepted from the foregoing provisions of this Paragraph shall be any portion of the Property owned by Declarant or its nominees through the period of construction of Dwelling Units or other improvements thereon. However, all such construction debris, refuse, unsightly objects and waste on a portion of the Property must be removed within 30 days after the completion of construction of the improvements on such portion of the Property, as evidenced by issuance of a certificate of occupancy, if applicable. Unless prohibited by the applicable governmental authority or unless otherwise maintained by the Association, the Owner of a Lot shall also be responsible for maintaining the property between the edge of the Owner's Lot line and the edge of pavement or curb of the adjacent paved roadway in accordance with the requirements of this Paragraph 5.5.10, including, but not limited to, keeping all portions thereof (except the driveways) fully sodded and maintaining the Owner's driveway and the portion of a sidewalk, if any, lying within this area. Upon the failure of an Owner to maintain the Owner's Lot, any portion of the Property adjacent thereto for which the Owner has a duty to maintain and any improvements on the Lot or adjacent property and upon the Owner's failure to correct such deficiencies within ten (10) days after written notice by the Association or Declarant, the Association or Declarant, until Declarant no longer owns any portion of the Property, may, at its option, enter upon such Lot or portion of the Property and make such corrections as may be necessary, the cost of which shall be paid for by the Owner. If any Owner fails to make payment as requested, the requested payment shall be collected as a Special Lot Assessment from the Owner as elsewhere described this Declaration. If Declarant makes such corrections, the Association shall upon written request reimburse Declarant for the expense thereof. The application or operation of this subparagraph shall be in addition to the remedies provided in Paragraph 4.1.2.

5.5.11 Animals and Pets: No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Property, except that dogs, cats, or other usual and common domesticated household pets not to exceed a total of three may be permitted in a Lot. This limitation does not apply to fish. However, those pets, which, in the sole discretion of the Board, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Lots or the owner of any portion of the Property, shall be removed upon request of the Board. If the

Owner fails to honor such request, the pet may be removed by the Board, and such action shall not be deemed to be a trespass or conversion. No pets shall be kept, bred or maintained for any commercial purpose. Pets shall at all times whenever they are outside a Dwelling Unit be carried or confined on a leash held by a responsible person. The Directors may adopt Rules relating to the control or presence of pets on the Common Property, including without limitation, rules relating to the removal of pet wastes from the Common Property.

5.5.12 Fences. All fences are subject to the approval of the Directors as set forth in Paragraph 5.2, provided that in no event shall fences of any kind be permitted on the front yard portion of any Lot, and provided further that all other fences are limited to chain link fences painted or colored black, with such fence having a plant hedge abutting the interior of the fence, or fences made of white PVC, all as further specified by the Directors.

5.6 Compliance with Documents. Each Owner and the Owner's family members, guests, invitees, and lessees and their family members, guests and invitees shall be bound by and abide by the LIBERTY ISLES Documents. The conduct of the foregoing parties shall be considered to be the conduct of the Owner responsible for, or connected in any manner with, such individuals present within LIBERTY ISLES. Such Owner shall be liable to the Association for the cost of any maintenance, repair or replacement of any real or personal property located on the Common Property rendered necessary by the Owner's act, neglect or carelessness, or by that of any of the foregoing parties which shall be paid for by the Owner as a Special Lot Assessment.

5.7 Casualty Destruction of Improvements. If a Dwelling Unit, structure or other improvement is damaged or destroyed by casualty loss or other loss, then within 90 days after the time after such incident, the Owner thereof shall either commence to rebuild or repair the damaged Dwelling Unit, structure or improvement and diligently continue such rebuilding or repairing until completion, or properly clear the damaged Dwelling Unit, structure or improvement and restore or repair the Lot in accordance with the requirements of the Board. As to any such reconstruction of a destroyed Dwelling Unit, structure or improvement, the same shall only be replaced with a Dwelling Unit, structure or improvement as are approved as provided herein.

6. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION. Membership in the Association shall be established by the acquisition of ownership of fee title to a Lot as evidenced by the recording of an instrument of conveyance in the Public Records of the County. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Lot. Further, Declarant shall be a LIBERTY ISLES Member so long as Declarant own any portion of the Property. Each LIBERTY ISLES Member shall be entitled to the benefit of, and be subject to, the provisions of the LIBERTY ISLES Documents. The voting rights of the LIBERTY ISLES Members shall be as set forth in the Articles and the By-Laws.

7. EASEMENTS

7.1 Recognition of Existing Easements. Each Owner, by acceptance of a deed or other instrument of conveyance, recognizes and consents to the easements reserved or granted with respect to the Property whether reserved or granted under this Declaration or other instrument of record. Declarant shall have the right to modify, grant or assign any existing or proposed easements. Existing and/or proposed easements include, without limitation, the following easements:

7.1.1 Water Management Easement. There is granted in favor of the Association a perpetual, non-exclusive easement or easements for flowage, drainage, storm water retention and detention on, over, upon, within and under those portions of the Property consisting of lakes and environmental mitigation areas.

7.1.2 Ingress-Egress/Utility and Drainage Easement. There exists in favor of the Association and, if required, the applicable water management district or districts, and any other entity or public body which Declarant or the Association deem appropriate a perpetual, non-exclusive easement or easements for ingress, egress, utilities and drainage on, over, across, through and

under the paved roadway, sidewalks, swales, and such other portions of the Property.

7.1.3 Plat. The Association shall have and enjoy all easements dedicated to the Association on the Plat.

7.2 Ingress-Egress/Governmental Services. There is granted in favor of the Association and each member of the Association and lawful resident on the Property a non-exclusive easement or easements for ingress and egress on, over, across and through the paved roadways, sidewalks, swales and other portions of the Common Property. There is granted in favor of the City and Palm Beach County, its various agencies and services, and to all other applicable governmental agencies, a perpetual non-exclusive easement on, over, across and through the Property and all portions thereof, for the purpose of rendering police, fire and other governmental services on the Property and, when necessary, with respect to adjoining property, public or private.

7.3 Grant and Reservation of Easements and Overhang. There is reserved for Declarant, the Association, and their designees or the following perpetual easements on, over, across, through, and under the Property as covenants running with the Property for the benefit of Declarant, the Association, and their designees, for the following purposes and provided that none of such easements shall interfere with the use of the Property for residential purposes, and such easements shall be used only to the extent reasonably necessary for their intended purposes. The following easements may be grants of easements or reservations giving the Declarant the right to grant such easements as the context shall indicate:

7.3.1 Utility Easements. There is reserved unto Declarant the right to grant non-exclusive or exclusive easements over, under, in and upon any portion of the Property, including, but not limited to, any portion of any Lot, whether or not said Lot has been conveyed, 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, street lights, irrigation, television transmission and cable television facilities, telecommunications, limited access service and facilities in connection therewith.

7.3.2 Governmental Services Easement. There is reserved unto Declarant the right to grant non-exclusive easements to provide for governmental service including, without limitation, police and fire protection, postal service and ambulance service including rights of ingress, egress, and access for persons and equipment necessary for such purposes, for the benefit of all appropriate governmental and quasi-governmental agencies, Declarant and the Association.

7.3.3 Easement for Encroachment. There is granted an easement for encroachment (including any encroachment due to the overhang of appurtenant structures) in favor of the Declarant, all Owners and the Association, as applicable, if any portion of the Common Property now or hereafter encroaches upon any Lot, or if any improvement to any Lot constructed by Declarant now or hereafter encroaches upon the Common Property, or if the improvements constructed by Declarant on any Lot now or hereafter encroach upon any other Lot, the foregoing being as a result of 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. The easement herein granted for encroachment shall include an easement for encroachment of overhanging portions of the roof of any dwelling Unit and the maintenance and use of the encroaching improvements in favor of the Person for whose benefit the easement is granted. The easements for encroachment described herein shall not apply to improvements made by an Owner after the conveyance of the Lot.

7.3.4 Ingress-Egress Easement. There is reserved unto Declarant the right to grant perpetual, non-exclusive easements for ingress and egress on, over, and across the paved roadway, sidewalks, swales, and other such portions of the Property reasonably designed for ingress and egress purposes.

7.3.5 Right of Association and Declarant to Enter Upon Lots. There is granted and

reserved unto Declarant and the Association, or the designees, agents or employees of either, easements for ingress and egress to enter over, under, in, and upon the Lots for the purpose of fulfilling their duties and responsibilities of administration, maintenance or repair in accordance with this Declaration, including the making of such repair, maintenance or reconstruction to prevent damage or risk of loss to other Owners. Such entry, under, over, in, and upon the Lots shall not be deemed a trespass.

7.3.6 Reservation of Right to Grant or Accept Easements. Declarant, as long as it owns a Lot, and thereafter the Association, shall have the right to grant or accept on behalf of itself or the Association, without further authorization, such grants of easement or other instruments as may from time to time be necessary or desirable over and upon the Property or portions thereof. The foregoing reservation shall include, but not be limited to, the right on the part of Declarant to grant any and all types and kinds of easements through any portion of a Lot (including any Lot previously conveyed by Declarant) for any purposes whatsoever.

7.3.7 Easement for Driveway and Sidewalk Maintenance. Declarant and the Association hereby grant to each Owner, its successors and successors in title, a perpetual, non-exclusive easement for ingress, egress, access and maintenance purposes upon, across, over and under any portion of the Property between the boundary of such Owner's Lot and the edge of pavement of the adjacent paved roadway for the existence, construction, maintenance, repair and replacement of any portion of a sidewalk, a driveway providing access to such Owner's Lot and for the maintenance purposes set forth in Paragraph 4.

7.3.8 Easement for Entry Signs. Declarant and the Association shall retain an easement for the installation, maintenance, repair and replacement of the entry signs and other entry features, if any, to the Property and appurtenances thereto, over, under, through and across that portion of any Lots wherein such entry feature may be located. In particular, but not by way of limitation of the foregoing, the Association shall retain a perpetual easement over those portions of Lot 1 and Lot 115 on which any entry sign for the community is located. No Owner shall have the right to modify, remove, alter, paint or move any entrance sign or entry feature located on that Owner's Lot.

7.3.9 Utility, Drainage, Maintenance, Original Construction, Encroachment. The following easements are granted and reserved in favor of Declarant and the Association to facilitate the construction and maintenance of dwellings, fences and walls along the side Lot lines but with the intent that such easement shall not interfere with the construction of the adjacent dwellings. A Construction, Drainage and Maintenance Easement of five (5) feet in width along the side Lot line of each Lot for the benefit of Declarant and any builder to construct on the adjacent Lot, including without limitation, the building structure, water and sewer lines, electric meter, water meter, air conditioning unit(s), and any other part of the building structure and/or appurtenances, if any such structure or appurtenances are actually constructed by Declarant or a builder.

7.3.10 Declarant's Construction and Sales Activities. In addition to the property rights granted in this Declaration to the Declarant, as Owner or otherwise, the Declarant (and any builder having purchased one or more Lots from the Declarant, or such builder's assignee) is extended the right to enter upon the Property at any time and in any way necessary to allow the Declarant or such builder to construct, sell or promote the sales of Lots from within the Property, including, but not limited to, the use of the street in front of the model homes for parking and any such other sales or construction activities deemed necessary or desirable by the Declarant. In addition, Declarant shall have the right to use all of the Common Property, as it deems necessary and/or desirable for sales and construction purposes. Notwithstanding any other provision in this Declaration, Declarant is irrevocably empowered to sell, lease, transfer or convey any Lot or Lots on any terms for as long as Declarant owns any Lot.

7.3.11 Assignments. The easements or right to grant easements reserved under Paragraph 7.3 above may be assigned on an exclusive or non-exclusive basis by the Association or, as long as Declarant owns any portion of the Property or Lot, by the Declarant in whole or in part to any City or

state government or agency thereof, or any duly licensed or franchised public utility, or any other designee of Declarant as long as Declarant owns any portion of the Property.

7.4 Easement for Private Maintenance. Each Owner of a Dwelling Unit located along and abutting a Lot boundary shall have an easement over the five (5') feet of the Lot or Common Property adjacent to and abutting the Dwelling Unit ("Adjacent Lot") for the purpose of performing such maintenance to the Dwelling Unit as requires access to and physical presence on or over the Adjacent Lot ("Private Maintenance"). Except in an emergency, Private Maintenance may only be performed during daylight hours and upon prior notice to the Owner of the Adjacent Lot ("Adjacent Owner") of not less than twenty-four hours. Notice shall not be required if the Adjacent Lot is Common Property. The easement for Private Maintenance will not include the right to store materials and equipment on the Adjacent Lot. Any Owner performing Private Maintenance will indemnify and hold the Adjacent Owner harmless from and against any loss or damage sustained by such Adjacent Owner as a result of the Private Maintenance. No Adjacent Owner may prohibit, prevent, hinder or interfere with Private Maintenance or make any improvement to the Adjacent Lot, which would affect a permanent barrier to the performance thereof. Notwithstanding anything herein to the contrary, no Private Maintenance Easement shall extend into or include any portion of a Dwelling Unit located on an Adjacent Lot.

8. SUPERIOR ENTITIES

8.1 Subordination to Master Documents. The provisions of this Declaration shall be subject and subordinate to the provisions of the Master Documents. The lien of any assessment arising under or created by the Master Documents shall be superior to and take precedence over the lien of any assessments arising under or created by this Declaration.

8.2 Cable Television. The Master Declaration reserves to the Master Association and the Declarant thereof the right to enter agreements regarding the providing of cable television service and home security monitoring service, the cost of which may be a "common expense" of the Master Association, as that term is referred to in the Master Declaration.

8.3 NPBCID: The Property is currently located within a unit development of the Northern Palm Beach County Improvement District, 357 Hiatt Drive, Palm Beach Gardens, Florida ("NPBCID"), an independent special district of the State of Florida. NPBCID provides drainage services for Briar Bay. The Lot is subject to an annual assessment to NPBCID for general, administrative and maintenance costs and for repayment of debt obligations incurred by NPBCID in connection with the unit of development, which provides drainage, services to Briar Bay. The following disclosure is provided to the Purchases:

THE NPBCID MAY IMPOSE AND LEVY TAXES OR ASSESSMENTS, OR BOTH TAXES AND ASSESSMENTS, ON THIS PROPERTY. THESE TAXES AND ASSESSMENTS PAY THE CONSTRUCTION, OPERATION AND MAINTENANCE COSTS OF CERTAIN PUBLIC FACILITIES AND SERVICES OF THE DISTRICT AND ARE SET ANNUALLY BY THE GOVERNING BOARD OF THE DISTRICT. THESE TAXES AND ASSESSMENTS ARE IN ADDITIONS TO COUNTY AND OTHER LOCAL GOVERNMENTAL TAXES AND ASSESSMENTS AND ALL OTHER TAXES AND ASSESSMENTS PROVIDED FOR BY LAW.

8.4 Hamal CDD: The Property is located within a community development district known as Hamal Community Development District ("Hamal District"), which has been formed pursuant to Chapter 190, Florida Statutes. The Hamal District is responsible for constructing certain improvements located within Briar Bay. The Hamal District will impose an annual assessment for retirement of the Hamal District bonds together with an annual assessment to cover maintenance expenses related to the Hamal District facilities. The assessments will be separate from the assessments made by either the Association or the Master Association. The following disclosure is provided as required by Florida Law:

THE HAMAL COMMUNITY DEVELOPMENT DISTRICT MAY IMPOSE AND LEVY TAXES OR ASSESSMENTS, OR BOTH TAXES AND ASSESSMENTS, ON THIS PROPERTY. THESE TAXES AND ASSESSMENTS PAY THE CONSTRUCTION, OPERATION AND MAINTENANCE COSTS OF CERTAIN PUBLIC FACILITIES AND SERVICES OF THE DISTRICT AND ARE SET ANNUALLY BY THE GOVERNING BOARD OF THE DISTRICT. THESE TAXES AND ASSESSMENTS ARE IN ADDITION TO COUNTY AND OTHER LOCAL GOVERNMENTAL TAXES AND ASSESSMENTS AND ALL OTHER TAXES AND ASSESSMENTS PROVIDED FOR BY LAW.

9. COVENANT TO PAY ASSESSMENTS; ESTABLISHMENT AND ENFORCEMENT OF LIENS; CERTAIN RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES.

9.1 Affirmative Covenant to Pay Assessments and Common Costs. In order to (1) fulfill the terms, provisions, covenants and conditions contained in the LIBERTY ISLES Documents; and (2) maintain, operate and preserve the Property, for the use, safety, welfare and benefit of the Owners and their guests, invitees, lessees and licensees, there is hereby imposed upon each Lot 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 Lot Assessments, Special Assessments, and Special Lot Assessments, as hereinafter provided. Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Lot, 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 in accordance with the provisions of the LIBERTY ISLES Documents, provided that the Owner shall be personally obligated only for Assessments that fall due during the time the Owner owns the Lot unless otherwise assumed by such Owner, notwithstanding the fact that the Lot may be subject to a lien for Assessments in addition thereto; provided that, in a voluntary conveyance of a Contributing Lot, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor for the Owner's share of Common Costs up to the time of conveyance.

9.2 Establishment of Liens. Any and all Assessments made by the Association in accordance with the provisions of this Declaration or any of the LIBERTY ISLES Documents (the "Assessments") with interest thereon at the highest rate allowed by law, late charges and costs of collection, including, but not limited to, reasonable attorneys' fees and court costs, are hereby declared to be a charge and continuing lien upon the Lot against which each such Assessment is made. Each Assessment against a Lot, together with interest thereon at the highest rate allowed by law, late charges and costs of collection thereof, including, but not limited to, reasonable attorneys' fees and court costs, shall also be the personal obligation of the Owner of such Lot. Said lien shall be effective only from and after the time of the recordation among the Public Records of the County, of a written, acknowledged statement (sometimes hereinafter referred to as a "Claim of Lien" or "Lien") 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 lien in recordable form.

9.3 Liens of Institutional Mortgagees. The lien of any assessment in favor of the Association or any successor entity shall be inferior and subject to the lien of any first mortgage held by an Institutional Mortgagee recorded in the Public Records of the County prior to the recordation of the claim of lien. Notwithstanding anything to the contrary herein contained, when an Institutional Mortgagee of record obtains title to a Lot 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 Lot or chargeable to the former Owner of such Lot which became due prior to the acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the Assessment(s) against the Lot in question is secured by a claim of lien for Assessment(s) that is recorded prior to the recordation of the mortgage of the Institutional Mortgagee which was foreclosed or with respect to which a deed in lieu of foreclosure was given; provided, however, the unpaid share of Assessment(s) shall be collectible from all of the Owners of Contributing Lots, including such acquirer of title and the Owner's successors and assigns.

9.4 Late Charges and Collection of Assessments by Association. If any Owner shall fail to pay any

Assessment or installment thereof charged to such Owner within 30 days after the same becomes due, then a late charge of \$25, accruing as of the due date, may be levied by the Board for each month the Assessment is unpaid, which late charge may be secured by the filing of a claim of lien. If an Assessment is not paid within 30 days of its due date, the Association 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:

9.4.1 To accelerate the entire amount of any Assessments for 12 months from the date of the last overdue Assessment based on the then current Individual Lot Assessment amount, notwithstanding any provisions for the payment thereof in installments; provided that in the event of an increase in the Individual Lot Assessment amount in the next year's Budget, such Owner shall be liable for the increase at such time as the increased Individual Lot Assessment becomes due.

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

9.4.3 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; and

9.4.4 To file an action at law to collect said Assessment plus late charges, plus interest at the highest rate allowed by law from the due date of such Assessment, plus court costs and reasonable attorneys' fees without waiving any lien rights or rights of foreclosure in the Association.

Notwithstanding the foregoing, the Association shall not be required to bring any action if it believes that the best interest of the Association would not be served by doing so.

9.5 Rights of Declarant and Institutional Mortgagees to Pay Assessments and Receive Reimbursement. Declarant 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 Lots. Further, Declarant 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 Common Costs on behalf of the Association when the same are overdue and when lapses in policies or services may occur. Declarant and any Institutional Mortgagees paying overdue Common Costs on behalf of the Association will be entitled to immediate reimbursement from the Association plus 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 Declarant if Declarant is entitled to reimbursement.

9.6 Working Capital Fund. Declarant shall establish a "Working Capital Fund" for the operation of the Association, which shall be collected by Declarant from each Lot purchaser at the time of conveyance of each Lot to such purchaser in an amount equal to Two Hundred Fifty (\$250.00) Dollars. The share of each Lot of the Working Capital Fund shall be collected and transferred to the Association at the time of closing of the sale of each Lot. The purpose of this fund is to assure that the Directors will have cash available to meet any legitimate Association expense, or to acquire insurance, additional equipment, or services deemed necessary or desirable by the Board of Directors, and may be expended at any time for such purposes. Amounts paid into the fund at closing are not to be considered advance payment of Assessments or as a reserve fund, and are not refundable or transferable.

10. METHOD OF DETERMINING ASSESSMENTS

10.1 Determining Amount of Assessments. The total anticipated Common Costs for each fiscal year shall be set forth in a Budget prepared by the Directors as required under the LIBERTY ISLES Documents. The total anticipated Common Costs (other than those Common Costs which are properly the subject of a "Special Assessment" as hereinafter set forth) shall be apportioned equally among the Contributing Lots by dividing the total anticipated Common Costs which are reflected by the Budget, other than those Common Costs which are properly the subject of Special Assessment (adjusted as hereinafter set forth) by the total number of Contributing Lots at the time of adoption of the Budget, with the quotient thus arrived at being the "Individual Lot Assessment." There shall be added to and become a part of the Individual Lot Assessment the amount of any Master Association Assessment which the Association is required to pay to the Master Association resulting from the use and occupancy of the Lot, the construction of a Dwelling Unit on the Lot or for any other reason as provided in the Master Declaration. All questions regarding the number of Contributing Lots subject to this Declaration shall be decided by the Directors.

10.2 Assessment Payments. Individual Lot Assessments which have commenced on a Contributing Lot shall be prorated for the quarter in which the Contributing Lot came into existence, and shall thereafter be payable quarterly in advance on the first day of each quarter of each year, or as otherwise determined from time to time by the Directors. For any Budget year, Declarant may elect to pay: (i) the portion of the actual Common Costs, less any provision for reserves, that do not exceed budgeted amounts and which were properly incurred by the Association during that year which is greater than the sums received by the Association from the payment of Common Costs for that year by Owners other than Declarant; or (ii) such amount as Declarant would otherwise be obligated to pay if it had been subject to the annual assessment for Common Costs for that year on those Contributing Lots within the Property of which it is the Owner. Unless Declarant otherwise notifies the Directors at least 60 days before the beginning of each fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. Declarant's obligations hereunder may be satisfied in the form of a cash subsidy or by "in kind" contributions of service or materials, or a combination of these. Other than as provided in this paragraph, Declarant shall have no obligation to contribute or pay any amount for Assessments or Common Costs as to Lots owned by Declarant. Notwithstanding anything provided herein, Declarant shall never be obligated to pay any amounts for any reserve fund even though the lack of payment of reserves for accounting purposes may be deemed to be an expense of the Association.

10.3 Special Assessments. Special Assessments include, in addition to other Assessments designated as Special Assessments in the LIBERTY ISLES Documents, those Assessments which are levied for capital improvements which include the costs (whether in whole or in part) of constructing or acquiring improvements for Common Property, or the cost of reconstructing or replacing such improvements and such Assessments as may be necessary for the Association to carry out its obligations under the LIBERTY ISLES Documents. Special Assessments shall be assessed in the same manner as the Individual Lot Assessment. No Lots owned by Declarant shall be subject to any Special Assessments without the prior written consent of Declarant. Special Assessments shall be paid in such installments or in a lump sum, as the Board shall from time to time determine.

10.4 Special Lot Assessment. Special Lot Assessment means those Assessments against an individual Owner which are levied by the Association for maintaining, preserving, and restoring the Common Property and Lots upon such Owner's failure to fulfill the Owner's obligations to do same under the provisions of the LIBERTY ISLES Documents and such other Assessments which are designated as Special Lot Assessments under this Declaration. Special Lot Assessments shall be in addition to the Individual Lot Assessment and shall be enforceable by the Association as other Assessments, provided that no Lot owned by Declarant shall be subject to any Special Lot Assessments without the prior written consent of Declarant. Any damage to any portion of the Property which is caused by an Owner or the Owner's family, tenants, guests, invitees or licensees shall be the responsibility of such Owner, and shall be charged against such Owner and such Owner's Lot as a Special Lot Assessment.

10.5 Liability of Owners for Individual Lot Assessments, Special Assessments and Special Lot Assessments. By the acceptance of a deed or other instrument of conveyance of a Contributing Lot, each Owner thereof, except for Declarant to the extent Declarant is an Owner, acknowledges that each Contributing Lot and the Owners thereof are jointly and severally liable for their own Individual Lot

Assessment and their applicable portion of any Special Assessments (as to Special Assessments, subject to the limitations thereon relating to Lots owned by Declarant), as well as for all other Assessments for which they are liable as provided for herein. Such Owners further recognize and covenant that they are jointly and severally liable with the Owners of all Contributing Lots for the Common Costs (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 Declarant is concerned and the limitations on the liability of Institutional Mortgagees, their successors and assigns). Further, such Owners recognize and covenant that they are individually liable for Special Lot Assessments (subject to any specific limitations provided for herein). Subject to such specific limitations, it is recognized and agreed by each Owner, for himself and the Owner's heirs, personal representatives, successors and assigns, that if Owners fail or refuse to pay their Individual Lot Assessment or any portion thereof or their respective portions of any Special Assessments or any other Assessments, including Special Lot Assessments, then the other Owners may be responsible for increased Individual Lot Assessments or Special Assessments or other Assessments due to the nonpayment by such other Owners, and such increased Individual Lot Assessment or Special Assessments or other Assessments can and may be enforced by the Association in the same manner as all other Assessments hereunder as provided in this Declaration. The limitations applicable to Lots owned by Declarant also apply to any portion of an Assessment arising from the failure of any Owner to pay a Special Assessment or a Special Lot Assessment, or any portion thereof. Failure of an Owner to make use of the rights granted in this Declaration shall not terminate the Owner's obligation to pay any Assessments hereunder.

11. COMMON COSTS; CERTAIN ASSESSMENT CLASSIFICATIONS. The following expenses are hereby declared to be Common Costs which the Association shall assess and collect and which the Owners are obligated to pay as provided herein or as may be otherwise provided in the LIBERTY ISLES Documents:

11.1 Taxes. Any and all taxes or special assessments levied or assessed at any and all times upon any Common Property or any improvements thereto or thereon by any and all taxing authorities, community development districts established by Chapter 190, Florida Statutes, and water drainage districts, including, without limitation, all taxes, charges, assessments and impositions, and liens for public improvements, special charges and assessments, and in general all taxes and tax liens which may be assessed against the Common 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 Lot which shall be paid by the Owner thereof, shall be Common Costs.

11.2 Maintenance, Repair and Replacement. Any and all expenses of the Association necessary to maintain, preserve, repair and replace the Common Property, and any improvements or landscaping thereon including, without limitation, entrance way, roadways, roadway swales, street signage, medians, irrigation systems and personal property and equipment related to such improvements and landscaping, if any, which under the terms of this Declaration the Association is obligated to maintain, preserve, repair and replace shall be Common Costs.

11.3 Administrative Expenses. The costs of administration for the Association in the performance of its functions and duties under the LIBERTY ISLES Documents including, but not limited to, costs for secretarial and bookkeeping services, salaries of employees, legal and accounting fees and contracting expenses shall be Common Costs. 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 Declarant) to assist in the operation of the Property and to perform or assist in the performance of certain obligations of the Association under the LIBERTY ISLES Documents. The fees or costs of any management company or contractor so retained shall be deemed to be part of the Common Costs.

11.4 Compliance with Laws. The Association shall take such action as it determines to be necessary or appropriate in order for the Common 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, and the expenses of the Association hereunder shall be Common Costs.

11.5 Collection of Assessments. Funds needed for Common Costs due to the failure or refusal of Owners to pay Assessments levied shall, themselves, be deemed to be Common Costs 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 Owners to pay a Special Assessment or a Special Lot Assessment shall itself, be deemed to be a Special Assessment subject to the limitations thereon with respect to Lots owned by Declarant.

11.6 Utility Charges. All charges levied for utilities providing services for the Common Property, whether supplied by a private or public firm, including without limitation all charges for water, gas, electricity, telephone, sewer and any other type of utility or service charge, shall be Common Costs.

11.7 Extraordinary Items. Extraordinary items of expense under the LIBERTY ISLES 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 Lots owned by Declarant, shall be Common Costs.

11.8 Costs of Reserves. The funds necessary to establish an adequate reserve fund (the "Reserves") for depreciation or deferred maintenance of Common Property and improvements thereto or with respect to other improvements, landscaping or equipment which the Association is to maintain, repair and replace pursuant to this Declaration, in amounts determined sufficient and appropriate by the Association from time to time shall be Common Costs. The monies collected by the Association on account of Reserves shall be and shall remain the exclusive property of the Association, and no Owner shall have any interest, claim or right to such Reserves or any fund composed of same. No Reserves shall be imposed as Common Costs or otherwise collected from Lot Owners as long as the Declarant owns a Lot, unless Declarant gives its prior written consent thereto.

11.9 Matters of Special Assessments Generally. Amounts needed for capital improvements or for other purposes or reasons as determined by the Board to be the subject of a Special Assessment which are not inconsistent with the terms of any of the LIBERTY ISLES Documents must also be approved by the affirmative vote of a majority of all LIBERTY ISLES Members (at any meeting thereof having a quorum) when the total amount of the Special Assessment for any one item or purpose is in excess of \$5,000, except that no approval need be obtained for a Special Assessment for the replacement or repair of presently existing improvements or personal property on the Common Property. Declarant shall not be obligated for Special Assessments as to Lots owned by Declarant.

11.10 Contracts, Easements, Encumbrances. Any expense or obligation of the Association under any contract duly made and entered by the Association or any easement or encumbrance appurtenant to or burdening the Property shall be a Common cost.

11.11 Insurance. The premiums for all insurance of any type maintained by the Association shall be Common Costs.

11.12 Master Association Assessments. Any assessments which may be imposed by the Master Association against the Common Properties or any assessments imposed by the Master Association, which are required to be paid by the Association, shall be a part of the Common Costs.

11.13 [Intentionally Left Blank]

11.14 Miscellaneous Expenses. The cost or expense of all items pertaining to or for the benefit of the Association or any Common Property, or any part thereof, not herein specifically enumerated and which is determined to be an appropriate item of Common Costs by the Board shall be a part of the Common Costs.

The foregoing provisions regarding Common Costs shall apply to such costs incurred with respect to the Common Property at any time, regardless of whether the Common Property has been conveyed to the Association as provided in Paragraph 3.

12. INSURANCE.

12.1 The Association. The Association shall purchase the following insurance coverage's subject to the following provisions, and the cost of the premiums therefore shall be a part of the Common Costs:

12.1.1 Public Liability Insurance. A comprehensive policy or policies of public liability insurance naming the Association and Declarant, until the end of the Developers Control Period as provided in the Articles, or until Declarant no longer owns any Lots, whichever is later, as named insured's thereof and including, if appropriate, the Owners as insured's thereunder, as 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 Common Property, or by the Association in performing its duties and obligations under this Declaration, and legal liability arising out of lawsuits related to contracts to which the Association is a party, including without limitation, injuries resulting from the use of improvements made to the Common Property, and for any other risks insured against by such policies, with limits of not less than \$1,000,000 for damages incurred or claimed for personal injury for any one occurrence (with no separate limit stated for the number of claims) and not less than \$100,000 for property damage incurred or claimed for any one occurrence (with no separate limit stated for the number of claims). Such coverage shall include as appropriate and if reasonably available, without limitation, protection against water damage liability, liability for owned and non-owned and hired automobiles and liability for property of others. The insurance purchased shall contain, if obtainable, a "Severability of Interest Endorsement," or equivalent coverage, which would preclude the insurer from denying the claim of an Owner because of the negligent acts of either the Association, Declarant, or any other Owners or deny the claim of either the Declarant or Association because of negligent acts of the other or the negligent acts of an Owner.

12.1.2 Casualty Insurance. To the extent determined by the Board, if at all, casualty property insurance for all improvements, if any, now or hereafter located upon the Common Property, including fixtures, personal property and equipment thereon, in amount equal to the current full replacement cost, exclusive of land, foundation, excavation and other items normally excluded from such coverage. Such insurance is to afford protection against (i) such risks as shall customarily be covered with respect to areas similar to the Common Property in developments similar to the Property in construction, location and use; and (ii) at least loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage. If the improvements to the Common Property are not the type of improvement for which casualty insurance is customarily obtained, the Board shall have no obligation to obtain casualty insurance for such improvement to the Common Property.

12.1.3 Fidelity Coverage. At the Board's sole discretion, adequate fidelity coverage to protect against dishonest acts of the officers and employees of the Association and the Directors and all others who handle and are responsible for handling funds of the Association. Such coverage is to be in the form of fidelity bonds which meet the following requirements to the extent same are reasonably obtainable at a reasonable cost in the judgment of the Board:

12.1.3.1.1 Such bonds shall name the Association as an obligee;

12.1.3.1.2 Such bonds shall be written in an amount equal to at least the sum of three (3) months' Assessments on all Lots, plus the reserves, if any; and

12.1.3.1.3 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.

12.1.4 Directors' and Officers' Liability Coverage: At the Board's sole discretion, policies of Directors' and Officers' liability insurance in an amount determined by the Board to be adequate to

insure the Directors and Officers of the Association against personal liability arising in connection with the performance of their duties not covered by the coverage maintained pursuant to subparagraph 3 above.

12.1.5 Other Insurance. The Association may procure such other Insurance as the Board of Directors may determine.

12.2 Owners' Responsibility. The Association shall not procure insurance on any Lot or the Dwelling Unit constructed thereon, or personally contained therein. Accordingly, Owners of Lots shall purchase their own insurance for their Lot and Dwelling Unit and personally located therein, and for any risk they may incur by ownership of a Lot, and for the use of Common Property. Each Lot and the improvements thereon shall be insured by the Owner thereof with fire and extended coverage insurance for loss by fire or other hazards, and such insurance shall be for the maximum insurable value of the Lot and improvements thereto, without deduction for depreciation. The Association shall have the right, but not the obligation, to require Owners to provide to the Association, proof of the insurance required by this Paragraph 12.2 as well as proof of payment of the premiums for such insurance. In the event of damage or destruction by fire, flood or other casualty to any Dwelling Unit or other portion of the Lot, the Owner shall be obligated to rebuild and/or repair, as necessary, the Dwelling Unit thereon, subject to the terms, provisions and requirements of this Declaration and the Directors. The repair and building of the Dwelling Unit shall be done in a good and workmanlike manner and such repairs and rebuilding shall be performed expeditiously. Notwithstanding anything herein to the contrary, in the event that a Dwelling Unit or any other improvements to a Lot are damaged or destroyed and Assessments have commenced as to such Lot, in no event shall the Assessments with respect to such Lot be reduced, canceled or abated.

13. LEASING OF LOTS. Every lease shall be subordinate to any lien filed by the Association under this Declaration, whether such lien was filed before or after the commencement of the lease. If an Owner leases the Owner's Lot, a lease together with the names of the lessees shall be delivered to the Association prior to the occupancy by the lessee. The Association shall have the right to establish a procedure for screening tenants; accordingly, the Association may then have the right to disapprove tenants. Such lease shall contain a covenant that the lessee acknowledges that the Lot is subject to the LIBERTY ISLES Documents and is familiar with the provisions hereof, and the uses and restrictions contained therein, and agree to abide by all such provisions. If a lease does not contain such a covenant, then such lease shall nonetheless be deemed to include such covenant. This paragraph shall also apply in the event of subleasing of a Lot to the same extent as to the leasing of a Lot. Each Owner hereby assigns to the Association on a non-exclusive basis the rights, but not the obligations, of a landlord as set forth in Chapter 83, Part II, Florida Statutes, as may be amended, including without limitation the right to pursue the remedies set forth therein; provided, however, that nothing shall require that the Association exercise such rights.

14. SURFACE WATER MANAGEMENT SYSTEM.

14.1 Association Responsibilities. The Association shall be responsible for operating and maintaining the Property in a manner consistent with the requirements of all Environmental Regulatory Agencies with regard to the flowage, drainage and retention of surface water. Such entities will include, without limitation, the South Florida Water Management District. The system, procedures, improvements and facilities to be employed for such purposes, as set forth in any such governmental requirements and as may be amended from time to time, shall be referred to herein as the "Surface Water Management System". The Association shall be responsible for operating and maintaining the Surface Water Management System in accordance with the foregoing requirements and any requirements imposed in connection with any surface water management permit issued by SFWMD.

14.2 Part of Common Property; Assessments. The Surface Water Management System shall form part of the Common Property. The expense of operating and maintaining same shall be an item of Common Costs for which Members may be assessed by the Association.

14.3 Maintenance of Conservation Areas, if any. The Association shall be responsible for complying with the requirements of the any agreement, plan or requirement relating to wetland mitigation, and

shall meet all conditions associated with wetland mitigation, maintenance and monitoring.

14.4 Records. The Association shall be responsible for maintaining, as a part of the Official Records of the Association, a copy of the surface water management permit, together with any additional permits issued in connection with the maintenance, monitoring and operation of the Surface Water Management System or of any conservation or wetlands mitigation areas.

14.5 Amendments. Any proposed amendment to the provisions of this Article, or any other provision of this Declaration, the Bylaws or the Articles of Incorporation of the Association, which amendment would affect the Surface Water Management System or the maintenance, operation and monitoring of the Conservation Areas (including environmental conservation areas and the water management portions of the water management portions of the Common Property) shall be first submitted to the SFWMD for a determination by said agency of whether the amendment necessitates a modification of the surface water management permit. If a modification to the permit is necessary the SFWMD will so advise the Association.

14.6 Dissolution of Association. In the event that the Association is permanently dissolved for any reason, then the property consisting of the surface Water Management System shall be conveyed to an appropriate agency of local government. If such agency will not accept such property, then same shall be conveyed and dedicated to a similar non-profit corporation.

15. GENERAL PROVISIONS.

15.1 Notices. Any notice or other communication required or permitted to be given or delivered hereunder shall be properly given and delivered upon the mailing thereof by United States mail, postage prepaid, to: (1) any Owner, at the address of the Person whose name appears as the 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 Lot owned by such Owner; and (2) the Association, certified mail, return receipt requested, at 4788 West Commercial Boulevard, Tamarac, FL 33319, or such other address as the Association shall hereinafter notify Declarant and the Owners of in writing; and (3) Declarant, certified mail, return receipt requested, at 4788 West Commercial Boulevard, Tamarac, FL 33319, or such other address or addresses as Declarant shall hereafter notify the Association of in writing, any such notice to the Association of a change in Declarant's address being deemed notice to the Owners. Upon request of an Owner, the Association shall furnish to such Owner the then current address of Declarant as reflected by the Association records. Notwithstanding the foregoing, notices of meetings of members of the Association, the Board of Directors and the Directors shall be effected in the manner provided in the By-Laws.

15.2 Right to Notice. The Association shall make available for inspection upon request, during normal business hours or under reasonable circumstances, the LIBERTY ISLES Documents and the books, records and financial statements of the Association to Owners and to Institutional Mortgagees or the insurers or guarantors of any mortgages encumbering Lots, which mortgages are held by Institutional Mortgagees.

15.3 Rights of Listed Mortgagee. Upon receipt by the Association, identifying the name and address of the Institutional Mortgagee holding a mortgage on a Lot or the insurer or guarantor thereof (such holder, insurer, or guarantor is herein referred to as a "Listed Mortgagee"), together with written request therefore from such Listed Mortgagee specifying the address to which the following items are to be sent, the Association shall timely send to such Listed Mortgagee the following (until the Association receives a written request from such Listed Mortgagee to discontinue sending the following items or until the mortgage is discharged of record):

15.3.1 A copy of any notice of a meeting of the Association or of the Board which is thereafter sent to the Owner of such Lot; and

15.3.2 A copy of any financial statement of the Association which is thereafter sent to the Owner of such Lot; and

15.3.3 30 days' prior written notice of the cancellation or termination by the Association of

any policies of insurance covering the Common Property or any improvements thereon, or any fidelity bonds of the Association, as well as copies of any notices of cancellation by others received by the Association with respect thereto; and

15.3.4 Written notice of any condemnation or eminent domain proceeding or proposed acquisition arising therefrom with respect to the Common Property; and

15.3.5 Written notice of any material amendment to, or the abandonment or termination of, this Declaration in accordance with the terms hereof or of any proposed action which would require the consent of Institutional Mortgagees; and

15.3.6 Written notice of any failure by an Owner of a Lot encumbered by a first mortgage held by such Listed Mortgagee to perform the Owner's obligations under the LIBERTY ISLES Documents, including, but not limited to, any delinquency in the payment of any Assessments where such failure or delinquency has continued for a period of 90 days.

15.3.7 The failure of the Association to send any such notice to any such Listed Mortgagees shall have no effect on any meeting, act or thing which was to have been the subject of such notice nor affect the validity thereof, nor shall the Association have any liability for any damage or costs which results or arises from the failure to send such notice.

15.4 Protecting Legal Title to Common Property.

15.4.1 No one may grant, lease, convey, pledge, encumber, assign, hypothecate or mortgage any interest in the Common Property without the Association's prior written consent.

15.4.2 The Association may incur indebtedness giving a right to a lien of any kind on the Common Property, which liens shall be subject to the LIBERTY ISLES Documents, provided that such indebtedness receives the prior affirmative vote of two-thirds of the LIBERTY ISLES Members.

15.4.3 All Persons contracting with the Association or Owners, or Persons furnishing materials or labor thereto, as well as all Persons whomsoever, shall be bound by the provisions of this Article.

15.5 Rules. The Board shall have the power and authority from time to time to enact Rules and Regulations ("Rules") governing the use, enjoyment, safety, maintenance, repair and preservation of the Common Property. Rules shall be adopted only at duly constituted meetings of the Board after giving notice as required in the LIBERTY ISLES Documents. Rules may include, without limitation, provisions for the use, enjoyment, operation, maintenance, repair and preservation of the pool and pool area and the cabana, including hours of operation and safety rules, provisions governing the number of guests occupying dwelling units, and parking. No Rule may conflict with any term or provision of the LIBERTY ISLES Documents or constitute an amendment of any material term thereof unless same shall be adopted in the manner provided herein for the amendment of this Declaration.

15.6 Enforcement.

15.6.1 The covenants and restrictions contained herein, the LIBERTY ISLES Documents and Other Instruments of Record (as hereinafter defined) may be enforced by Declarant, the Association, any Owner or any Institutional Mortgagee holding a mortgage on any portion of the 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, 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.

15.6.2 Notwithstanding the availability of any other remedies set forth herein the Association shall also have the power to assess reasonable fines to enforce any of the provisions of the LIBERTY ISLES Documents and any Rules adopted thereunder. Such fines shall be deemed Special Lot Assessments, which the Association may enforce in accordance with the provisions of this Declaration.

15.6.3 The Association shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to easements.

15.7 Additional Lender Rights. In the event that any party which has financed the Construction of the Improvements (as hereinafter defined) (the "Acquiring Party") acquires title to any Lot(s) owned by Declarant (or on which Declarant held a mortgage which was assigned to the Acquiring Party) as a result of the foreclosure of a mortgage(s) thereon or the giving of a deed in lieu of foreclosure or in satisfaction of debt, such party shall automatically succeed to all rights, benefits and privileges of Declarant hereunder (and under the Articles, Bylaws and Rules and Regulations of the Association), except to the extent the Acquiring Party specifically disclaims any of such rights, benefits or privileges in a written notice to the Association. Notwithstanding the foregoing or anything to the contrary contained in this Declaration (or in the aforesaid Articles, Bylaws or Rules and Regulations), the Acquiring Party shall in no manner be obligated or liable for any duties, obligations, warranties, liabilities, acts or omissions of Declarant (i) occurring or arising from facts existing (regardless of when same became known or should have become known) prior to the date the Acquiring Party succeeds to the rights, benefits and privileges of Declarant or (ii) otherwise not directly attributable to the Acquiring Party solely in its own right. The foregoing shall be in addition to, and not in derogation of, the Acquiring Party's rights, benefits and privileges as same may exist elsewhere in, under or in connection with this Declaration (or the aforesaid Articles, Bylaws or Rules and Regulations). The Construction of the Improvements shall mean and refer to all of the improvements constructed upon the Property except for the construction of the dwelling units and improvements made or constructed for the exclusive benefit of any one Lot.

15.8 Captions, Headings and Titles. Article and Paragraph captions, headings and titles inserted throughout this 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 Declaration.

15.9 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.

15.10 Attorneys' Fees. Any provisions 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 at all trial and appellate levels, unless the context clearly indicates a contrary intention, whether or not suit is instituted.

15.11 Order of Precedence. In the event of any conflict between any of the provisions of the LIBERTY ISLES Documents, other instruments affecting the Property and the Rules, the conflicting provision of the highest order instrument or item shall prevail, with the order of such instruments or items determined as follows, in descending order of priority: 1) Laws, statutes, ordinances, codes, regulations and other governmental requirements; 2) Easements, restrictions, covenants and other matters affecting the Property duly recorded in the Public Records of Palm Beach County prior to the recordation of the Declaration (including, without limitation, the Master Declaration); 3) The Declaration; 4) The Articles; 5) The By-Laws; and 6) the Rules. Notwithstanding the foregoing, specific provisions shall prevail over more general provisions regarding the same subject matter.

15.12 Severability. If any of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect, and any provisions of this 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. Further, the invalidation of any of the covenants or restrictions or terms and

conditions of this Declaration or reduction in the scope or term of the same by reason of judicial application of the legal rules against perpetuities or otherwise, shall in no way affect any other provision which shall remain in full force and effect for such period of time and to such extent as may be permitted by law.

15.13 Certain Rights of Declarant. Notwithstanding anything to the contrary herein contained, no improvements constructed by Declarant shall be subject to the approval of the Board. Furthermore, notwithstanding anything to the contrary contained in this Declaration, nothing herein contained shall, or shall be construed to, limit, or in any way affect the rights of Declarant and its successors and assigns to use all portions of the Property in conjunction with, and as part of, its program of sale, leasing, construction and development of and within the Property including, without limitation, the right to use portions of the Property owned by Declarant or the Association to store construction materials, assemble construction components, park vehicles, transact business, maintain models and a sales office, place signs, employ sales personnel, and show Lots, without any cost to Declarant and its successors, nominees and assigns for such rights and privileges. Declarant and its successors, nominees, and assigns shall have the right to construct, maintain, and repair such structures or improvements including the carrying on of all activities appurtenant thereto or associated therewith as Declarant deems necessary or appropriate for the development of the Property. Declarant may, pursuant to its programs of construction, temporarily suspend or interrupt the use of Common Property. Further, the provisions and covenants set forth in Paragraph 5 of this Declaration shall not apply to Declarant or Declarant's designees, successors or assigns to the extent Paragraph 5 conflicts with the rights of Declarant contained in this Paragraph 16.10. The rights and privileges of Declarant as set forth in this Paragraph, which are in addition to and are in no way a limit on any other rights or privileges of Declarant under any of the LIBERTY ISLES Documents, shall terminate upon Declarant's no longer owning any portion of the Property, or upon such earlier date as Declarant shall notify the Association in writing of Declarant's voluntary election to relinquish the aforesaid rights and privileges. This paragraph may not be suspended, superseded, or modified in any manner by any amendment to this Declaration unless such amendment is first consented to in writing by Declarant. For the purposes of this Paragraph, the term "Declarant" shall include any "Lender" which has loaned money to Declarant to acquire or construct improvements upon the Property, or its successors and assigns, if such Lender, its successors or assigns, acquires title to any portion of the Property as a result of the foreclosure of any mortgage encumbering any portion of the Property securing any such loan to Declarant, or acquires title thereto by deed in lieu of foreclosure.

15.14 Disputes as to Use. If there is any dispute as to whether the use of the Property or any portion or portions thereof complies with the covenants, restrictions, easements or other provisions contained in this Declaration, such dispute shall be referred to the Board, and the determination rendered with respect to such dispute shall be final and binding on all parties concerned therewith. Notwithstanding anything to the contrary herein contained, any use by Declarant of the Property or any parts thereof in accordance with Paragraph 16.10 shall be deemed a use which complies with this Declaration and shall not be subject to a contrary determination by the Association.

15.15 Term, Amendment, Termination and Modification.

15.15.1 The covenants and restrictions of this Declaration shall run with the and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of 30 years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten years, unless an instrument in writing, signed by at least two thirds (2/3) of the then LIBERTY ISLES Members, has been recorded within the year preceding the beginning of each successive period of ten years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

15.15.2 In addition to any other right of amendment or modification provided for in this Declaration, in which case those provisions shall apply, Declarant shall have the right, until the termination of the Developer Control Period, in its sole discretion and by its sole act without the joinder or consent of any Person, unless provided otherwise herein, by an instrument filed of record, to modify, enlarge, amend, delete, waive or add to provisions of this Declaration; provided, however,

that the Association shall, forthwith but not more than ten days after request of Declarant, join in any such amendments or modifications and execute such instruments to evidence such joinder and consent as Declarant shall, from time to time, request. Failure to so join and consent to an amendment or modification, if any, shall not be cause to prevent such modification or amendment from being made by Declarant or to affect the validity thereof.

15.15.3 Except as set forth in Paragraph 16.12.2, the process of amending or modifying this Declaration shall be as follows:

15.15.3.1 Until the termination of the Developer Control Period, all amendments or modifications shall be first approved in writing and joined by Declarant which joinder and approval may be withheld in the sole discretion of Declarant.

15.15.3.2 By the vote of two-thirds of all LIBERTY ISLES Members, together with the approval or ratification of a majority of the Board. The aforementioned vote of the LIBERTY ISLES Members may be evidenced by an instrument of writing signed by the required number thereof or by the affirmative vote of the required number thereof at any regular or special meeting of the Association called and held in accordance with the Bylaws, evidenced by a certificate of the Secretary of the Association. Amendments for correction of scrivener's errors or other defects in this Declaration may be made by Declarant alone until the termination of the Developer Control Period, and thereafter by the Board alone without the need of consent of the Owners or any other Person.

15.15.3.3 After the termination of the Developer Control Period, a true copy of any amendment to this Declaration shall be sent via certified mail by the Association to Declarant within five days of its adoption.

15.15.3.4 Further, Declarant may, in its sole discretion, with the approval of no other Person, including without limitation any mortgagees, being required, amend this Declaration if necessary to do so for purposes of fulfilling the requirements of any governmental entity or quasi-governmental entity, including, but not limited to, the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD), the Veterans Administration (VA), and the Federal Housing Administration (FHA). Nothing contained herein, however, shall require Declarant to make an amendment to this Declaration for any purpose whatsoever. For as long as there is a Class B membership, any amendment to this Declaration shall require the approval of HUD. Declarant may, but need not, obtain the joinder of HUD on any such amendment.

15.15.4 Notwithstanding the other provisions of Paragraph 16.12, no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of Declarant, the Association or any Institutional Mortgagee, under this Declaration or any other of the LIBERTY ISLES Documents without the specific written approval of Declarant, the Association or Institutional Mortgagee affected thereby. Notwithstanding any other provision of this Paragraph 15.12, Declarant shall have the right, power and authority to make any amendment to this Declaration without the joinder of any other person, entity or agency, within ninety days of the date this Declaration is recorded in the Public Records of Palm Beach County, Florida.

15.15.5 A true copy of any amendment to this Declaration shall be sent certified mail (herein called the "Mailing") by the Association to the Declarant and to all Institutional Mortgagees holding a mortgage on any portion of the Property requesting notice as provided herein. The amendment shall become effective upon the recording of a Certificate of Amendment to this Declaration setting forth the amendment or modification among the Public Records of the County, but the certificate shall not be recorded until 30 days after the Mailing, unless such 30 day period is waived in writing by Declarant and all Institutional Mortgagees holding mortgages on any portion of the Property.

15.15.6 Supplements are not amendments and need only be executed as set forth in Paragraph 2.

15.16 Delegation and Enforcement. The Association, pursuant to a resolution duly adopted by the 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 Board or community development district established pursuant to, Chapter 190, Florida Statutes, from time to time and whether or not related to Declarant.

15.17 Condemnation. The Association shall represent the Owners in any condemnation proceedings or in negotiation settlement and agreements with a condemning authority for acquisition of the Common Property or a part thereof by any condemning authority. If the Association receives any award or payment arising from any taking of Common Property or any improvements thereon 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 the remaining Common Property and improvements thereon to the extent deemed advisable by the Association, and the remaining balance of such net proceeds, if any, shall be retained by the Association, and used as determined by the Association.

15.18 Approval of Association Lawsuits by Owners. Notwithstanding anything contained herein to the contrary, the Association shall be required to obtain the approval of three-fourths of all Owners prior to the payment of legal or other fees to Persons 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:

15.18.1 the collection of Assessments;

15.18.2 the collection of other charges which Owners are obligated to pay, pursuant to the LIBERTY ISLES Documents;

15.18.3 the enforcement of the covenants and restrictions contained in the LIBERTY ISLES Documents, including but not limited to those regarding tenants;

15.18.4 in an emergency, when waiting to obtain the approval of the Owners creates a substantial risk of irreparable injury to the Common Property or to Owners; or

15.18.5 defending any condemnation proceeding.

15.18.6 the enforcement of any contract duly entered by the Association, including the pursuit of any noncontractual remedies which might arise out of the performance or breach of such contract.

15.18.7 seeking compensation for physical damage to any portion of the Common Property due to the intentional or negligent acts of any third party.

Notwithstanding anything herein contained to the contrary, the Association may retain attorneys and other persons to pursue claims or lawsuits for any reason (including for matters not set forth in Sections 16.15.1 through 16.15.7) if the fees to be paid to such attorneys or other persons are: (i) contingent upon the recovery of money (including, without limitation, an award of attorney's fees) by the pursuit of such claim or actually recovered, which percentage may vary with the amount recovered.

15.19 Non-Liability of Declarant. Declarant shall not in any way or manner be held liable or responsible for any violation of this Declaration by any Person other than Declarant. ALL LIBERTY ISLES MEMBERS AGREE TO HOLD DECLARANT AND THE ASSOCIATION HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY. NEITHER THE

ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY. ALL LIBERTY ISLES MEMBERS, OWNERS AND OCCUPANTS OF ANY DWELLING UNIT, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD OF DIRECTORS, DECLARANT, OR ANY SUCCESSOR DECLARANT AND THE BOARD DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM, IF ANY, DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DECLARANT OR THE BOARD MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH LIBERTY ISLES MEMBER, OWNER AND OCCUPANT OF ANY LOT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY LOT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO DWELLING UNITS AND TO THE CONTENTS OF DWELLING UNITS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED, IF ANY, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY, IF ANY.

15.20 Indemnification and Exculpation.

15.20.1 Indemnification.

15.20.1.1 The Association shall defend, indemnify and hold Declarant, its directors, officers, agents and employees and the Association's directors, officers, agents and employees (collectively the "Indemnified Parties") harmless from and against any and all claims, suits, actions, threatened actions, injury, loss, liability, damages, causes of action and expenses of any nature (including but not limited to any derivative action brought by the Association on behalf of any Owner) ("Indemnified Loss") which may be incurred by the Indemnified Parties in connection with or arising directly or indirectly from any personal injury, loss of life and/or damage or encroachment to property in, about or abutting the Common Property, the Lot, or the Property, or any part thereof, directly or indirectly from any act or omission of the Indemnified Parties. The Indemnification provided in this Section shall apply whether or not any Indemnified Party is acting in the Owner's capacity as Declarant, director, officer, or agent at the time any Indemnified Loss is incurred. Indemnified Losses pursuant to this Paragraph shall include, but not be limited to, all costs, attorneys' fees (including all appellate levels), expenses, and liabilities.

15.20.1.2 The indemnification pursuant to this Paragraph shall include any and all expenses that any Indemnified Party incurs to enforce its rights pursuant to this Declaration, including pursuance of an order for specific enforcement of any of the provisions, conditions, covenants or restrictions contained herein.

15.20.2 Exculpation.

15.20.2.1 Any liability of Declarant arising out of or in connection with this Declaration or the agreement for the purchase of any Lot, whether relating to a Lot, the Property or the Common Property, shall be limited solely to the cost of correcting defects in

work, equipment or components furnished that were warranted in specific written warranties given by Declarant to Owners.

15.20.2.2 No Person shall be liable for special or consequential damages including, but not limited to, loss of profits or revenue, loss of use, loss of capital, cost of substitute housing or equipment, facilities or services, or claims by third parties. Repairs or replacements shall not interrupt or prolong the term or any written warranty or extend the obligation of Declarant to replace or repair the property warranted.

15.20.2.3 Any rights, privileges, or warranties contained herein shall not be assigned or assignable but are personal between the original Owners, or the Association and Declarant.

15.20.2.4 Each Owner by acceptance of conveyance of a Lot acknowledges that there have been no oral or implied warranties by any Declarant or any other Person affecting the Lot, the Property or the Common Property.

15.20.2.5 A conveyance of a Lot to an Owner shall supersede and render null and void any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, except for specific written warranties made by Declarant.

15.20.2.6 The directors, officers, agents and employees of Declarant or the Association shall not be subject to personal liability of any nature arising or by reason of the construction, use or sale of the Lot, the Property or the Common Property. Each Owner by acceptance of a deed to any Lot waives, on behalf of such Owner and such Owner's family, tenants, guests and invitees, any claim or right that it may have against such Person and agrees that any and all claims for liability or loss arising by reason of this Declaration, or the construction, use or sale of the Lot, the Property or the Common Property shall be against Declarant only and shall be limited by and subject to the provisions of this Declaration.

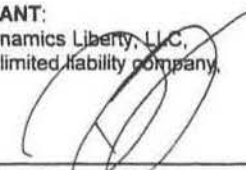
Made, executed and delivered by the Declarant and the Association, on the day and year first above written.


Witnessed:

DECLARANT:

Home Dynamics Liberty, LLC,
a Florida limited liability company.



Name: Denise Parks

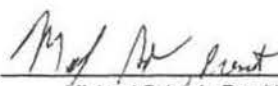
By: 
David Schack, Member and Manager

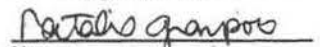

Name: Natalie Giampore

ASSOCIATION:

LIBERTY BAY HOMEOWNERS ASSOCIATION, INC., a
Florida not for profit corporation


Name: Denise Parks

By: 
Michael Schack, President


Name: Natalie Giampore

STATE OF FLORIDA
COUNTY OF PALM BEACH

Acknowledged before me on May 5, 2003, by David Schack, as member and manager of Home Dynamics Liberty, LLC, who is personally known to me.



Denise Parks
My Commission DD003728
Expires February 22, 2005

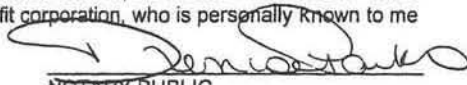

NOTARY PUBLIC

STATE OF FLORIDA
COUNTY OF PALM BEACH

Acknowledged before me on May 5, 2003, by Michael Schack, as President of LIBERTY BAY HOMEOWNERS ASSOCIATION, INC., a Florida not for profit corporation, who is personally known to me



Denise Parks
My Commission DD003728
Expires February 22, 2005


NOTARY PUBLIC