

Cypress Island Standard Owner Addendum to Construction and Contractor Regulations

The Owner(s) named below sign(s) and Cypress Island Property Owners Association, Inc. ("POA") enter into this Standard Addendum ("Addendum") as required by the Construction and Contractor Regulations ("CCRR") for Cypress Island as of the date first written below. The parties hereto agree as follows:

A. On _____, 20____ the ARB approved the Owner's Request for Architectural Modifications and Improvements subject to any conditions of approval stated therein ("ARB Approval").

B. On _____, 20____, the Owner and Owner's Contractor agreed, in writing, to comply with the CCRR.

C. The CCRR require that the Owner enter into this Addendum because the Owner's request to the ARB involves any and all of the following (check as applicable)(refer to CCRR for defined terms):

- (1) _____ major interior renovation (as determined by the ARB);
- (2) _____ teardown of existing Improvements;
- (3) _____ construction of a new home;
- (4) _____ addition to an existing home;
- (5) _____ Work involving the roof of an existing home;
- (6) _____ Work involving more than \$__**20,000 or as determined by the ARB **?? in Improvements

D. The Owner's ARB Approval provides a projected Commencement Date of _____ 20____ and a Completion Date of _____ 20____ for the Work ("Completion Date"). The Property which is the subject of the ARB Approval is located at _____ (the "Property").

E. The following terms and conditions shall supplement the CCRR, the ARB Approval and the Declaration of Covenants and Restrictions, as amended, and related documents for the POA ("Governing Documents") all of which are incorporated herein by reference:

1. **Completion Date.** Owner will complete the Work by the Completion Date unless such Completion Date is otherwise extended by the ARB. The Owner shall apply for and obtain ARB approval of any requested extension of the Completion Date prior to the expiration of the original Completion Date set forth above.

2. **Cash Security Deposit.** Owner shall deliver to the POA a cash security deposit in the amount of \$_____ at the time of signing this Addendum. Said deposit is refundable, less the cost to restore or repair any damage caused to the POA's Common Property arising from or associated with the Work. In addition, Owner agrees that the POA may deduct from said cash security deposit the following:

- (a) payments for any services retained by the POA to provide oversight or inspection of the Work, including reasonable attorney's fees and costs incurred by the Association related to or involving this Addendum;
- (b) any Individual Assessment imposed by the ARB or POA under its Governing Documents in the event of a default by the Owner under this Addendum, and
- (c) any liquidated damages incurred (\$100.00/day) as set forth in Paragraph 3 below if the Work is not completed by Completion Date defined in Paragraph D unless otherwise extended by the ARB as provided in Paragraph E(1).

The POA shall account to the Owner for all deductions made from the cash security deposit as permitted by this Paragraph. Any balance remaining from this deposit shall be returned to the Owner within _____ days following a final inspection of the Work by the POA and/or ARB.

3. **Liquidated Damages:** Owner and the POA acknowledge and agree that time is of the essence in this Addendum and that the POA will suffer financial loss and the individual unit owners and residents in Cypress Island will suffer inconvenience and loss if the Work is not done by the Completion Date plus any extensions thereof as may be approved by the ARB. Owner and the POA also recognize and acknowledge the delays, expense and difficulties involved in proving in a legal proceeding or other type of dispute resolution the actual loss suffered by the POA and/or inconveniences and losses suffered by unit owners and residents of Cypress Island if the Work is not completed on time. Accordingly, and instead of requiring such

proof of damages, Owner and the POA expressly agree that as liquidated damages, and not as a penalty or fine, for failure to complete the Work within the time specified in this Addendum, Owner shall be liable for and shall pay to the POA One Hundred Dollars (\$100.00) for each calendar day that expires after the Completion Date until such time that the Work is completed.

4. **Remedies if Owner Defaults.** In the event that Owner or any of Owner's agents, employees, contractors, or its subcontractors, fail to comply with the terms and conditions of this Addendum including the ARB Approval and CCR or the terms and conditions of the Governing Documents for the POA then such failure shall be considered a violation hereunder and the ARB and POA shall have all rights and remedies available to it under its Governing Documents to address or cure such violation. Such rights and remedies may be exercised cumulatively by the POA and may include, as applicable, without limitation, the following:

- (a) POA's right to cause the Owner to remove or reconstruct any non-complying improvements upon demand so that the improvements comply with the ARB Approval;
- (b) POA's right to hold the Owner liable for the payment of all costs of any such removal or reconstruction including all costs and attorneys' fees incurred by the POA and to impose an Individual Assessment against the Owner for such costs;
- (c) POA's right to foreclose against the Property for any Individual Assessment that remains unpaid;
- (d) POA's or ARB's rights to bring legal action to enforce the terms and conditions of this Addendum, the CCR, ARB Approval or the POA's Governing Documents against the Owner and to recover its court costs, expenses and attorneys' fees and to recover both the ARB and POA's attorneys fees if the POA is the prevailing party in such legal action; and
- (d) POA's right to record in the Palm Beach County Public Records a Certificate of Disapproval against the Property setting forth the details of any non-compliance of the Work with the ARB Approval.

5. **Termination Upon Death, Sale or Transfer.** To the fullest extent permitted by law or the Governing Documents, in the event of the sale, devise, or other transfer of the Property, this Addendum shall automatically terminate and shall thereupon be canceled and become of no further force and effect unless the POA, in the POA's sole discretion, agrees to an assignment of this Addendum by the Owner or legal representative of a deceased Owner to a new owner or other transferee of the Property. If the Work permitted under this Addendum has not been completed, then, in no event, shall any sale or transfer be made by the Owner or representative of a deceased Owner, which affects the safety or soundness of the Property or other property within Cypress Island.

6. **Liability Insurance.** Owner agrees to require the Contractor to list the POA, its successors and/or assigns as their interest may appear, as an additional insured on Contractor's comprehensive liability policy in the minimum coverage amounts provided by the CCRR until the Work is completed, and to provide evidence of such coverage to the POA prior to the commencement of the Work.

7. The parties acknowledge and agree that this Addendum is an independent binding agreement supported by adequate consideration and is fair and reasonable. The parties further acknowledge and agree that each party has carefully reviewed this Addendum and is entering into same freely. Accordingly, this Addendum shall not be more strictly construed against either party.

IN WITNESS WHEREOF, Owner and the POA have respectively signed this Addendum as of the day and year first written below.

Cypress Island Property Owners Association, Inc.

By: _____
Print Name: _____
Its: _____
Date: _____

Owner: _____
Print Name: _____
Date: _____

Owner: _____
Print Name: _____
Date: _____