

This instrument prepared by:

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**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS,
EASEMENTS AND RESERVATIONS FOR RESERVE AT CYPRESS POINT**

THIS DECLARATION is made on this 6th day of
MARCH, 1996, by Cypress Reserve Associates Limited
Partnership, a Delaware Limited Partnership ("Declarant").

W I T N E S S E T H:

WHEREAS, Declarant, is owner of that certain property more
fully described on the attached Exhibit 'A';

WHEREAS, Declarant, wishes to submit all of the property
described in the attached Exhibit "A" to this Declaration (said
property being submitted is sometimes hereinafter referred to as
the "Declaration Property");

WHEREAS, Declarant has incorporated or will incorporate under
the laws of the State of Florida a non-profit corporation for the
purposes of enforcing the covenants, conditions, and restrictions
set forth herein and of advancing the goals set forth in this
Declaration; and

WHEREAS, Declarant desires to retain the right in its sole
discretion to submit to this Declaration additional property (the
"Additional Property") from time to time.

NOW THEREFORE, Declarant, does hereby declare that all of the
Declaration Property shall be held, sold, conveyed, leased,
mortgaged and otherwise dealt with subject to the easements,
covenants, conditions, restrictions, reservations, liens, and
charges, as hereinafter set forth, all of which are for the purpose
of enhancing and protecting the value, desirability and
attractiveness of the Declaration Property. Said easements,
covenants, conditions, restrictions, reservations, liens and
charges shall run with the real property, shall be binding upon all

parties having and/or acquiring any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns and shall inure to the benefit of each and every person or entity, from time to time, owning or holding an interest in said real property.

ARTICLE I

Definitions

A. "Architectural Review Committee" or "ARC" shall refer to the committee established by the Board of Directors of the Association and described in Article VI hereof.

B. "Association" shall mean and refer to The Reserve at Cypress Point Homeowners Association, Inc., a Florida non-profit corporation, its successors and assigns.

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

D. "Common Area" or "Common Property" shall mean all tracts of property within Reserve at Cypress Point subdivision, owned or to be owned by the Association for the common use and enjoyment of members of the Association, or which is dedicated to the Association on any recorded plat, or which is declared to be a common area by this Declaration or any recorded plat, or which is intended to be a common area by Declarant, together with any improvements thereon, including without limitation landscaping and irrigation and sprinkler facilities. The Common Area shall include without limitation, roadways and walkways including paving, curbing, median strips and other improvements thereto, street lighting, recreational facilities, open areas, perimeter walls, fences or screens, drainage and retention areas, entrance feature and gated entrance systems and sidewalk, if any. The Common Area shall exclude any public utility installations thereon. Without limiting the generality of the foregoing, on the plat of Reserve at Cypress Point the following are Common Areas: Tract A is for ingress/egress and is to be owned and maintained by the Association. There is a utility and drainage easement over Tract A that is dedicated to Orange County, Florida; Tract B is a recreation tract which shall be owned and maintained by the Association; and, Tract C is a retention tract which shall be owned and maintained by the Association. Plats of additional property added to the Declaration Property pursuant to this Declaration may include like Tracts as Common Areas.

E. "Common Expenses" shall mean all costs and expenses incurred by the Association in the discharge of its duties and obligations pursuant to the Articles of Incorporation and Bylaws of the Association and pursuant to this Declaration. By way

of illustration and example, the Common Expenses shall include, but not be limited to, the following:

(1) Management and administration fees incurred by the Association.

(2) Salaries, fees, and other compensation reasonably paid to officers employees, and consultants of the Association and the ARC.

(3) Expenses relating to the maintenance, repair, and/or replacement of the Common Areas, including the establishment of reserves for the replacement of the Common Areas, which require periodic replacement or repair, for example, and without limitation, the repaving and resurfacing of roadways and maintenance of drainage and retention systems located within Reserve at Cypress Point as set forth in Article IV.

(4) Taxes, real and personal, insurance premiums, interest, principal, and other charges connected with loans made to or assumed by the Association for the purpose of enabling the Association to perform its authorized or required function.

F. "County" shall mean and refer to Orange County, Florida, a political subdivision of the State of Florida.

G. "Declarant" shall mean and refer to Cypress Reserve Associates Limited Partnership, a Delaware limited partnership, its successors and assigns.

H. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions, Restrictions, Easements and Reservations of Reserve at Cypress Point, together with any supplements or amendments hereto.

I. "Declaration Property" shall mean and refer to all of the real property lying and situated in Orange County, Florida, contained within the boundaries of Reserve at Cypress Point subdivision as described on the attached Exhibit "A", and includes any property that is hereafter added to this Declaration, and excludes any property that is hereinafter withdrawn from this Declaration by an amendment to the Declaration.

J. "Development" shall mean that portion of Reserve at Cypress Point residential community submitted to this Declaration, located in Orange County, Florida, on the real property described on the attached Exhibit "A", and includes any property that is hereafter added to this Declaration, and excludes any property that is hereinafter withdrawn from this Declaration by an amendment to the Declaration.

K. "Institutional Mortgagee" means the holder of a mortgage encumbering a Lot, which holder in the ordinary course of business, makes, purchases, guarantees, or insures mortgage loans, and which is not owned or controlled by the Owner of the Lot encumbered. An Institutional Mortgagee may include, but is not limited to, a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension or profit sharing plan, mortgage company, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, an agency of the United States or any other governmental authority, or any other similar type of lender generally recognized as an institutional type lender. For definitional purposes only, an Institutional Mortgagee shall also mean the holder of any mortgage executed by or in favor of Declarant, whether or not such holder would otherwise be considered an Institutional Mortgagee. For definitional purposes only, an Institutional Mortgagee shall also mean the holder of any mortgage executed by or in favor of Declarant, or which encumbers any portion of the Declaration Property which is owned by Declarant, whether or not such holder would otherwise be considered an Institutional Mortgagee and notwithstanding anything contained herein to the contrary, the holder of any such mortgage shall be entitled to all rights and protection granted to first mortgagees hereunder, whether or not such mortgage is a first mortgage.

L. "Lot" shall mean any numbered plot or land within the Declaration Property which is intended to be a building site for the construction of a single family residence thereon. It does not mean any portion of the Common Area.

M. "Member" shall mean and refer to those Owners entitled to membership in the Association as set forth in Article III.

N. "Owner" shall mean and refer to as the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Declaration Property, but excluding those having such interest merely as security for the performance of an obligation.

O. "Plat" shall mean and refer to any recorded subdivision map of the Declaration Property recorded in the Public Records of Orange County, Florida, which shall include any recorded subdivision map of the Declaration Property or of additional property added to the Declaration Property pursuant to this Declaration.

P. "Structure" shall have the same meaning used in the Orange County Building Code.

Q. "Tract" shall mean any lettered or numbered plot or land within the Declaration Property which is not a Lot and

is part of the Common Area and is intended to be a site for roadways including paving, curbing, median strips and other improvements thereto, gate entrance systems and drainage retention areas, including but not limited to Tracts A, B and C as set forth in Article I, paragraph D above or such other Tracts within additional property added to the Declaration Property pursuant to this Declaration.

R. "Turnover" shall mean the transfer of operation of the Association by the Declarant as described in Article XIII hereof.

ARTICLE II

Property Rights

Section 1. Owners' Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the rights of the Declarant reserved herein and subject to the following provisions:

(a) The right of the Association to levy original, annual, special, and individual assessments and to charge reasonable admission and other fees and to establish reasonable rules for the use of the Common area and any recreation facilities (if any) contained thereon.

(b) The right of the Association to suspend the voting rights and right to use of the Common Area by a Member for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations. Notwithstanding anything contained herein to the contrary, assessments shall continue during any suspension period.

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public authority, agency or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of Members agreeing to such dedication or transfer has been recorded, provided, however, that no such dedication or transfer shall be effective as to any Tract to the County without the prior approval of all Owners of Lots in the Declaration Property.

(d) The right of the Association, in accordance with its Articles and its Bylaws, to borrow money for the purpose of improving or increasing the Common Area and in aid thereof with the assent of two-thirds (2/3) of each class of Members and Institutional Mortgagees who hold mortgages encumbering at least

two-thirds (2/3) of the Lots that are subject to mortgages held by Institutional Mortgagees, to mortgage said properties. Said mortgage shall be subordinate to the Members' rights as provided hereinafter. In the event of a default upon any such mortgage, the lender's rights hereunder shall be limited to a right, after taking possession of such area, to charge admission and other fees as a condition to continued enjoyment by the Members and, if necessary, to open the enjoyment of such area to a wider public until the mortgage debt is satisfied, whereupon the possession of such area shall be returned to the Association and all rights of the Members hereunder shall be fully restored.

(e) The right of the Association to take such steps as are reasonably necessary to protect the Common Area against an attempted foreclosure.

(f) The right of the Association to grant access to police, fire, and other public bodies including public utility companies, cable television companies, security installation companies, and the United States Post Office.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and any facilities thereon to the members of his family, his guests, his tenants, or contract purchasers who reside on his Lot; provided, however, such delegation shall not abrogate the duty of any member to pay assessments as provided in Article IV.

Section 3. Use of Common Area. No Owner may plant, garden, erect, or maintain fences, hedges, walls or other improvements upon the Common Area except those improvements installed by Declarant in connection the development of the land or approved by the ARC. The Board may establish reasonable rules and regulations concerning the use of the Common Area.

ARTICLE III

Membership and Voting Rights

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

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

Class A. Class A Member(s) shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote

for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to one vote, plus two (2) votes for each vote the Class A Members are entitled to cast. The Class B membership shall cease and terminate and be converted to Class A membership three (3) months after the Declarant has conveyed 90% of the Lots within the Declaration Property as intended to be or as amended from time to time, or five (5) years after the Declaration, and amendments thereto adding Declaration Property, is recorded in the Public Records of Orange County, Florida, whichever occurs first.

ARTICLE IV

Assessments

Section 1. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Declaration Property, to pay the Common Expenses, and for the improvement, preservation, and maintenance of the Common Area.

Section 2. Creation of the Lien and Personal Obligations of Assessments. The Declarant covenants, and each Owner of any Lot shall by acceptance of a deed therefor, regardless of whether it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay the Association: (1) original assessments, (2) annual assessments, (3) special assessments, and (4) individual assessments, all fixed, established and collected from time to time as hereinafter provided. The original, annual, special and individual assessments, together with such interest thereon and costs of collection therefor, including costs and reasonable attorneys' fees, shall be a charge and continuing lien as provided herein on the real property and improvements of the Owner against whom each such assessment is made, such lien shall be effective from and after the recording of a notice of lien in the public records of the County. Each such collection shall also be the personal obligation of the person who was the Owner of such real property at the time when the assessment first became due and payable. The liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Area or by the abandonment of the property against which the assessment was made. In the case of co-ownership of a Lot, all of such Co-Owners shall be jointly and severally liable for the entire amount of the assessment.

Section 3. Original Assessments. The original assessment shall be Two Hundred Fifty Dollars (\$250) per Lot and

shall be paid at closing of the sale of each Lot from the Declarant to an Owner.

Section 4. Annual Assessments. The annual and original assessments levied by the Association shall be used exclusively for the improvement, maintenance, enhancement and operation of the Common Areas and to provide services which the Association is authorized or required to provide including, but not limited to, the payment of taxes and insurance, construction, repair or replacement or improvements, payment of the costs to acquire labor, equipment, materials, management and supervision necessary to carry out its authorized functions, and for the payment of principal, interest and any other charges connected with loans made to or assumed by the Association for the purpose of enabling the Association to perform its authorized or required functions and to the payment of any other Common Expenses.

Section 5. Special Assessments. In addition to the original and annual assessments, the Association may levy in any assessment year a special assessment for the purpose of defraying, in whole or in part, the costs of any acquisition, construction or reconstruction, unexpected repair or replacement of a capital improvement upon Common Areas or easements including the necessary fixtures and personal property related thereto or for emergency purposes; provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for that purpose. Written notice of any meeting called for the purpose of making the levy of a special assessment shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

Section 6. Individual Assessments. The Association may impose an individual assessment upon any Owner whose use or treatment of Common Areas, or Lot is not in conformance with the standards as adopted by the Association or which increases the maintenance cost to the Association above that which would result from compliance by the Owner with the use restrictions imposed by this Declaration. The amount of such assessment shall be equal to such cost incurred and may be enforced in the manner provided for any other assessment. Individual assessments may be approved by the Board without a vote of the membership.

Section 7. Date of Commencement of Annual Assessments; Due Dates. Annual assessments shall be payable in advance in annual installments or in such other installments as determined by the Board. Prior to January 1 of each year the Board shall set the amount of the annual assessment for all assessable items by estimating the sum necessary to fulfill the obligations and purpose of said assessment. Written notice of the annual assessment shall then be sent to every Owner subject thereto and the due date shall be established by the Board. The annual

assessment shall be in addition to the original assessment and shall be prorated in the year of purchase.

Section 8. Uniform Rate of Assessment. All annual and special assessments shall be fixed at a uniform rate for each Lot. All expenses are shared pro rata and each Owner's proportionate share is equal to that fraction the numerator of which is one (1) and the denominator of which is the total number of Lots within the Declaration Property. Notwithstanding anything contained herein to the contrary, until the Declarant no longer appoints a majority of the directors of the Association, the Declarant, shall not be obligated to pay any original, annual or special assessments for Common Expenses for any Lots owned by Declarant, but shall be obligated to pay all Common Expenses actually incurred by the Association in excess of original, annual and special assessments, including original, special, and annual assessments collectible from Class A Members and any other income receivable by the Association. During such period when the Declarant is not liable for any assessments for Common Expenses for Lots owned by Declarant, the original, annual and special assessments for Common Expenses shall be established by Declarant based upon Declarant's estimate of what expenses of the Association would be if all homes and improvements contemplated within the Declaration Property were completed, so that assessments during each period will be approximately what said assessments would be if the development of the Declaration Property as contemplated by Declarant was complete. In any event during the period when Declarant is not liable for assessments for Common Expenses, the Association will not be required to fund the portion of any reserve account reflected in the budget which is attributable to any Lots owned by Declarant. Notwithstanding the foregoing, in the event the Association incurs any expense not ordinarily anticipated in the day-to-day management and operation of the Declaration Property, including but not limited to expenses incurred in connection with lawsuits against the Association, or incurred in connection with damage to the Property, or injury or death to any person, which are not covered by insurance proceeds, the liability of Declarant for such Common Expenses shall not exceed the amount that Declarant would be required to pay if it was liable for assessments for Common Expenses as any other Owner, and any excess amounts payable by the Association shall be assessed to the other Owners. For purposes of this calculation, replacement reserves or capital expenditures shall not be considered as Common Expenses. Declarant, at its option, may elect to pay annual assessments for Lots it owns as in the case of any other Owner rather than subsidize the Association as hereinbefore set forth.

Section 9. Remedies of the Association for Nonpayment of Assessments. Any assessment, whether original, annual, special or individual not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum legal rate, and the Owner personally obligated to pay same shall be

charged an administrative fee equal to \$1,500 in addition to any rights or remedies of the Association set forth herein. The Association may bring an action at law against the Owner personally obligated to pay the same, or file a lien as hereinabove authorized and foreclose said lien by judicial foreclosure in the same manner in which mortgages on real property may be foreclosed in Florida. In any such foreclosure, the Owner shall be required to pay the costs and expenses of filing the notice of lien and all reasonable attorneys fees, which costs, expenses and attorneys' fees shall be secured by the lien being foreclosed. The Owner shall also be required to pay the Association any assessments against the Lot which become due during the period of foreclosure. The Association shall have the right and power to bid at foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the Lot as Owner thereof. No Owner may waive or otherwise escape liability for the assessments provided herein by nonuse of the Common Area or the Lot(s) owned. Any suit to recover a money judgment for unpaid expenses and assessments hereunder shall not be deemed to be a waiver of the lien securing the same.

Section 10. Subordination of the Lien to First Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage recorded prior to the time of recording a notice of lien. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage foreclosure or any proceeding or conveyance in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Such unpaid assessments shall be deemed a Common Expense of the Association and collected from all Owners, pro rata, including the acquiring mortgagee, its successors or assigns. Any such transfer to or by a mortgagee shall not relieve the transferee of responsibility nor the Lot from the lien for assessments thereafter becoming due.

Section 11. Actions Against Declarant and Prohibited uses of Assessments. Notwithstanding anything to the contrary contained herein, expressly, by implication, or otherwise, the Association shall not have the power or authority to prosecute or otherwise institute or support actual or contemplated litigation against the Declarant, or any of its officers or directors or to use, make, levy, impose, enforce, or collect any assessment for the purpose, in whole or in part, of financing the prosecution of or otherwise supporting actual or contemplated litigation against the Declarant, or any of its officers or directors without the consent of 75% of the votes of all Members obtained at a special meeting of the Members called especially for approving such action, and without the consent of Institutional Mortgagees holding a majority of the mortgages that encumber the Lots. Any attempted assessment in violation of the foregoing shall be null and void and all lots

within Reserve at Cypress Point are hereby exempted and exonerated from any such assessment.

Section 12. Annual Assessments and Reserve Account for Private Roads. In addition to, but as part of, the Annual Assessments, as provided above, the Association shall assess its members a Special Road Reserve Assessment, in order to collect, in advance, sufficient funds to pay for periodic major maintenance of the private roads. The Association shall initially collect Fifty (\$50) Dollars per year from each Owner as part of the Annual Assessment which will be deposited into a Special Reserve Account to be established by the Association at a financial institution the deposits of which are insured by the FDIC with offices in the County. The sums deposited in the Special Road Reserve Account, together with interest accrued thereon, may only be utilized by the Association for maintenance of the private roads also designated as a Tract on the Plat. At such time as the sums held in such Special Reserve Account reach Thirty Three Thousand Three Hundred Fifty (\$33,350) Dollars (the "Maximum Required Amount"), no further assessments collected by the Association shall be required to be placed in this Special Reserve Account, unless and until the remaining balance in the Special Reserve Account declines below the Maximum Required Amount, whereupon a portion of subsequent assessments shall be deposited until the Special Reserve Account again contains the Maximum Required Amount. Such subsequent assessments shall be in an amount sufficient, when collected over several years (not to exceed fourteen (14) years), to increase the Special Reserve Account to the Maximum Required Amount prior to the next scheduled major road maintenance and repaving. On an annual basis, documentation shall be submitted to the County by the Association or the financial institution maintaining such Special Reserve Account, sufficient to confirm the existence of such Special Reserve Account and the funds contained therein. No assessment imposed by the Association shall relieve Owners from any taxes, fees, charges or assessments imposed by the County or any other governmental agency, because such assessment was imposed by the Association because of private roadways or drainage systems.

Section 13. Notice to Potential Purchaser. All contracts regarding sale of Lots within the Declaration Property (including resales), shall incorporate the following disclosure:

Notice of Private Road Assessments and Reserve Account. Prospective purchasers of Lots or Homes within Reserve at Cypress Point* are hereby notified that the private roads, existing and to be constructed, in Reserve at Cypress Point* must be maintained, resurfaced and repaired by the Association as more particularly described in the Declaration of Covenants, Conditions, Restrictions, Easements and Reservations for Reserve at Cypress Point*

as recorded in Official Records Book _____, Page _____, Public Records of Orange County, Florida (the "Declaration") or to be recorded. All Owners of the Lots or Homes in Reserve at Cypress Point* must pay assessments to be imposed by an Association of Lot Owners as provided in the Declaration. The assessments will, in part, be placed into a separate reserve account, in order to create a reserve sufficient to repave all roads in the platted subdivision every fifteen (15) years but no more than Thirty Three Thousand Three Hundred Fifty (\$33,350) Dollars shall be retained in the reserve account. The Association shall annually have the private roads inspected by a registered engineer and shall repair any deficiencies noted by such engineer using the reserve funds. This notice shall be included in each sale contract and/or resale contract relating to the sale or resale of a Lot or Home in Reserve at Cypress Point*, as appropriate.
*or if other Declaration Property the name of such residential community.

ARTICLE V

Architectural Review

No building, house, garage, fence, swimming pool, sign, outdoor lighting, walls, exterior antennas, satellite dishes, or other structure of any nature shall be commenced, constructed, erected, or maintained upon the Declaration Property, nor shall any exterior addition to, change or alteration therein, be made, nor shall any tree removal, landscaping and additional landscaping, fences or changes in existing fences, hedges, planting walls, walkways and other structures be commenced until the plans and specifications showing the nature, kind, shape, height, materials, color, approximate cost and location of the same shall have been submitted to and approved in writing as to harmony of exterior design and location in relation to surrounding structures and topography by the Board or by an Architectural Review Committee as set forth in Article VI. Any change in the outward appearance of any improvement including but not limited to repainting in a different color, adding decorative sculptures, wrought iron grills, or the like shall also require written approval by the ARC before any work is commenced. Disapproval of plans, specifications or location may be based upon any grounds, including purely aesthetic considerations, which the ARC, in its sole discretion deems sufficient. In the event the Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said complete plans and specifications have

been submitted to it, approval will not be required and this article will be deemed to have been fully complied with.

ARTICLE VI

Architectural Review Committee

Section 1. Composition. The Declarant, upon the recording of this Declaration, shall form a committee known as the "Architectural Review Committee" (hereinafter referred to as "ARC"), initially consisting of two (2) persons designated by the Declarant. Subject to Section 2 below, the Declarant shall appoint the members of the ARC until control of the Association has been passed on to the Owners other than the Declarant. At such time the ARC shall be appointed by the Board and shall serve at the pleasure of the Board. Members of the ARC need not be officers, directors or members of the Association. Provided, however, that, in its selection, the Board shall be obligated to appoint a designated representative of Declarant to the ARC for so long as Declarant owns any Lot.

Section 2. Purpose. The ARC shall have the right to exercise architectural control over all Lots, improvements to be constructed thereon, and Common Areas, to assist in making the entire Declaration Property a community of high standards and aesthetic beauty. Such architectural control may include all architectural aspects of any Lots, improvements to be constructed thereon, and Common Areas including, but not limited to, size, height, site planning, set-back exterior design, materials, colors, open space, landscaping, waterscaping, and aesthetic criteria. The ARC shall review and approve, disapprove, and otherwise control the design and construction of any and all buildings, structures, and other improvements of any nature or kind, including landscaping and tree removal, on any Lot or any portion of Common Areas. In addition to the above, the ARC shall have the following powers:

(a) To adopt, promulgate, rescind, amend and revise from time to time its rules and regulations governing architectural control, provided, however, such rules and regulations shall be consistent with the provisions of this Declaration and shall be filed with and made a part of the Association's minutes;

(b) The ARC shall have the right of specific approval or veto of all construction, architectural, engineering, platting, planning and landscaping aspects of any improvement of any Lot;

(c) To approve or disapprove in writing any such building plans and specifications, lot grading plans, and landscaping plans. The conclusion and opinion of the ARC shall be binding, if, in its opinion, for any reason, including purely

aesthetic reasons, the ARC shall determine that said improvement, alteration, etc. is not consistent with the planned development of the Declaration Property;

(d) To require to be submitted to it for approval any samples of building materials proposed or any other data or information necessary to reach its decision;

(e) For any of the above and as a precondition to consideration for approval, the ARC shall be furnished two (2) sets of written plans and specifications, without the necessity of a seal, showing the nature, type, shape, height, color, materials approximate cost and location of all proposed improvements, lot grading plans and landscaping plans. The ARC may appoint one or more persons to make preliminary review of all applications and report on such application to the ARC with such person's recommendations for ARC action thereon. Such preliminary review shall be subject to such regulations and limitations as the ARC deems advisable. The ARC shall consider all matters submitted for approval as to the harmony of the external design and location in relation to surrounding structures and topography and shall, in writing, approve or disapprove all matters submitted to it within thirty (30) days of receipt of such submission; and,

(f) The ARC is hereby granted the authority to approve, disapprove and control the number of builders and the particular builders, if any, who will be allowed to construct new homes within the Declaration Property. The ARC shall have the power to and authority to appoint, name, replace, remove, expand, and, in any other fashion control the approved builders within the Declaration Property.

All approvals of plans and specifications must be evidenced by the signature of the Association President or Vice President on the plans or specifications furnished. The existence of the signature of the Association President or Vice President on any plans or specifications shall be conclusive proof of the approval by the ARC of such plans or specifications.

Notwithstanding the above, nothing herein shall grant ARC the power to approve the construction of residential structures other than single family residences, together with appurtenant structures, upon the Declaration Property.

Section 3. Standards. No approval shall be given by the ARC pursuant to the provisions of this Article, unless the ARC determines that such approval shall: (a) assure harmony of external design, materials and location in relation to surrounding buildings and topography within the Declaration Property; (b) shall protect and conserve the value and desirability of the Declaration Property as a residential community; (c) shall be consistent with the provisions of the Declaration; and (d) shall be in the best

interest of the Association in maintaining the value and desirability of the Declaration Property as a residential community of the highest quality and design.

Section 4. Declarant Consent. Any and all actions of the ARC as to Lots owned by the Declarant must have the written approval of Declarant, unless such approval is waived in writing by Declarant.

Section 5. Appeal Process. In the event of a disapproval of plans and specifications, the builder or Owner may appeal in writing to the Board no later than fifteen (15) days after notice of disapproval. The Board shall have thirty (30) days to rule on the appeal. If the Board fails to meet or fails to act on any appeal, said failure to meet or act shall be deemed to be approval of the ARC action. The decision of the Board shall be final.

Section 6. Enforcement. Should any Owner fail to comply with the requirements hereof after thirty (30) days written notice, the ARC, the Declarant, and the Board shall have the right to enter upon the Lot, make such corrections or modifications as are necessary or remove anything in violation of the provisions hereof, and charge the cost thereof to the Owner. Should the ARC, the Declarant, or the Board be required or elect to enforce the provisions hereof by legal action, the reasonable attorneys fees and costs incurred, whether or not judicial proceedings are involved, including the attorneys' fees and costs incurred on appeal of such judicial proceedings, shall be collectible from the Owner. The ARC, the Declarant, and the Board, or its agents or employees, shall not be liable to the Owner for any damages or injury to the property or person of the Owner, incurred pursuant to actions taken by the Declarant, ARC, or Board hereunder.

Section 7. Exculpation of Declarant and ARC. Declarant, the Association and the ARC cannot and shall not be held responsible for any loss or damage to any person arising out of the approval or disapproval of plans, including but not limited to architectural, construction, or design plans. Nor shall Declarant of the ARC be held responsible for loss or damage to any person arising out of non-compliance with any zoning law or ordinance or land use or building regulation.

ARTICLE VII

Restrictions

Section 1. Residential Use. The Lots shall be used for single family, detached, residential purposes only; and conducting any retail, wholesale or commercial business or use of any nature or the sale of services or skills shall be strictly prohibited. No structure shall be erected or permitted to remain

on any Lot other than a residential dwelling and customary appurtenances thereto. No garage shall be used or converted to living quarters. No building or other improvements situate on any Lot shall be rented or leased separately from the rental or lease of the entire Lot and no part of any such building shall be used for the purpose of renting rooms therein or as a boarding house, hotel, motel, tourist or motor court or any other type of transient accommodation.

Section 2. Vehicular Parking. No vehicle shall be parked on any part of the Declaration Property, except on paved streets and paved driveways. No vehicles may park on paved streets overnight or on sidewalks located within Reserve at Cypress Point. No commercial vehicles shall be parked in the Development, except those present on business. The Association shall have the right to determine if a vehicle is a "commercial" vehicle and whether or not it is in the Development "on business" and said determination shall be final. No motorcycles, trailers, boats, boat trailers, campers, trucks, mobile homes, or motorized recreational vehicles, except for those vehicles commonly known as sport utility vehicles and used for non-commercial transportation, may be parked in the Development unless parked inside garages and completely concealed from public view. No inoperative automobiles, trucks, trailers or other types of vehicles shall be allowed to remain either on or adjacent to any Lot for a period in excess of forty-eight (48) hours, unless parked inside garages and concealed from public view.

Section 3. Address Plates and Mailboxes. A mailbox and the number of the residence shall be placed on each Lot. The size, locations, design, style and type of material for each such mailbox and number of the residence shall be as designated by Declarant.

Section 4. Signs.

(a) No sign, "for sale" or otherwise, or any character shall be displayed or placed upon any Lot.

(b) Nothing contained in this Declaration shall prevent Declarant, or any person designated by Declarant, from erecting or maintaining such commercial and display signs including but not limited to "for sale" signs in connection with Declarant's sale of Lots or homes as Declarant may deem advisable for development purposes, provided such are in compliance with the appropriate governmental regulations applicable thereto.

Section 5. Aerials. Unless approved by the ARC, no exterior radio or television mast, tower, pole, wire, aerial, satellite receiving stations or dish, antenna or appurtenances thereto, shall be erected on any Lot; except that a master antenna system or systems may be constructed and maintained by the Association or its designee.

Section 6. Electrical Interferences. No electrical or electromagnetic signals, machinery, devices or apparatus of any sort shall be used or maintained on any Lot which causes interference with normal television or radio reception received on any other Lot.

Section 7. Household Pets and Livestock. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats, or other usual household pets may be kept except dogs commonly known as pitbulls; provided that they are not kept, bred, or maintained for any commercial purpose, they are, in the case of dogs, leashed when off the Owner's premises, and provided that if any of such permitted animals shall, in the sole and exclusive opinion of the Declarant or the Association, become dangerous or an annoyance or nuisance in the neighborhood or nearby property or destructive of wildlife, they may not thereafter be kept in or on the Lot. The Association may, from time to time, publish and impose reasonable regulations setting forth the type and number of animals that may be kept on Lots.

Section 8. Nuisances and Trespassing. No illegal obnoxious or offensive activity shall be permitted or carried in any part of the Declaration Property, nor shall anything be permitted or done thereon which is or may become a nuisance or a source of embarrassment, discomfort or annoyance to the neighborhood or Development. No trash, garbage, rubbish, debris, waste material, or other refuse shall be deposited or allowed to accumulate or remain on any part of the Declaration Property, nor upon any land or lands contiguous thereto. No fires for the burning of trash, leaves, clipping or other debris or refuse shall be permitted on any part of the Declaration Property. No bicycles, cars, trucks, vehicles, tricycles, scooters, wagons, carriages, shopping carts, chairs, benches, tables, toys, or other such items shall be parked or permitted to stand for any period of time on the Common Area, except in areas designated for said purpose. In the event of any question as to what may be or may become a nuisance, such question shall be submitted to the Board for a decision in writing which decision shall be final. The Board shall have the authority to have any unauthorized person or vehicle arrested or removed from the Declaration Property.

Section 9. Resubdividing. The Lots shall not be resubdivided, replatted or divided without the prior written consent of Declarant or the Association as the successor to the Declarant, and the approval of the appropriate governing authorities.

Section 10. Laundry. No portion of any of the Declaration Property shall be used as a drying or hanging area for laundry of any kind. Clotheslines are not permitted. No clothing, bedding or other laundry shall be hung over or on any windows,

doors, walls, fences or other supports if the same are visible from any street.

Section 11. Fences, Walls, and Hedges. There shall be no fences permitted on a Lot within the Development unless they are approved by the ARC.

Section 12. Street Lights. The size, location, number, design, style and type of material for free-standing street lights shall be as designated by the Declarant or approved by the ARC.

Section 13. Weeds, Trash and Garbage. The owner of each Lot shall, at his or her own expense, keep such Lot, including any easement areas located on such Lot, free of weeds, tall grass, undergrowth, dead trees, dangerous and/or dead tree limbs, weeds, trash and rubbish, and any other unsightly objects and shall keep such Lot at all times in a neat and attractive condition. In the event the Owner fails to comply with this section then, after giving the Owner ten (10) days written notice, the Association shall have the right, but not the obligation, to go upon such Lot and to cut and remove tall grass, undergrowth and weeds, and to remove rubbish and any unsightly or undesirable things and objects from the Lot, and to do any other things and perform and furnish any labor necessary or desirable in its judgment to maintain the property in a neat and attractive condition, all at the expense of the Owner of such Lot, which expense shall constitute an individual assessment against the Lot. Such entry by the Association upon a Lot shall not be deemed a trespass.

Section 14. Regulations. Additional rules and regulations concerning the appearance and use of the Declaration Property may be made and amended from time to time by the declarant or the Association as successor to the Declarant in the manner provided by the Articles of Incorporation and Bylaws. Copies of the Regulations and amendments thereto shall be furnished by the Association to all Owners and residents of the Development upon request.

Section 15. Casualties. In the event a dwelling or any part thereof is damaged or destroyed by fire, casualty or otherwise, or in the event any improvements upon the Common Areas are damaged or destroyed by casualty or otherwise, the Owner thereof or the Association, as the case may be, shall promptly clear all debris resulting therefrom, and within six (6) months commence either to rebuild or repair the damaged improvements in accordance with the terms and provisions of the Declaration, or to grass over and landscape the land previously underlying the improvements in a manner consistent with the surrounding area.

Section 16. Reconstruction. Any repair, rebuilding or reconstruction on any account of casualty or other damage on any

Lot or Common Area, or any part or parts thereof, shall be substantially in accordance with the plans and specifications for such property and areas as originally constructed or with new plans and specifications approved by the ARC pursuant to Article VI.

Section 17. Set-Backs - Lots. All structures shall be located and positioned on a Lot by Declarant or the ARC. No structure shall be placed on a Lot closer than twenty (20) feet to the front lot line, not closer than fifteen (15) feet to the rear lot line, nor closer than six (6) feet to any side lot line, provided that a swimming pool may be constructed to within ten (10) feet of a rear lot line and a screened enclosure may be constructed within five (5) feet of a rear lot line. A swimming pool or a screened enclosure may not be located in the front or side yard of any Lot, nor extend past the sides of the building in the rear lot. The Declarant or the ARC may alter the front, side, rear and swimming pool set backs as long as such alterations do not conflict with County regulations or any other government regulations.

Section 18. Character of Homes.

A. No dwelling shall have an air-conditioned square foot living area of less than twenty five hundred (2,500) square feet, exclusive of screened areas, open porches, terraces, patios and garages.

B. Each home shall have an attached side entry two or three car garage.

C. No projections of any type shall be placed or permitted to remain above any roof of the dwelling with the exception of one or more chimneys or vent stacks. No solar collectors shall be visible from any front street.

D. All dwellings shall be constructed with solid concrete driveways or decorative pavers approved by the ARC.

E. All oil, soft water tanks, well pumps, pool, heater, air conditioner compressors, wood piles or other ancillary or mechanical equipment, shall be suitably screened so as not to be visible front any Lot or street. Use of window or wall unit air conditioners is prohibited

F. All dwellings shall have tile roofs and shall have minimum 7:12 pitch.

Section 19. Drainage. No elevation changes shall be permitted which materially adversely affect the surface grade or drainage of or to surrounding property.

Section 20. Tree Removal and Landscaping.

Any landscape plan by an Owner other than Declarant, shall be submitted to, and must have the prior written approval of the Declarant and the ARC. Additions or modifications to the landscaping on a Lot by an Owner other than Declarant must be approved by the ARC.

Section 21. Accessory Structures. No tent, shack, garage, trailer, barn or other temporary or accessory building shall at any time be erected and used temporarily or permanently as a residence or for any other purpose, except as approved by the ARC; provided, however, temporary buildings, mobile homes or field construction offices may be used by Declarant and contractors in connection with construction work.

Section 22. Refuse Collection. All trash, garbage or other refuse shall be maintained in a location not visible from the front property line, and shall be placed for pickup not earlier than the evening preceding pickup, and any and all containers for such trash, garbage or refuse shall be returned no later than the evening of the pickup to their normal location. No weeds, rubbish, debris, objects or materials of any kind shall be placed or permitted to accumulate upon any property within the Declaration Property land if it renders the land or any part thereof unsanitary, unsightly, offensive, or detrimental to the Development or any Lot. Notwithstanding anything contained herein to the contrary, it is understood that Declarant reserves the right to maintain normal construction debris on any Lot until the Certificate of Occupancy for any dwelling located on such lot is issued.

Section 23. Ordinances. Every Owner, their licensees, guests, invitee and tenants shall at all times abide by all County or other governmental ordinances, including, but not limited to, ordinances with regard to pets, leases, parking and conduct.

Section 24. Games and Play Structures. No skateboard or bicycle ramp or similar structure shall be installed or maintained on any portion of any Lot. All basketball backboards and any other fixed game and play structures shall be located at the rear of the dwelling. Tree houses or platforms of a like kind or nature shall not be constructed on any part of the Lot without the prior approval of the ARC.

Section 25. Declarant's Use. Until Declarant has completed all of the contemplated improvements and closed the sale of all the Lots, neither the Owners nor the Association nor the use of the Declaration Property shall interfere with the completion of the contemplated improvements and the sale of the Lots. Declarant may make such use of the unsold Lots and Common Area without any

charge as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, construction office, the showing of the Declaration Property and the display of the signs and the use of Lots as parking lots notwithstanding anything contained herein to the contrary.

Section 26. Garage Doors. In order to maintain a harmonious and aesthetic appearance, the garage doors affixed to each structure shall remain closed except when in actual use to allow ingress and egress into the garage. All garages must have side or rear entrances and front entry garages are prohibited.

ARTICLE VIII

Easements

Section 1. Easements. Easements are hereby reserved by the Declarant for utility or drainage purposes or for landscape, wall and fences on the Declaration property as indicated on the recorded Plat. The Declarant reserves the right to assign any and all easements shown on any recorded plat or which are hereafter created for installation of utilities, drainage, or other uses deemed by Declarant to be necessary or appropriate for the service of or ingress and egress to and from the Development. The Declarant hereby reserves and grants for itself and its successors and assigns easements through and across the Declaration Property for purposes of ingress and egress and to provide installation, maintenance, repair and replacement of water, sewer, and utility service and stormwater drainage for the Development. Neither the easement rights reserved herein, nor as shown on the Plat shall impose any obligation on the Declarant to maintain such easements or to install or maintain utilities or any drainage in or under such easements.

Section 2. Maintenance of Easements. The Owners of the Lot or Lots subject to the easements shall acquire no right, title or interest in or to any poles, wires, cables, conduits, pipes, mains, valves, lines or other equipment or facilities placed on in, over or under the property which is subject to the easements. Easements on each Lot, including landscape easements and plantings thereon, whether reserved hereunder or as shown on the Plat, or as may have been installed by the Declarant, and all facilities and improvements in such easements shall be maintained continuously by the Owner of the Lot, except for those improvements for which the utility or provider is responsible. No structure, irrigation system, planting or other material shall be placed or permitted to remain which may damage or interfere with access to, or the installation and maintenance of, the easements or any utilities or drainage facilities, or which may change the direction of flow or obstruct or retard the flow of water through drainage channels on any easement or which may reduce the size of any ponds,

creeks, lakes or other water retention areas which are shown on the Plat or which may be constructed on such easement.

ARTICLE IX

Maintenance of Common Area and Lots

Section 1. Maintenance Responsibility, Etc. The responsibility for the maintenance of the Common Area and Lots within the Development shall be as follows:

(a) Common Area. The Association subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management, control and maintenance of the Common Area and any improvements thereon, and shall keep the same in good, clean, attractive and sanitary condition, order and repair. Notwithstanding anything which may be stated or implied to the contrary in this Declaration, the Association may not request that the County assume maintenance responsibilities on any Tracts without the prior approval and written consent of all Owners of Lots in the Declaration Property.

(b) Lots. Each Lot Owner shall be responsible for the maintenance of his Lot and the residence and any other improvements or personal property located thereon, including, but not limited to, the responsibility to replace and care for trees, shrubs, grass, walks and other exterior improvements located within a Lot in a first class condition at all times. In the event an Owner fails to maintain the exterior of his Lot in a good, clean, attractive and sanitary condition, or in the event the Board deems it in the best interest of the Development, then the Association may provide said maintenance after delivery of ten (10) days written notice to the Owner and the cost of said maintenance shall be assessed by the Association to the Owner of said Lot as an individual assessment. The Association shall have a right and easement in and to the land comprising each Lot in order to maintain same in accordance with this Article and said right and easement shall be a covenant running with the land as to each Lot.

(c) Taxes. The Association shall pay all real and personal property taxes and assessments for any property Owned by the Association.

(d) Insurance. The Association shall purchase insurance as a Common Expense, as follows:

1. Hazard Insurance protecting against loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement, and all other perils customarily covered for similar types of projects, including those covered by the standard all-risk endorsement, covering 100% of the current replacement cost of all Common Areas and property owned by

the Association, excluding land, foundations, excavations, landscaping, and other items normally excluded from insurance coverage. The Association shall not use hazard insurance proceeds for any purpose other than the repair, replacement or reconstruction of any damaged or destroyed property without the approval of at least two-thirds (2/3) of the votes of the Owners.

2. Comprehensive General Liability Insurance protecting the Association from claims or bodily injury, death or property damage providing for coverage of at least \$50,000 for any single occurrence or such lesser amount as is approved by the Owners.

3. Blanket Fidelity Bonds for anyone who handles or is responsible for funds held or administered by the Association, covering the maximum funds that will be in the custody or control of the Association or any managing agent, which coverage shall be at least equal to the sum of three (3) months assessments of all Lots plus reserve funds.

4. Such other insurance as may be desired by the Association, such as flood insurance, errors and omissions insurance, workman's compensation insurance, or any other insurance.

5. All insurance purchased by the Association must include a provision requiring at least thirty (30) days written notice to the Association before the insurance can be cancelled or the coverage reduced for any reason.

6. Any deductible or exclusion under the policies shall be a Common Expense and shall not exceed \$2,000 or such other sum as is approved by the Owners.

7. Copies of Insurance Certificates. Upon request, each Institutional Mortgagee shall have the right to receive a copy or certificate of the insurance purchased by the Association, and shall have the right to require at least thirty (30) days written notice to the Institutional Mortgagee before any insurance can be canceled or the coverage reduced for any reason. Each Institutional Mortgagee shall have the right upon notice to the Association to review and approve, which approval shall not be unreasonably withheld, the form, content, issuer, coverage and deductibles of all insurance purchased by the Association, and to require the Association to purchase insurance complying with the reasonable and customary requirements of the Institutional Mortgagee. In the event of a conflict between the Institutional Mortgagee, the requirements of the Institutional Mortgagee holding mortgages encumbering Lots which secure the largest aggregate indebtedness control.

8. Waiver. If the Board determines that the insurance required to be purchased by the Association pursuant to this Paragraph would be unduly expensive, or if such insurance is not obtainable, the Association may purchase insurance with less coverage than specified above, provided the Board gets the approval of the Owners as to such action.

Section 2. Conveyance to Association. Declarant shall convey and the Association shall accept the title to the Common Areas owned by Declarant to the Association free and clear of all liens, easements and encumbrances except as set forth in the Plat and those reserved and granted herein; provided, however, for as long as Declarant owns any Lot, Declarant retains an easement for itself, its assigns, agents, invitees and licensees to the extent necessary to complete construction of the Development or any portion thereof, to show and sell Lots including the unrestricted right to erect signs, and to use the Common Area for ingress and egress and for marketing and sales activities.

ARTICLE X

Additional Gated Community Conditions Regarding Private Roadways and Retention Areas

Section 1. Annual Inspections. No later than three (3) years after the certificate of completion has been issued for the improvements to be constructed on the Tracts, the Association shall retain a registered engineer who, using good engineering practices, shall annually inspect the improvements located on the Tracts and review the maintenance thereof. In the event such registered engineer determines there are any needed repairs, such repairs shall be completed by the Association within sixty (60) days following its receipt of the final written report of the registered engineer unless the needed repairs are of such a nature or character as not to be susceptible of completion within the sixty (60) day period. In such event, all actions and measures reasonably necessary to effect completion of the repair work shall be commenced within sixty (60) days and repairs shall be completed as expeditiously thereafter as reasonably possible, but in no event later than one hundred eighty (180) days from receipt by the Association of the annual engineering report. Copies of the registered engineer's annual written report shall be submitted to Orange County (County engineer) within thirty (30) days following receipt of such written report by the Association.

Section 2. Indemnification.

A. The Declarant (to the extent and limited to (i) the period during which the Declarant controls the Association, and (ii) the extent the Declarant has a right, title, interest and/or estate in or to any platted Lots) and the Association hereby expressly hold the County harmless from any cost arising directly

or indirectly, out of maintenance, repair, and/or reconstruction of, or tort liability related to or stemming from the Tracts.

B. The Declarant (to the extent and limited to (i) the period during which the Declarant controls the Association and (ii) to the extent the Declarant has a right, title, interest and/or estate in or to any platted Lots) and the Association hereby expressly indemnify the County for any tort liability related to the Tracts.

Section 3. Enforcement: Loss of Privilege. The Declarant and the Association understand and declare that upon any default in any of the foregoing requirements of this Article X, Section 12 and 13 of Article IV, the Association's responsibility for operation, maintenance and repair of the Tracts, the Association covenant respecting dedication of the Tracts to the County in Article II, Section 1(c) or the Association covenant respecting requests to County to assume maintenance in Article IX, Section 1(a) ("Gated Community Provisions"), by either the Declarant or the Association, the County, at its option, shall first provide written notice of a default to Declarant and the Association. If the stated default is not cured within twenty (20) days after receipt by Association and Declarant of such written notice, or if such default may not reasonably be cured within such twenty (20) day period, if Declarant or Association do not commence to cure such default within such twenty (20) day period and diligently continue to cure such default thereafter, then County may remove the gates and, in addition, upon dedication of the rights-of-way may assume responsibility for maintenance, using those Association funds dedicated to streets and/or drainage system maintenance and repair, or if none or an insufficient amount exist, a temporary Municipal Service Taxing Unit in an amount necessary to accomplish the task of correcting the default.

Section 4. Force Majeure. In the event any party hereunder fails to satisfy a requirement imposed by this Article X or the Gated Community Provisions in a timely manner, due to a hurricane, flood, tornado or other Act of God or force majeure, then said party should not be in default hereunder. However, this provision is applicable to the timing of such repairs/improvements. The ultimate responsibility for construction and maintenance as set forth in this Article X or the Gated Community Provisions in this Declaration is not altered by this provision.

Section 5. Records and Audits.

A. The Association shall maintain all books, documents, paper and other evidence pertaining to the Special Reserve Account required hereunder and the engineering inspection reports required pursuant to this Agreement.

B. Such records shall be available at the Associations offices at all reasonable times hereafter, for audit or inspection by the County or other duly authorized representatives.

ARTICLE XI

Remedies

Section 1. Violations. Whenever there shall have been built, or there shall exist on any Lot, any structure, building, thing or condition which is in violation of this Declaration, the Association shall have the right, but not the obligation, to enter upon the property where such violation exists and summarily to abate and remove the same all at the expense of the Owner of such property, which expense shall become an individual assessment and shall be payable by such Owner to the Association as herein provided. Such entry and abatement or removal shall not be deemed a trespass or make the Association liable in any way to any person, firm, corporation or other entity for any damages on account thereof.

ARTICLE XII

General Provisions

Section 1. Approvals. Wherever in the Declaration the consent or approval of Declarant is required to be obtained, no action requiring such consent or approval shall be commenced or undertaken until and after a request in writing seeking the required approval has been submitted to and approved in writing by Declarant. In the event Declarant fails to act on any such written request within thirty (30) days after the same has been submitted to Declarant as required above, the consent or approval of Declarant to the particular action sought in such written request shall be conclusively and irrefutably presumed. However, no action shall be taken by or on behalf of the person or persons submitting such written request which violates any of the provisions of the Declaration.

Section 2. Assignments. Declarant shall have the sole and exclusive right at any time to transfer and assign to any person, firm or corporation, including, but not limited to, the Association, any or all rights, powers, easements, privileges, authorities and reservations given to or reserved by Declarant by any part or paragraph of the Declaration or under the provisions of the Plat. If at any time hereafter there shall be no person, firm or corporation entitled to exercise the rights, powers, easements, privileges, authorities and reservations given to or reserved by Declarant under the provisions hereof, the same shall be vested in and be exercised by a committee to be elected or appointed by the Owners of a majority of the Lots. Nothing herein contained,

however, shall be construed as conferring any rights, powers, easements, privileges, authorities or reservations in such a committee, except in the event aforesaid. None of the provisions of this section shall apply to or affect the provisions of Article III.

Section 3. Declarant's Rights. Except as otherwise provided in Section 3 (e) and 3 (f) below, prior to turnover of control as provided for in Article III, Declarant reserves and shall have the sole and exclusive right:

(a) To modify and amend this Declaration without acquiring the approval or joinder of any other Owner or mortgagee. Provided, however, nothing contained herein shall be construed to allow Declarant to amend Article X or the Gated Community Provisions without the consent of the County.

(b) To amend, modify or grant exceptions or variances from any of the use restrictions set forth in Article VII of this Declaration without notice to or approval by other Owners or mortgagees. All amendments, modifications, exceptions or variances increasing or reducing the minimum square footage of dwellings, pertaining to fence size, or pertaining to the location of structures on a Lot shall be conclusively deemed to be within the authority and right of the Declarant under this subsection.

(c) To amend the Declaration for the purpose of curing any error or ambiguity in or any inconsistency between the provisions contained herein without acquiring the approval or joinder of any other Owner or mortgagee.

(d) To include in any contract, deed, sublease agreement or other instrument hereafter made any additional covenants and restrictions applicable to the Declaration Property which do not lower the standards of this Declaration.

(e) So long as Declarant owns any portion of the Declaration Property, Declarant shall have the sole and exclusive right to cause additional lands to become subjected to this Declaration, which additions may be made whenever the Declarant in its sole discretion deems appropriate. Specifically, without limiting the generality of this provision, the Declarant intends to, but is in no manner obligated to, cause the additional lands described on Exhibit D to be subjected to this Declaration as provided herein. Any such additional lands that may be subjected to this Declaration may be of any size and contain any number of Lots, along with any common areas deemed appropriate as determined solely by Declarant. Declarant shall have no obligation to cause any additional lands to be subject to this Declaration. The additions authorized hereunder shall be made by Declarant's filing of record a Supplemental Declaration of Covenants, Conditions, Restrictions, Easements and Reservations which shall extend the

scheme of the covenants, conditions, restrictions, easements and reservations of this Declaration to the real property described in any such Supplemental Declaration(s). Such Supplemental Declaration(s) shall be made by the Declarant and shall not require consent of any Owner, Member, mortgagee of a Lot, or the Association. Such Supplemental Declaration may contain such additions and modifications of the covenants, conditions, restrictions, easements and reservations contained in this Declaration as may be necessary to reflect the different character, if any, of the additional lands being subjected to this Declaration. The Owner of each Lot in any additional lands subjected to this Declaration shall become a Member of the Association when the Supplemental Declaration is recorded in the Public Records of Orange County, Florida, submitting the additional lands in which the Lot is located to the terms of this Declaration; and, at that time the Owner may exercise all rights of a Member of the Association, including the right to vote, and shall become subject to the terms and conditions of this Declaration as provided in the Supplemental Declaration, including such obligations as payment of assessments.

(f) Notwithstanding anything contained herein to the contrary in this Declaration, the Articles of Incorporation or Bylaws, the Declarant shall be entitled to use any unsold Lot as an aide in selling Lots or as a sales office, construction office, or parking lot, and shall further be allowed to place on the Declaration Property signs advertising the sale of Lots, construction trailers and sales trailers. The Declarant shall further have the right to complete construction of all improvements to the Common Area contemplated by its development plan and to transact, on the Declaration Property, any business to consummate the sale of Lots, and all sales office and model furniture shall not be considered Association property and shall remain the property of the Declarant.

Section 4. Additional Covenants. No Owner, without the prior written approval of Declarant or the Association as successors to the Declarant, may impose any additional covenants or restrictions on any part of the Declaration Property.

Section 5. Amendment and Termination.

A. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded unless within such time one hundred per cent (100%) of the Owners execute a written instrument declaring the termination of this Declaration (as it may have been amended from time to time). After such thirty (30) year period, the covenants and restrictions of this Declaration shall be automatically extended for successive periods of ten (10) years each, unless within six (6) months prior to the commencement of any extension period, an instrument in writing executed by the Owners

representing seventy-five percent (75%) of the votes has been recorded in the Public Records of the County. Any termination of this Declaration shall be effective on the date the instrument of termination is recorded in the Public Records of the County, provided, however, that any such instrument, in order to be effective, must be approved in writing and signed by Declarant, so long as the Declarant owns any Lot or holds any mortgages encumbering on Lot.

B. This Declaration may be amended upon the approval of not less than two-thirds (2/3) of the Owners, except that if any provision of this Declaration requires more than a two-thirds (2/3) vote of the Owners to approve any actions, such provision may not be amended to require a lesser vote, and may not be deleted, without the same number of votes required to approve such action. In addition, so long as Declarant, owns any portion of the Declaration Property, this Declaration may be amended from time to time, by Declarant and without the consent of the Association or any Owner, and no amendment may be made by the Owners without the written joinder of Declarant. Such right of Declarant to amend this Declaration shall specifically include, but shall not be limited to (i) amendments adding other property as provided in Section 3(e) of this Article XII above, and (ii) amendments required by any Institutional Mortgagee or governmental authority in order to comply with the requirements of same. In order to be effective, any amendment to this Declaration must first be recorded in the public records of the County, and in the case of an amendment made by the Owners, such amendment shall contain a certification by the President and Secretary of the Association that the amendment was duly adopted.

C. Notwithstanding anything contained in this Section 5 to the contrary, amendments to this Declaration, or the Articles or Bylaws, must be approved by not less than two-thirds (2/3) of the votes of the Owners and by Institutional Mortgagees who hold mortgages encumbering at least half of the Lots that are subject to mortgages held by Institutional Mortgagees, if the amendments materially change any of the provisions of this Declaration, or the Articles or Bylaws, relating to the following: (i) voting rights, (ii) assessments, assessment liens, or the priority of assessment liens, (iii) reserves for maintenance, repair and replacement of Common Areas, (iv) responsibility for maintenance and repairs, (v) reallocation of interests in the Common Areas or rights to their use, (vi) the addition or withdrawal of any real property from the Common Areas or other Declaration Property, except as set forth in Section 3(e) and Section 5(b) of this Article XII above. This provision (vi) of Section 5 does not apply to and is in no way intended to limit Declarant's rights as set forth in Section 3(e) and 5(b) of this Article XII above, (vii) insurance or fidelity bonds, (viii) leasing of homes on Lots, (ix) imposition of any restrictions on an owner's right to sell or transfer his Lot, (x)

any provisions that expressly benefit mortgage holders, insurers or guarantors.

Section 6. Amendments Relating to Gated Community.
Article X of this Declaration and the Gated Community Provisions may not be amended without the prior approval of the County.

Section 7. Enforcement. The Association or any Owner shall have the right to enforce, by proceeding at law or in equity, whether in an action for damages, injunctive relief or both, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. The remedies contained in this section shall be cumulative of all other remedies provided in the Declaration and legally available. Failure by the Association or by an Owner to enforce any covenant or restriction herein contained however long continued, shall in no event be deemed a waiver of the right to do so thereafter. Should the Association find it necessary to employ an attorney or institute legal action against any Owner to enforce any provision hereof, the Owner shall pay all costs in connection with such action, including court costs and reasonable attorneys' fees for pretrial, trial, and appellate proceedings. In addition to the enforcement provisions provided herein, the Association is hereby granted an easement over the Lot of each Owner for the purpose of enforcing the provisions herein, and may go upon the Lot of said Owner to remove or repair any violations of these provisions. In the event that the Association, after notice to the Owner of any violation and the Owner's failure to cure the same, does in fact exercise its right to cure violations, all costs incident to said action by the Association shall become an individual assessment and the personal obligation of the Owner. Additionally, without in any way limiting the foregoing, the Association may suspend for a reasonable period of time, the rights of a member or a member's tenants, guest, or invitees, or both, to use common areas and facilities and may levy reasonable fines, not to exceed \$50 per violation, against any member or any tenant, guest, or invitee. A fine or suspension may not be imposed without notice of at least 14 days to the person sought to be fined or suspended and an opportunity for a hearing before a committee of at least three members appointed by the Board who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother, or sister of an officer, director, or employee. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed.

Section 8. Severability. Invalidity of any one of these covenants or restrictions by court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 9. Paragraph Headings. The paragraph headings contained in this Declaration are for reference purposes only and

shall not in any way affect the meaning, content or interpretation hereof.

Section 10. Conflicts. In the case of any conflict between the Declaration, the Articles of Incorporation of the Association or the Bylaws of the Association, the Declaration shall control.

Section 11. Underground Wires. No lines or wires for communication or the transmission of electrical current shall be constructed, placed or permitted to be placed on Declaration Property unless the same shall be underground, or unless specifically permitted in writing by the ARC.

Section 12. Cablevision. The Declarant (or its successor or assigns) shall have the right to install a cablevision system providing cablevision entertainment, business and safety services. In connection with the installation, maintenance and operation of such systems the Declarant reserves access, installation and service easements over, across and under Common Property and all Lots necessary to provide such cablevision services to all Members; provided, however, such easements shall be reasonably located by the Declarant so as to not unreasonably impair the value of use of any Lot.

Section 13. Stormwater. The County has required Declarant to install a storm water drainage and retention system within the boundaries of the Declaration Property. No structure, fence or landscaping that interferes with the flow or retention of storm water shall be permitted and no refuse shall be placed upon or allowed to remain on any part of any Lot within any easement area for storm water drainage or retention, and the storm water drainage and retention areas, including drainage swales or retention ponds, shall not be filled or otherwise changed so as to alter or block the flow or the quantity of water. Owners of Lots within which any easement for storm water drainage or retention lines are located shall be responsible for the maintenance of such areas to permit the flow and retention of water in accordance with the storm water drainage and retention system plan required and approved by the County. If any Owner shall fail to comply with any part or all of the restrictions contained in this Section, the Association shall notify the Owner in writing, shall have the right to correct such failure to comply herewith, and to assess and collect the cost thereof and shall have a lien upon the Lot upon which the work was performed.

Section 14. Time Shares. No Lot or improvement thereon shall be owned or used in multiple or time share ownership requiring registration pursuant to the provisions of Chapter 721 of the Florida Statutes, as amended from time to time, unless approved in writing by Declarant.

Section 15. Common Area Agreements. The Association shall have the specific power to enter into agreements with Declarant, its successors or assigns, respecting the joint use and/or maintenance of Common Areas.

Section 16. FHA/VA Approval. If any mortgage encumbering any Lot is guaranteed or insured by the Federal Housing Administration or by the Veterans Administration, then upon written demand to the Association by either such agency, the following action, if made by Declarant or if made prior to the completion of 75% of the Lots which may be built within the Declaration Property, must be approved by either such agency: (i) any annexation of additional property; (ii) any mortgage, transfer or dedication of any Common Area; (iii) any merger, consolidation or dissolution of the Association; and, (iv) any amendment to this Declaration, the Articles or the Bylaws, if such amendment materially and adversely affects the Owners or materially and adversely affects the general scheme of development created by this Declaration. However, such approval shall specifically not be required where the amendment is made to add any property specifically identified in this Declaration, or to correct errors or omissions, or is required to comply with the requirements of any Institutional Mortgagee, or is required by any governmental authority. Such approval shall be deemed given if either agency fails to deliver written notice of its disapproval of any such action to Declarant or to the Association within twenty (20) days after a request for such approval is delivered to the agency by certified mail, return receipt requested, or equivalent delivery, and such approval may be conclusively evidenced by a certificate of Declarant or the Association that the approval was given or deemed given.

Section 17. Easement and Maintenance of Offsite Stormwater Retention Pond. Existing is an Easement and Agreement relating to Stormwater Retention Ponds and Drainage in favor of Dr. Phillips, Inc., a Florida corporation ("Phillips"), dated August 31, 1995, and recorded in Official Records Book 4939, Page 3077 of the Public Records of Orange County, Florida ("Easement Agreement"), the obligations and provisions of which are incorporated into this Declaration and are the obligations of the Association. Specifically, the Easement and Agreement provides that an easement exists in favor of Phillips to continue the drainage from Dr. Phillips' Surrounding Properties and Cypress Point Drive into the Retention Pond Property. The Retention Pond Property is Tract "C", CYPRESS POINT, according to the Plat thereof, as recorded in Plat Book 26, Page 74 and 75, Public Records of Orange County, Florida ("Cypress Plat"). The Surrounding Properties are those properties owned by Dr. Phillips from which drainage flows into the Retention Pond Property, and which are located south of Tracts "B" and "C" of the Cypress Plat, and south and east of Tract "D". The Association shall maintain the Retention Pond Property in a reasonable manner, which shall be defined as periodic grass-cutting and clearing for aesthetic

purposes of the Retention Pond Property in a manner consistent with the Association grass-cutting and clearing maintenance of retention ponds that are a part of the Common Areas, without abrogating or assuming in any way the County's ownership of and maintenance responsibilities with respect to the Retention Pond Property.

ARTICLE XIII

Turnover

Section 1. Time and Procedure. The Turnover of the Association by the Declarant shall occur upon the events specified in Article III, section 2, hereof, and in the time, manner and subject to the qualifications set forth in the Bylaws.

Section 2. Declarant's Rights. Declarant shall have the right to appoint one (1) member of the Board so long as Declarant holds for sale in the ordinary course of business at least five (5%) percent of the Lots in the Declaration Property, as intended to be or as amended from time to time.

ARTICLE XIV

~~Special Provisions Regarding Institutional Lenders~~

Section 1. Notice of Action. Upon written request to the Association by an Institutional Mortgagee holding, insuring or guaranteeing a first mortgage encumbering any Lot, identifying the name and address of the holder, insurer or guarantor and the Lot number or address, any such holder, insurer or guarantor will be entitled to timely written notice of:

(a) Any condemnation or casualty loss which affects a material portion of the Declaration Property or the Lot;

(b) Any sixty (60) day default in the payment of Assessments or charges owed to the Association or in the performance of any obligation hereunder by the Owner of the Lot;

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

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

Section 2. Consent of Institutional Mortgagees. Whenever the consent or approval of any, all or a specified percentage or portion of the holder(s) of any mortgage(s) encumbering any Lots is required by this Declaration, the Articles, the Bylaws, or any applicable statute or law, to any amendment of the Declaration, the Articles or the Bylaws, or to any action of

the Association, or to any other matter relating to the Declaration Property, the Association may request such consent or approval of such holder(s) by written request sent certified mail, return receipt requested or equivalent delivery evidencing such request was delivered to and received by such holder(s). Any holder receiving such request shall be required to consent to or disapprove the matter for which the consent or approval is requested, in writing, by certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by the Association), which response must be received by the Association within thirty (30) days after the holder receives such request, and if such response is not timely received by the Association, the holder shall be deemed to have consented to and approved the matter for which such approval or consent was requested. Such consent or approval given or deemed to have been given, where required, may be evidenced by an affidavit signed by all of the directors of the Association, which affidavit, where necessary may be recorded in the public records of the county where the Declaration Property is located, and which affidavit shall be conclusive evidence that the applicable consent or approval was given as to the matters therein contained, The foregoing shall not apply where an Institutional Mortgagee is otherwise required to specifically join in an amendment to this Declaration.

Section 3. Payment of Taxes and Insurance. Any Institutional Mortgagee may pay any taxes or assessments owed to any governmental authority by the Association which are in default, or any overdue insurance premiums required to be purchased by the Association pursuant to this Declaration, or may secure new insurance upon the lapse of a policy, and shall be owed immediate reimbursement therefor from the Association plus interest at the highest rate permitted by law and any costs of collection, including attorneys' fees.

IN WITNESS WHEREOF, Declarant has caused this instrument to be duly executed the date and year indicated.

(SIGNATURE PAGE TO FOLLOW)

WITNESSES:

Jay A. Taplin

Alina M. Soto

DECLARANT:

CYPRESS RESERVE ASSOCIATES LIMITED
PARTNERSHIP, a Delaware Limited
Partnership

By: The Reserve at Cypress Point,
Inc., a Florida corporation,
general partner

By: George E. McArdle
George E. McArdle, President
101 N.W. 72nd Avenue
Plantation, Florida 33317

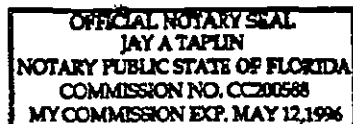
STATE OF FLORIDA)
) SS.
COUNTY OF DADE)

BEFORE ME, the undersigned authority, personally appeared George E. McArdle, President of The Reserve at Cypress Point, Inc., a Florida corporation, General Partner of Cypress Reserve Associates Limited Partnership, a Delaware Limited Partnership, to me known to be the person who signed the foregoing instrument as President of The Reserve at Cypress Point, Inc. and acknowledged the execution thereof to be his free act and deed as President for the uses and purposes therein mentioned.

WITNESS my hand and official seal at Coral Gables in
the County of Dade, State of Florida, this 6th
day of MARCH, 19 96.

Notary Public

My commission expires:



NON-RECOURSE CONSENT OF MORTGAGEE AND
SUBORDINATION OF MORTGAGES, ASSIGNMENT OF RENTS AND FINANCING STATEMENTS

WHEREAS, Declarant by two (2) Mortgages and Security Agreements dated November 17, 1995, and filed for record on November 22, 1995, mortgaged unto Ohio Savings Bank, F.S.B., a federal savings bank, 1801 East Ninth Street, Cleveland, Ohio 44114 ("Mortgagee") the premises therein particularly described (the "Property") to secure the payment of the sums described therein, which mortgages were recorded in Official Records Book 4977, Pages 3512 and 3554, of the Public Records of Orange County, Florida (the "Mortgages"); and

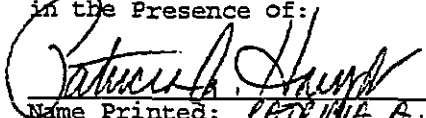
WHEREAS, Declarant by an Assignment of Rents and Leases and Agreements Affecting Real Estate, dated November 17, 1995, and filed for record on November 22, 1995, assigned unto Mortgagee all of its right, title and interest in and to any and all agreements relating to the Property (the "Assignment"), which Assignment was recorded in Official Records Book 4977, Page 3539, of the Public Records of Broward County, Florida; and

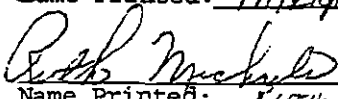
WHEREAS, Declarant as Debtor executed and delivered to Mortgagee as Secured Party two (2) UCC-1 Financing Statements which were filed for record on November 22, 1995 (the "Financing Statements"), and recorded in Official Records Book 4977, Pages 3550 and 3582, of the Public Records of Broward County, Florida;

NOW, THEREFORE, Mortgagee, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration paid by Mortgagor, the receipt of which is hereby acknowledged, hereby accepts, approves and consents to and subordinates the lien, operation and effect of the Mortgages, Assignment and Financing Statements (the "Loan Documents") to the foregoing Declaration of Covenants, Conditions, Restrictions, Easements and Reservations for The Reserve at Cypress Point (the "Declaration") with the identical effect as though the Declaration had been executed, delivered and recorded prior to the filing for record of the Loan Documents, but without in any manner releasing, satisfying or discharging the Loan Documents or in any way impairing, altering or diminishing the effect of any lien, encumbrance, security interest or other interest created by or related to the Loan Documents or any rights or remedies of Mortgagee under or with respect to the Loan Documents; provided, however, Mortgagee does not assume and is not responsible for any of the obligations and liabilities of the Declarant, and none of the representations and warranties contained in the Declaration shall be deemed to have been made by Mortgagee or impose any obligation on Mortgagee, but all rights, benefits and privileges in favor of Mortgagor shall inure to the benefit of Mortgagee or a receiver or third-party purchaser in the event of foreclosure or a deed given in lieu of foreclosure in the event Mortgagee shall ever succeed to the Mortgagor's interest in the Property or any part thereof. Nothing contained herein shall in any way restrict or limit any rights, benefits and privileges in favor of Mortgagee as an "Institutional Mortgagee" as defined in the Declaration or otherwise whether now or hereafter existing.


Signed this 4TH day of March, 1996.

Signed and Acknowledged
in the Presence of:


Name Printed: PATRICIA A. HEBERT

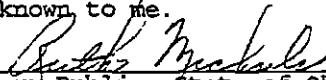

Name Printed: RUTH MICHAELS

OHIO SAVINGS BANK, F.S.B.,
a federal savings bank

By: 
Title: Senior Vice President
Name Printed: Frank J. Bologna

STATE OF OHIO)
)
COUNTY OF CUYAHOGA)

Before me, a Notary Public in and for said County and State, on this 4TH day of March, 1996, personally appeared the above-named Ohio Savings Bank, F.S.B., a federal savings bank, by Frank J. Bolognia, its Senior Vice President, who acknowledged to me that he did sign the foregoing instrument on behalf of said bank and that the same was his free act and deed, individually and as such officer. Frank J. Bolognia is personally known to me.



Notary Public, State of Ohio
Name Printed: _____
My Commission Expires: _____

RUTH MICHAELS
Notary Public, State of Ohio
My Comm. expires 3/28/96



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EXHIBIT A

LEGAL DESCRIPTION

Tract D, CYPRESS POINT, according to the Plat thereof, as recorded in Plat Book 26, Pages 74 and 75, of the Public Records of Orange County, Florida.

2017

EXHIBIT D

Tract A, CYPRESS POINT, according to the Plat thereof, as recorded in Plat Book 26, Pages 74 and 75 of the Public Records of Orange County, Florida.

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