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DECLARATION OF COVENANTS AND RESTRICTIONS

ARTICLE 1. DEFINITIONS

Section 1. The following words, when used in this Declaration or any Declaration (unless the context shall prohibit), shall have the following meanings:

(a) "Association" shall mean and refer to VERO BEACH HIGHLANDS PROPERTY OWNERS' ASSOCIATION, INC.

(b) "The Properties" shall mean and refer to all such existing properties, and additions thereto, as are subject to this Declaration or any Supplemental Declaration under the provisions of Article II hereof.

(c) "Common Properties" shall mean and refer to those areas of land shown, described in this Declaration and intended to be devoted to the common use and enjoyment of the owners of The Properties, as more fully described on Schedule "B" attached hereto.

(d) "Lot" shall mean and refer to any plot of land which is presently shown upon any recorded subdivision map of The Properties, or which may hereafter be platted or otherwise created, with the exception of Common Properties as heretofore defined.

(e) "Living Unit" shall mean and refer to any portion of a building situated upon The Properties designed and intended for use and occupancy as a residence by a single family.

(f) "Multifamily Structure" shall mean and refer to any building containing two or more Living Units under one roof except when such Living Unit is situated upon its own individual Lot, such as cluster homes.

(g) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit but notwithstanding any applicable theory concerning a mortgage encumbering any Lot or Living Unit, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(h) "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article III, Section 1 hereof.

(i) "Bounded Development" shall mean and refer to that portion of The Properties, inclusive of Lots, which constitutes most of VERO BEACH HIGHLANDS and which is designated as such on a new Schedule "E" attached hereto and made a part of the Amended Declaration."

(j) "Non-Bounded Development Lots" shall mean and refer to those Lots which comprise VERO BEACH HIGHLANDS pursuant to the Revised Schedule "A" attached hereto and made a part of the Amended Declaration, but which are situated outside of the BOUNDED DEVELOPMENT as defined hereinabove.

(k) "Club Member(s)" shall mean and refer to all Lots and Record Owner(s) thereof which are not referenced in Schedule "A" to this Declaration, and which are referred to as Club Members under Article III-A, Section 2 below. In any event, same shall specifically include the following Lots situated within Indian River County, Florida:

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- | | |
|----------------------------|-----------------------------|
| 1. Lot 23, Block 28, | Vero Beach Highlands Unit 2 |
| 2. Lot 6, Block 29, | Vero Beach Highlands Unit 2 |
| 3. Lot 25, Block 29, | Vero Beach Highlands Unit 2 |
| 4. Lot 12, Block 30, | Vero Beach Highlands Unit 2 |
| 5. Lot 13, Block 31, | Vero Beach Highlands Unit 2 |
| 6. Lot 11, Block 32, | Vero Beach Highlands Unit 2 |
| 7. Lot 15, Block 32, | Vero Beach Highlands Unit 2 |
| 8. Lot 10, Block 65, | Vero Beach Highlands Unit 2 |
| 9. Lot 11, Block 65, | Vero Beach Highlands Unit 2 |
| 10. Lot 14,(13A) Block 65, | Vero Beach Highlands Unit 2 |
| 11. Lot 14, Block 65, | Vero Beach Highlands Unit 2 |
| 12. Lot 15, Block 65, | Vero Beach Highlands Unit 2 |
| 13. Lot 1, Block 153, | Vero Beach Highland Unit 4 |
| 14. Lot 10, Block 9, | Vero Beach Highlands Unit 1 |
| 15. Lot 26, Block 28, | Vero Beach Highlands Unit 2 |
| 16. Lot 15, Block 29, | Vero Beach Highlands Unit 2 |
| 17. Lot 16, Block 32, | Vero Beach Highlands Unit 2 |
| 18. Lot 7, Block 45, | Vero Beach Highlands Unit 5 |
| 19. Lot 15, Block 47, | Vero Beach Highlands Unit 5 |
| 20. Lot 16, Block 58, | Vero Beach Highlands Unit 2 |
| 21. Lot 19, Block 66, | Vero Beach Highlands Unit 2 |
| 22. Lot 4, Block 73, | Vero Beach Highlands Unit 2 |
| 23. Lot 5, Block 75, | Vero Beach Highlands Unit 3 |
| 24. Lot 13, Block 90, | Vero Beach Highlands Unit 5 |
| 25. Lot 20, Block 111, | Vero Beach Highlands Unit 5 |
| 26. Lot 20, Block 119, | Vero Beach Highlands Unit 4 |
| 27. Lot 10, Block 132, | Vero Beach Highlands Unit 4 |
| 28. Lot 6, Block 140, | Vero Beach Highlands Unit 4 |
| 29. Lot 18, Block 156, | Vero Beach Highlands Unit 4 |
- Until said Lots are added to the jurisdiction of the Declaration and the Association pursuant to Article II, Section 3(a)(i) below.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION:
ADDITION AND REMOVAL OF LOTS:

Section 1. Existing Property. The real property which is, and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration is located in Indian River County, Florida, and is more particularly described in the Declaration of Covenants and Restrictions as particularly described in the Declaration of Covenants and Restrictions as amended prior to 1986; and the Amendment to Amended Declaration of Covenants and Restrictions as recorded in Official Record Book 0816, Page 0636 of the Public Records of Indian River County, Florida; and the Amendment to Amended Declaration of Covenants and Restrictions as recorded in Official Record Book 0816 Page 0639 of the

Public Records of Indian River County, Florida; and that scrivener's error correction to Schedule "A" of the Declaration of Covenants and Restrictions as recorded in Official Record Book 0816, Page 0644 of the Public Records of Indian River County, Florida. Said real property shall hereinafter be referred to as "The Properties", and is summarized on Revised Schedule "A" which is attached to this Amendment and made a part of the Amended Declaration." of Covenants and Restrictions as recorded in Official Record Book 0816, Page 0644 of the Public Records of Indian River County, Florida. Said real property shall hereinafter be referred to as "The Properties", and is summarized on Revised Schedule "A" which is attached to this Amendment and made a part of the Amended Declaration."

Section 2. Common Properties. The real property described in Schedule "B" to the Declaration as amended through 1985, and as modified by that Amendment to Amended Declaration of Covenants and Restrictions as recorded in Official Record Book 0816, Page 0639, of the Public Records of Indian River County, Florida, shall be referred to as "Common Properties" and is summarized on revised schedule B attached, and shall be dedicated as recreational and/or park areas and for ingress and egress and for drainage. The use of said common properties shall be restricted and devoted to the use and enjoyment of the owners of 'the properties' as here in defined, as well as for the use and enjoyment of CLUB MEMBERS as is provided in this Declaration. PROVISIO. Notwithstanding the foregoing to the contrary, the use of the ballfields which are part of the Common Properties shall also be subject to those uses and provisions detailed in new Article XII of this Declaration.

Section 3. Additions to Existing Property. Additional land may become subject to this Declaration in the following manner:

(a) Additions. Upon approval in writing of the Association pursuant to a vote of two-thirds of those Owners present in person and by proxy at an Owners' Meeting, the owner of any property who desires to add to the scheme of this Declaration and to subject it to the jurisdiction of the Association may file or record a Supplemental Declaration of Restrictions.

(i) PROVISIO. Notwithstanding the foregoing and any other provision in the Declaration of Covenants and Restrictions to the contrary, the following procedure shall apply for the addition of Lots within the BOUNDED DEVELOPMENT as defined in Article 1, Section 1 (i): The document attached hereto and made a part hereof as Schedule "F" shall be fully executed by the Owner(s) of the Lot in question and recorded in the Public Records of Indian River County, Florida. Approval of a majority of the full Board of Directors is required as the Association's consent to the addition of the Lot; the vote of the Lot Owners and the Developer shall not be required. Proper approval by the Association shall be evidenced by the Association's execution of the acceptance in the Certificate of Amendment (Schedule "F"). The Amendment shall be effective upon recording thereof in the Public Records of Indian River County, Florida. The Owner(s) of the Lot must pay to the Association, the prorated Annual and any Special Assessments due and owing (prorated from the date of the Owner(s)' execution of the Certificate of Amendment (Schedule "F")); payment of same shall be a condition precedent to the

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Association's consent to the addition of the Lot to the Declaration of Covenants and Restrictions."

(b) Mergers. Upon a merger or consolidation of the Association with another association as provided for in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be added to the real and personal property, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration except as may be otherwise provided in this Declaration.

Section 4 and Schedule G--Removed in its entirety. Amendment adopted by members of the corporation at a meeting duly called for December 05, 2002 at 6:30 PM. Recorded Indian River County OR1565 PG1625

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot or Living Unit which is subject by these covenants of record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

Section 2. Voting Rights. The Association shall have one class of voting membership. A member shall be entitled to one vote for each Lot or Living Unit in which the Member holds an interest required for membership; provided, however, that the voting rights of a Member who is more than 90 days delinquent in the payment of the regular annual assessment shall be automatically suspended until such time as such assessments are brought current. When more than one Owner holds an interest in any Lot or Living Unit, all such Owners shall be Members and the vote for such Lot or Living Unit shall be exercised as they, among themselves, so determine, but in no event shall more than one vote be cast with respect to any such Lot or Living Unit.
such Lot or Living Unit.

Amended Dec. 05/2002-Recorded Indian River County OR 1565 PG1626

Section 3. Turnover. Likewise, upon the happening of this event, or at such earlier date as the Developer may determine, a meeting of members shall be called for the purpose of electing officers and directors, the then officers and directors shall submit their written resignations, the Class A members shall elect their own officers and directors and assume control of the corporation. Provided, however, that so long as General Development Corporation is the owner of one Lot or Living Unit or tract or parcel of land included in the said Properties, it shall be entitled to appoint one member of the Board of Directors, who shall be removable and replaced only by the Developer.

The Developer can turn over control of the Association to members by calling a meeting for the election of any directors prior to the time it owns fewer than 25% of the Lots. in its sole discretion, by causing all of its appointed directors to resign.

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At such time as the Developer's directors resign or the Developer is otherwise obligated to turn over control of the Association or call the first meeting of members for the election of directors, it shall be the affirmative obligation of the members to elect directors and assume control of the Association. Provided at least 30 days notice of Developer's decision to cause its directors to resign or to hold the first meeting for the election of directors is given to members, neither the Developer nor such directors shall be liable in any manner in connection with such resignations even if the members refuse or fail to assume control or to attend such meeting.

Within a reasonable time after members first elect the members of the Board of Directors of the Association (but not more than 30 days after such event), the Developer shall relinquish control of the Association and shall deliver to the Association all property to be owned or controlled by the Association then held by or controlled by the Developer. Notwithstanding the foregoing, the Developer may vote in respect of its Lots at all meetings of members whether annual or special.

Section 4. Quorum. Except as provided in Article V, Sections 5 and 6 hereof, the presence at any regular or special meeting of Members or of proxies, entitled to cast thirty percent (30%) of the eligible votes of members shall constitute a quorum. For any action governed by the Articles of Incorporation or by the By-Laws or Covenants applicable to The Properties, quorum requirements shall be as therein provided.

ARTICLE - III A ADDITIONAL MEMBERS; CLUB MEMBERS AND MEMBERSHIPS

Section 1. ADDITIONAL MEMBERS. Admission of new Lots, and the Owner(s) thereof, situated within the BOUNDED DEVELOPMENT shall be accomplished as provided for in Article II, Section 3(a) of this Declaration. The Record Owner(s) of the Lots so added shall become Class A member(s) of the Association, and subject to all benefits and burdens of all other Class A members in the Association.

Section 2. CLUB MEMBER(S) AND MEMBERSHIPS.

(a) The Association shall be entitled, from time to time, by and through its Board of Directors to create and offer annual memberships to CLUB MEMBER(S). Said Annual Memberships shall be issued only at the discretion of the Board of Directors of the Association, with such dues structure, and providing such benefits and privileges to utilize the recreational facilities of the Association as the Board of Directors deems appropriate from time to time.

(i) Proviso. The CLUB MEMBERSHIP referred to in Section 2 (b)(i) below is automatically conferred without any approval from the Board of Directors.

(b) The following limitations and provisos apply with respect to the foregoing: There shall be two (2) types of CLUB MEMBERS.

(i) The first type of CLUB MEMBERS are those whose Lots are specifically described in the second sentence of Article I, Section 1 (k) of this Declaration. Said CLUB MEMBERS shall have all of the rights as designated and conferred by recorded agreements entitled "Application for Class A Membership to Vero Beach Highlands

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Property Owners' Association, Inc." The Association shall be precluded from abridging any rights therein. Said CLUB MEMBERS shall also be deemed Class A Members of the Association for the duration of their ownership only; and by their successors-in-title upon the addition of those CLUB MEMBERS' Lots to the jurisdiction of this Declaration and to the jurisdiction of the Association, as provided for in Article II, Section 3 (a)(i) above.

(ii) The second type of CLUB MEMBERS are those individuals who own Lots or property outside of the BOUNDED DEVELOPMENT, and the occupants of said Lots. Other than those CLUB MEMBERS referred to in Subsection (i) next hereinabove, no Lot or Record Owner, or occupant of a Lot, situated in the BOUNDED DEVELOPMENT shall be permitted to be a CLUB MEMBER or be permitted to obtain or be issued a CLUB MEMBERSHIP; that is, only Lots or property situated outside of the BOUNDED DEVELOPMENT, and their Owners and occupants, shall be eligible to be such CLUB MEMBERS and eligible to be issued such a CLUB MEMBERSHIP.

ARTICLE IV PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Members Easements of Enjoyment. Subject to the provisions of Section 3, every member subject to assessments as provided in Article V, Section 4 hereof, shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot of Living Unit.

Section 2. Title To Common Properties. The Developer may retain the legal title to the Common properties until such time as it has completed improvements thereon and until such time, as in the opinion of the Developer, the Association is able to maintain the same, but, notwithstanding any provisions herein, the Developer hereby covenants, for itself, its successors and assigns that subject to the foregoing, it shall convey the Common Properties to the Association not later than the date on which control of the Association is turned over to the Class A Members as provided in Article III, Section 2 hereof, free and clear of all liens and encumbrances, except real property taxes for the year in which the conveyance takes place and any easements granted by the Developer pursuant to Section 6 of this Article.

Section 3. Use of Common Properties for Drainage. The common Properties may be used for drainage and the temporary retention of storm water run-off from the Properties and other contiguous property, as well as for open space, recreation, rights of ingress and egress, and other related activities. No structure, planting or other material shall be placed or permitted to remain in the Common Properties which might impair or interfere with the drainage or temporary retention of storm water run-off of The Properties or other contiguous property.

Section 4. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

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(a) The right of the Developer and of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Properties and in aid thereof to mortgage said properties. In the event of a default upon any such mortgage, the lenders' right hereunder shall be limited to a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment by the members, and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied whereupon the possession of such properties shall be returned to the Association and all rights of the members hereunder shall be fully restored; and

(b) the right of the Association to take such steps as are reasonably necessary to protect the above-described properties against foreclosure; and

(c) the right of the Association, as provided in its Articles and Bylaws, to suspend the enjoyments and voting rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and

(d) the right of the Association to charge reasonable admission and other fees for the use of the common Properties; and

(e) the right of individual Members to the exclusive use of parking spaces as provided in Section 5 of this Article; and

(f) the drainage and temporary retention of storm water run-off uses of the Common Properties referred to in Section 3 of this Article; and

(g) the right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members, provided that no such dedication or transfer or determination as to the purposes or as to the conditions hereof, shall be effective unless an instrument signed by the President and Secretary of the Association be recorded, certifying that at a special or regular meeting of members called for such purpose, of which thirty (30) days written notice was sent to each member, a two-thirds (2/3) vote of each Class of members was obtained, either in person or by proxy, agreeing to such dedication or transfer.

Section 5. Parking Rights. The Association may designate and maintain upon the Common Properties certain parking spaces for the exclusive use of the Members, their families and guests. The use of any such parking space by any other person may be enjoined by the Association or the Members entitled thereto. No parking shall be permitted in other than designated parking areas.

Section 6. Utility Easements. There is reserved unto the Developer until the date on which control of the Association is turned over to the Class "A" Members as provided in Article III, Section 2 hereof, the right to grant easements for the installation and maintenance of temporary roads and public utilities on the Common Properties in addition to those already reserved. No such grant shall require the removal or relocation of any improvements existing on the Common Properties on the date of the grant.

Section 7. Party Walls. Each wall which is built as a part of the original construction of a cluster home or a multifamily structure upon the Properties and placed

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on the dividing line between portions of the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(a) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

(b) Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(c) Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(d) Easement. Each unit owner grants to the owners of adjoining units and to the Association an easement over, upon, and across his land for the purpose of performing such maintenance as may be required including, but not limited to repairing party walls, painting and lawn and sprinkler maintenance.

(e) Right to Contribution Runs With Land. The right of any owner to contribute from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

(f) Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one (1) arbitrator, and such arbitrators shall choose one (1) additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Except as hereinafter more fully provided, the Developer, for each Lot or Living Unit owned by it within the Properties, hereby covenants and each Owner of any Lot or Living Unit by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (a) annual assessments or charges; and (b) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

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SCRIVENER'S ERROR CORRECTION TO
VERO BEACH HIGHLANDS PROPERTY OWNER'S ASSOCIATION, INC.
DECLARATION OF COVENANTS AND RESTRICTIONS

Original Document:

VBH DCR Complete 10-22-03.wps Article V, Section 3, Page 14. Date of Commencement of Annual Assessments: as recorded in Indian River County, OR 1565 Pg 1625-1626.

Original as filed:

Section 3. Date of Commencement of Annual Assessments:

Due Dates. The annual assessments provided for herein shall commence on a date (which shall be the first day of a month) fixed by the Board of Directors of the Association herein called the Date of Commencement.

The first annual assessment shall be levied for the balance of the calendar year in which it is imposed, and shall become due and payable on the Date of Commencement. Assessments for any year, after the first year, shall become due and payable in two semiannual payments. The first such payment shall become due and payable on the first day of ~~February~~ of said year and the second such payment shall become due and payable on the first day of ~~August~~ of said year. The amount of the first annual assessment shall be

CORRECTION:

Section 3. Date of Commencement of Annual Assessments:

Due Dates. The annual assessments provided for herein shall commence on a date (which shall be the first day of a month) fixed by the Board of Directors of the Association herein called the Date of Commencement.

The first annual assessment shall be levied for the balance of the calendar year in which it is imposed, and shall become due and payable on the Date of Commencement. Assessments for any year, after the first year, shall become due and payable in two semiannual payments. The first such payment shall become due and payable on the first day of January of said year and the second such payment shall become due and payable on the first day of July of said year. The amount of the first annual assessment shall be

End of Page One

1515841
THIS DOCUMENT HAS BEEN RECORDED
IN THE PUBLIC RECORDS OF
INDIAN RIVER COUNTY FL
BK: 1692 PG:2288, Page1 of 2
02/16/2004 at 11:24 AM,

JEFFREY K BARTON, CLERK OF
COURT

IN WITNESS WHEREOF, Vero Beach Highlands Property Owner's Association, Inc. has caused this Correction Amendment to be duly executed and its corporate seal to be here affixed.

Signed, sealed and delivered in
The presence of:

Richard J. Smith

Vero Beach Highlands Property
Owner's Association, Inc.

By:

Chuck Mihychuk

Chuck Mihychuk
President

Witness:

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

THE FOREGOING AMENDMENT TO DECLARATION was acknowledged before me this 28th day of January, 2004, by CHUCK MIHYCHUK, President of Vero Beach Highlands Property Owner's Association, Inc. on behalf of the corporation.

My commission expires:

Teresa D. Winn



NOTARY PUBLIC
State of Florida at Large

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in The Properties and in particular for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and of the homes situated upon the Properties, including but not limited to, the payment of taxes and insurance on the Common Properties, and repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof.

Section 3. Date of Commencement of Annual Assessments:

Due Dates. The annual assessments provided for herein shall commence on a date (which shall be the first day of a month) fixed by the Board of Directors of the Association herein called the Date of Commencement.

The first annual assessment shall be levied for the balance of the calendar year in which it is imposed, and shall become due and payable on the Date of Commencement. Assessments for any year, after the first year, shall become due and payable in two semiannual payments. The first such payment shall become due and payable on the first day of February of said year and the second such payment shall become due and payable on the first day of August of said year. The amount of the first annual assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 4 hereof as the number of months remaining in the year of the first annual assessment (from and including the month of the Date of Commencement bears to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to the properties now subject to assessment at the time other than the beginning of any assessment period. The due date of any special assessment under Section 5 hereof shall be fixed in the resolution authorizing such assessment.

Section 4. Basis and Maximum of Annual Assessments.

(a) Basis; Annual Assessments. Except as hereinafter provided, all assessments shall be due and payable from the date determined by the Board of Directors as provided for in Section 3 of this Article. For purposes of determining the basis and maximum of the annual assessment, when a single Living Unit is situated upon a single Lot, or when more than one Living Unit is situated upon a single Lot, Tract or Parcel, each such Living Unit shall be assessed separately, and then there shall be no assessment for the Lot, Tract or Parcel. In the event that a Lot does not have any Living Unit situated upon it, then such Lot shall be assessed hereunder. Notwithstanding, the foregoing to the contrary, any increase in the Annual Assessment, when compared with the Annual Assessment for the previous year, of more than ten (10%) percent or less percent, shall be approved by the Membership as provided for in Section 6 of this Article. Any increase in the Annual Assessment which is ten (10%) percent or less when compared with the previous Annual Assessment shall be approved by the Board of Directors without the approval of the Membership of the Association and Section 6 below shall not apply. The Owners of each

Lot shall be responsible for the payment of all Assessments, Annual and Special; same shall include the Developer for each Lot owned by the DEVELOPER, and its successors and assigns, beginning with the date on which the Owners other than the Developer elect a majority of the Directors to the Board.

(b) Developer's Subsidy. the Developer (and its successors and assigns) shall be obligated to pay assessments for all Lots and Units owned by it, and shall also pay to the Association the following for the period of two (2) years from the date on which the Owners other than the Developer elect a majority to the Board of Directors of the Association.

(i) For the first year period: The Developer shall pay to the Association, as a subsidy, the lesser of: \$27,500.00 or the difference between [A] Annual Assessment collected by the Association from Members of the Association, during said period and [B] monies expended by the Association for the maintenance, repair, replacement, improvement, insurance and operations of The Properties and the operation of the Association. the computations in b(i)[A] and [B] above shall not include monies paid by the DEVELOPER to the ASSOCIATION as 1988 attorneys' fees; or with respect to reserves for maintenance, repairs and replacements of capital assets paid by the DEVELOPER on or about the date on which the Lot Owners other than the DEVELOPER assume control of the Board of Directors; nor with respect to any expenditures by the ASSOCIATION relating thereto.

(ii) For the second year period: The Developer shall pay to the Association, as a subsidy, the lesser of : \$23,000.00 or the difference between [A] Annual Assessments collected by the Association from Members of the Association, during said period and [B] monies expended by the Association for the maintenance, repair, replacement, improvement, insurance and operation of The Properties and the operation of the Association. The computations in b (ii)[A] and [B] above shall not include monies paid by the DEVELOPER to the ASSOCIATION as 1988 attorneys' fees; or with respect to reserves for maintenance, repairs and replacements of capital assets paid by the DEVELOPER on or about the date on which the Lot Owners other than the DEVELOPER assume control of the Board of Directors; nor with respect to any expenditures by the Association relating thereto.

(iii) Notwithstanding the calculation of the Developer's Subsidy as provided for in this Article V, Section 4(b)(i) and (ii), the Developer shall nonetheless pay to the Association an incentive subsidy in each of the aforesaid two (2) year periods as follows:

(A) If no Subsidy is required pursuant to the calculations in Sections 4(b)(i) for the first year and 4(b)(ii) for the second year, as the case might be, then the Developer shall pay to the Association, as an incentive subsidy the sum of \$10,000.00.

(B) If a subsidy of less than or equal to twenty-five (25%) percent of the Subsidy is required pursuant to the calculations in Sections 4(b)(i) for the first year and

4(b)(ii) for the second year, as the case might be, then the Developer shall pay to the Association, as an incentive subsidy, the sum of \$5,000.00, plus that portion of the subsidy up to \$6,875.00 in the first year and \$5,750.00 in the second year required pursuant to the calculations in Sections 4(b)(i) and 4(b)(ii) above.

(C) If a subsidy of greater than twenty-five (25%) percent but less than fifty (50%) percent of the subsidy is required pursuant to the calculations in Sections 4(b)(i) for the first year and 4(b)(ii) for the second year, as the case might be, then the Developer shall pay to the Association, as an incentive subsidy, the sum of \$2,500.00, plus that subsidy up to \$13,750.00 in the first year and \$11,500.00 in the second year required pursuant to the calculation in Sections 4(b)(i) and 4(b)(ii) above.

(D) If a subsidy of equal to or greater than fifty (50%) percent of the subsidy is required pursuant to the calculations in Sections 4(b)(i) in the first year and 4(b)(ii) in the second year, then the Developer shall not be required to pay any incentive subsidy, but will only be required to pay that subsidy required pursuant to the calculations in Sections 4(b)(i) and 4(b)(ii) above, as the case might be.

(iv) The Developer shall fund its subsidy obligations under this Section 4(b) on a quarterly bases within thirty (30) days after receipt of a written request together with a proposed budget or accounting from the Association stating the amount requested up to one quarter of the amount of the subsidy to be given pursuant to 4(b)(i) or 4(b)(ii) as the case may be. In any event, no later than thirty (30) days after the end of the two (2) year subsidy period, the Association shall provide to the Developer an accounting and reconciliation of the Association's accounts to determine the sums which remain due and owing under the said subsidy, and the Developer shall fund the outstanding subsidy at that time. The Association shall be obligated to refund to the Developer, portions of the quarterly amounts advanced, should its subsidy obligations under this Section 4(b) in any one year be less than the amount(s) paid by the Developer to the Association. The subsidy obligations of the Developer hereunder shall be calculated on a per year basis from the date of turnover of Board control from the Developer to the Unit Owners other than the Developer; the Annual Assessments collected and expenses expended for the first year period shall not be carried over into the second year period. The subsidy obligations of the Developer under this Section 4(b) shall be calculated on the cash, versus the accrual, basis.

(v) Requirements of the Association. The Board of Directors of the Association shall increase the Annual Assessments for the budget year of February 1, 1989 through January 31, 1990-, by the (10%) maximum permitted under Section 4(a) above to be effected without an Owners vote. To the extent that the Annual Assessment is not so increased, the Developer's subsidy requirements shall be reduced by an amount equivalent to the difference between the amount that would have been assessed had the Annual Assessment been increased and the amount actually assessed."

Section 5. Special Assessment for Capital Improvements.

In addition to the annual assessments referred to in this article, the Association may levy in any assessment year a special assessment, applicable to the time required for payment, for the purpose of defraying, in whole or in part, the cost of any construction, or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, 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 this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 6. Change in Basis and Maximum of Annual Assessments.

Subject to the limitations of Section 4 hereof, and for the periods therein specified, the Association may change the maximum and basis of the assessments fixed by Section 4 hereof prospectively for any such period provided that any such change shall have the assent of two-thirds (2/3) of the votes of each class of Members, who are voting in person or proxy, at a meeting duly called for this purpose. Written notice shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting, provided further that the limitations of Section 4 hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation and under Article II, Section 3 hereof.

Section 7. Quorum for any Action Authorized Under Sections 5 & 6. The quorum required for any action authorized by Section 5 & 6 hereof shall be as follows: At the first meeting called, as provided in Sections 5 and 6 hereof, the presence at the meeting of Members, or of proxies, entitled to cast sixty (60) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 5 and 6, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 8. Duties of the Board of Directors. The Board of Directors of the Association shall fix the Date of Commencement and the amount of the assessment against each Lot, Living Unit or Business Unit for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any owner. Written notice of the assessment shall thereupon be sent to every Owner subject thereto. The Association shall, upon demand at any time, furnish to any owner liable for said assessment a certificate in writing signed by an officer of the Association setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Non-Payment of Assessment; The Personal Obligation of the Owner; The Lien; Remedies of Association. If the assessments are not paid on the date when due (being the dates specified in Section 3 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hand of the then Owner, his heirs, devisees, personal representatives and assigns. The Lot Owner (except the Developer) agrees that it shall be liable for and promptly pay as and when due to the Association all assessments and special assessments as provided in the Articles of the Association and the By-laws. The Lot Owner agrees and understands that in the event that a Lot Owner fails to make payment as and when due, the Association shall have the right to record a lien against the Lot Owner's Lot in the form of a statement signed by the President or Vice President of the Association in recordable form. The Association shall have the right to enforce the lien in the manner provided under Florida law for foreclosure of mortgage liens. The Lot Owner shall pay interest on the amount owed at the highest rate permitted by law and all court costs and attorneys' fees incurred in collection, as well as all fees incurred in foreclosure of such lien. This lien shall be subordinate to the lien of mortgages recorded prior to the recording of the lien hereunder. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period. Provided, however, that no voluntary sale of any Lot or Living Unit shall be effective, nor shall any marketable title be conveyed unless and until the Seller has obtained from the proper officers of the Association a certificate, in recordable form, attesting to the fact that the Seller has paid all assessments to date. If such certificate is obtained and recorded, the Purchaser shall be conclusively presumed to have assumed such past due assessments and shall become forthwith liable therefore. If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the highest rate permitted by law, and the Association may bring an action of law against the Owner personally obligated to pay the same or to foreclose the lien against the property and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the Court together with costs of the action.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinated to the lien of any first mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment, which again will be subordinated to the lien of a new first mortgage placed upon The Property or Properties.

Section 11. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments, charges and liens created herein: (a) all properties to the extent any easement or other interest therein is dedicated and accepted by the local public authority and devoted to the public use; (b) all Common Properties as defined in Article 1, Section 1 hereof; and (c) all properties exempt from taxation by the laws of the State of Florida upon the terms and to the extent of such legal exemption.

ARTICLE VI ENVIRONMENTAL CONTROL COMMITTEE

Section 1. Appointment of Committee. There shall be appointed by the Board of Directors of the Association, an Environmental Control Committee, which committee shall consist of three or more members. During the time that the Developer is in control of the Association the Committee will consist of the following: The Secretary of the Association, the Assistant Vice President of the Environmental Planning and Design Office of General Development Corporation, and the General Manager of the community in which the subject property is located.

Section 2. Review by Committee. After "turnover", the Committee, in its review of all proposed modifications or alterations to existing structures shall be guided by the following standards of environmental control, to-wit: those included in Article IX hereof, and

(a) Architectural Control: No building, fence, wall, or other addition or modification to existing structures shall be commenced, erected or maintained upon The Properties, nor shall any exterior addition to or change or alterations therein, including patio covers, be made until the plans, drawn to appropriate scale, and specifications showing the nature, kind, shape, height, material and location of the same including exterior color scheme shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures, topography and vegetation by the Environmental Control Committee. Approval or disapproval of the same shall be made by the Committee and returned to the applicant within a reasonable time, not to exceed 45 days after receipt thereof.

(b) Existing Trees: Existing trees on the property will not be removed unless their removal proves to be necessary due to the emplacement of the structure or structures. Location and size of all existing trees, including those proposed to be removed, shall be indicated on landscaping plans and specifications, and subject to the approval of the Environmental Control Committee.

(c) Landscaping Approval: No trees, bushes, shrubs or plants which at maturity and without clipping or pruning thereof, would exceed the height of the dwelling house on any lot or in common areas shall be planted or emplaced until the plans and specifications for the placement of any such trees, bushes, shrubs or plants have been submitted to and approved by the Environmental Control Committee as to the preservation of the natural view and aesthetic beauty which each Lot or Living Unit and the community is intended to enjoy. Said plans as submitted shall show in detail and to

scale the proposed elevations and locations of said trees, bushes, shrubs or plants, including the location of same in relation to all other Lots or Living Units subject to these restrictions.

(d) Committee Approval: Approval of said plans by the Environmental Control Committee may be withheld if in the opinion of the Committee the view of any Lot or Living Unit would be impeded by the location of such tree, bush, shrub or plant, or in any other manner. In any event, the Committee shall have the right to require any member to remove, trim, or prune any tree, or shrub, which in the reasonable belief of the Committee impedes or detracts from the view of any lot.

Section 3. Variances. The Board of Directors of the Association or the Environmental Control Committee appointed by the Board may, with the approval of the Indian River Zoning Board, approve variances to the requirements of Article IX, Section 2.

Section 4. Attorney's Fees. In all litigation involving architectural or environmental control, the prevailing party shall be entitled to collect and shall be awarded attorneys' fees and court costs.

ARTICLE VII EXTERIOR MAINTENANCE

Section 1. Exterior Maintenance. Pursuant to agreement with owner, or upon determination by the Association that an Owner has failed to maintain the exterior of his Living Unit in accordance with general standards of the community and above and beyond maintenance furnished by Association, then, after reasonable notice to the owner specifying such failure and upon owner's neglect or refusal to correct the same, then, in such event, and in addition to maintenance upon the Common Properties, the Association may provide exterior maintenance upon each such Living Unit as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. The cost thereof shall be assessed to the owner and shall be added to and become a part of the maintenance assessment as more particularly described in Section 2 hereof.

Section 2. Assessment of Cost. The cost of such exterior maintenance shall be assessed against the Lot or Living Unit upon which such maintenance is done and shall be added to and become part of the annual maintenance assessment or charge to which such Lot or Living Unit is subject under Article V hereof and, as part of such annual assessment or charge, it shall be a lien and obligation to the Owner and shall become due and payable in all respects as provided in Article V hereof. Provided that the Board of Directors of the Association when establishing the annual assessment against each Lot or Living Unit for any assessment year as required under Article V hereof, may add thereto the estimated cost of the exterior maintenance for that year but, thereafter, shall make such adjustment with the Owner as is necessary to reflect the actual cost thereof.

Section 3. Access at Reasonable Hours. For the purpose solely of performing the exterior maintenance authorized by this Article, the Association, through its duly authorized agents or employees shall have the right, after reasonable notice to the Owner, to enter upon any Lot or the exterior of any Living Unit at reasonable hours on any day except Sunday.

Section 4. Common Area Maintenance. Common Area Maintenance may include, but is not necessarily limited to, the following items:

- (a) Grounds maintenance of the common area including mowing, fertilizing, insecticides, etc.
- (b) Irrigation system maintenance.
- (c) Pool maintenance including cleaning, chemicals, maintenance of pumps, pool heating, including gas and maintenance of heating pumps, etc.
- (d) Air conditioning maintenance of recreation building.
- (e) Parking lot cleaning and maintenance.
- (f) Waste removal from common areas.
- (g) Maintain perimeter wall, if any.
- (h) Utilities for common areas including water, sewer and electricity.
- (i) Taxes and insurance including real and personal property taxes for common areas and liability and fire insurance.
- (j) Other miscellaneous items which may be included such as exterminating services, security system maintenance and fire extinguisher services.
- (k) A reserve for future maintenance and repairs.
- (l) Maintain the private streets and roads.

Sections 5 and 6 of Article VII of the Declaration shall be deleted in its entirety: The consent of the Board of County Commissioners of Indian River County to this Amendment is attached to this Certificate of Amendment.

ARTICLE VIII WATER AND SEWER UTILITIES

Section 1. Mandatory Connection. Developer and its wholly owned subsidiary General Development Utilities, Inc. (hereinafter referred to as "Utilities"), and their respective successors and assignees, hereby declare that, Developer, and all persons claiming by, through, and under Developer as owners of Lots or Living Units shall, within not more than sixty (60) days after the water distribution mains and/or sewage collection lines become available to serve a particular Lot or Living Unit be required to connect to make use of the water and/or sewer services furnished by Utilities and shall pay to Utilities, in addition to the prescribed connection charges and monthly service charges then in effect under the rules, regulations and rate schedules of Utilities, a utilities extension fee (for plant capacity and main lines).

Section 2. Prohibition on Individual Wells and Septic Tanks. No individual water wells, septic tanks or other individual sewage disposal facility shall be permitted on any Lot or Living Unit from such time as central water and/or sewer service or services are made available. This provision, however, shall not be construed to prohibit private water wells for irrigation, swimming pools or air conditioning.

Section 3. Enforcement. The extension of water and/or sewer lines by Utilities into The Properties shall, as to each Lot or Living Unit and to the extent of the utilities extension fees referred to in Section 1 above, constitute and shall be deemed an improvement to each such Lot or Living Unit. In the event that developer or owner of Lots or Living Units claiming by, through or under Developer, fail or refuse to connect to and utilize the water and/or sewer systems of Utilities, when same become available and make payment of the utilities extension fees and/or charges as prescribed above, Utilities may enforce the obligation to connect and to make such payment, together with all costs of enforcement and collection, including a reasonable attorney's fee. Utilities shall, in addition to other remedies available to it as prescribed by Florida law, be entitled to have and enforce a mechanic's lien and give notice thereof among the Public Records of Indian River County.

Section 4. It shall be a requirement that no water closet be installed in any home to be constructed on any of The Properties having a capacity in excess of 3.5 gallons.

Section 5. General Development Corporation, as the Developer, reserves to itself and its successors and assigns all water rights below 400 feet in depth under all of the Properties described in Schedules "A" and "B" attached hereto but with no right of surface access thereto.

ARTICLE IX UNIFORM GENERAL REQUIREMENTS

Section 1. Use and Minimum Square Footage Requirements. All Lots in the Properties included within Schedule "A" are designated as single family residence lots, and no principal building shall be constructed or erected on any single family residence lot other than one detached single family dwelling not to exceed two (2) stories in height. No single family residence lot shall be re-subdivided into building lots containing less than ten thousand (10,000) square feet. NO principal structure shall be erected having a living area of less than eight hundred (800) square feet for a one-story building, nor less than one thousand (1000) square feet living area for more than a one-story building on any single family residence lot in the Existing Property.

(a) Multi-Family Use. The Developer reserves to itself, its successors and/or assigns, the right to use the tracts or parcels of land more particularly described in Schedule "D" attached hereto for "Multi-Family" use. Such use shall include cluster housing, condominiums and such other multi-family use as Developer may determine. All units to be contained in buildings constructed therein shall be subject to this Declaration of Covenants and Restrictions in addition to such covenants and restrictions that may be imposed by any condominium association that may be established thereon by Developer.

its successors and/or assigns. The owners of each such unit shall be a Class "A" member and entitled to one vote for each such unit owned.

Section 2.A. Building Set-Back Requirements for structures on single family residence lots shall be in accordance with the requirements of the Indian River County zoning Regulations as the same may be amended and/or superseded from time to time.

Section 2.B. Provided however, that the Board of Directors of the Association or the Environmental Control Committee, upon written application thereto as provided in Article VI, may, with the approval of the Indian River County Zoning Board, approve individual variances from the requirements of this Article IX, Sections 2A and 2B.

Section 3. Recreational Vehicles. No travel trailer, mobile home, recreational vehicle, boat, tent, storage, building, garage, barn or out building erected on any lot shall at any time be used as a residence, temporarily or permanently. Provided however, that recreational vehicles such as travel trailers, motor homes, tent trailers, boats, etc. not exceeding ten (10) feet in height and thirty-two (32) feet in length may be stored on the premises at the rear or side of the residence situated thereon upon the following conditions:

- (a) No such vehicle shall be permitted within the front or side line set-back areas.
- (b) All such vehicles shall bear a current State registration or inspection tag.

Section 4. Parking. No truck exceeding one ton capacity or recreational vehicle or boat shall be parked overnight in areas zoned residential unless the truck is employed in the construction of new residential units.

Section 5. Signs. No sign of any kind shall be displayed to the public view on any Lot, except signs permitted by Indian River County, or signs used by a builder to advertise the property during the construction and sales period, all of which shall be approved by the Board of Environmental Control Committee.

Section 6. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot except that dogs, cats or other domestic pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose.

Section 7. Trash Storage. No lot shall be used or maintained as a dumping ground for rubbish. trash, garbage, or other waste must be kept in sanitary containers and placed in the trash enclosures, if provided in the project. No lot on which improvements have been constructed or erected shall be allowed to become or remain overgrown and/or unsightly.

Section 8. Planting. No hedge or shrub planting which obstructs sight lines at elevations between two (2') and six (6') feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25') feet from the intersection of the street lines, or in the case of a rounded property corner, from the

intersection of the street property lines extended. The same sight line limitations shall apply on any lot within ten (10') feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within the above described limits of intersections unless the foliage line is maintained at or above six (6') feet above roadway intersection elevation to prevent obstruction of sight lines.

Section 9. Tree Preservation. No large trees measuring six (6") inches or more in diameter at ground level may be removed without the written approval of the Environmental Control Committee, unless located within ten (10') feet of the approved site for such building. No trees shall be removed from any lot without the consent of the Environmental Control Committee, until the owner shall be ready to begin construction.

Section 10. Oil, Gas and Mineral Operations. No operations with respect to oil, gas and minerals, including, without limitations, drilling, development, refining, exploration, quarrying, mining or extractions of any kind shall be permitted upon any lot or parcel, nor shall oil or gas wells, tanks, tunnels, mineral excavations or shafts be permitted upon any lot or parcel. No derrick, drilling rig or other structure designed for use in drilling for oil or gas shall be erected, maintained or permitted on any lot or parcel.

Section 11. Easements. Easements for the installation and maintenance of public utilities and drainage facilities are reserved as noted on the recorded plat. Within these easements, or any easement granted by the Developer pursuant to Article IV, Section 6, no structure, planting or other material shall be placed or permitted to remain which may damage impair or interfere with the installation and maintenance of utilities. The easement area of each lot, tract, or parcel and all permitted improvements within said easement areas shall be maintained continuously by the owner of the lot, tract, or parcel, except for those improvements for which a public authority or utility company is responsible.

Section 12. Encroachments on Lots. In the event that any portion of any roadway, walkway, parking area, roof drainage system, water lines, sewer lines, utility lines, sprinkler system or any other structure as originally constructed by Developer or its designee, successor or assign encroaches on any Lot, it shall be deemed that the Owner of such Lot has granted a perpetual easement to the Owner of the adjoining Lot or the Association as the case may be, for continuing maintenance and use of such encroaching roadway, walkway, parking area, roof drainage system, water line, sewer line, utility line, sprinkler system or structure. The foregoing shall also apply to any replacements of any such roadway, walkway, parking area, roof drainage system, water lines, sewer lines, utility lines, sprinkler system or structure if same are constructed in substantial conformance to the original. Other encroachments may hereafter be maintained as provided in a Supplemental Declaration. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of these covenants and restrictions.

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Section 13. It is understood and agreed that said premises may not and shall not be used for convalescing or custodial care as a home occupation.

Section 14. Additional Rules and Regulations. So long as it retains control, the Developer, and thereafter the Board of Directors, and thereafter the Board of Directors of the Association, may establish such additional rules and regulations as may be deemed to be for the best interests of the Association and its members.

ARTICLE X GENERAL PROVISIONS

Section 1. AMENDMENTS This Declaration of Covenants and Restrictions may be amended from time to time by the Developer prior to "turnover" and after turnover, by recording among the Public Records of Indian River County, Florida, an instrument executed by the President and attested to by the Secretary of the Association indicating that at a meeting called for that purpose, a majority of the voting interests of the owners have approved such amendment.

(a) Provisos.

(i) All Amendments shall be directed to all Members equally.

(ii) Any Amendment to this Declaration which covers the subjects of the Subsidy as provided for in Article V, Section 4(b) of this Declaration; or the construction of Living Unit(s) and/or the sale of Living Unit(s) and/or Lot(s); shall require the written joinder and consent of General Development Corporation, its subsidiaries and successors and assigns, so long as General Development Corporation, its subsidiaries and successors and assigns has/have any Lot or Living Unit for sale in the ordinary course of business.

Section 2. Duration. Except as provided in Section 1 hereof, the covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any land subject to this Declaration and their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date this Declaration is recorded, unless the same be amended, modified or revised pursuant to the provisions of Section 1 of this Article. Thereafter, and after the expiration of said initial twenty (20) year period, said covenants shall be automatically extended for successive periods of ten (10) years unless amended, modified, or revised as provided in Section 1 of this Article.

Section 3. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 4. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or person violating or attempting to violate any covenant or restriction, either to restrain the violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure

by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In addition, Developer shall have the right, whenever there shall have been built on any lot any structure which is in violation of these covenants and restrictions, to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the Owners; and such entry and abatement or removal shall not be deemed a trespass.

Section 5. Sever-ability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provision hereof, which shall remain in full force and effect.

Section 6. Easement for Walkways. The Developer reserves to itself and its successors and assigns the right to construct walkways between multifamily structures or the cluster homes for the benefit of the occupants and their guests, as well as for the purpose of maintenance of the lawns adjoining such areas. To this extent and for the purpose the Developer reserves and easement over and across said walkways.

Section 7. Priorities in case of conflict. In the event of conflict between or among the provisions of any of the following, the order of priorities shall be, from highest priority to lowest:

- (a) Florida Statutes which apply
- (b) This Declaration
- (c) The Articles of Incorporation
- (d) The By-Laws
- (e) The Rules and Regulations promulgated by the Board of Directors of the Association

ARTICLE XI

There is attached to this Declaration and incorporated herein by reference as Schedule "C", a budget which shall be in full force and effect for the first year of operation of the said Association. Thereafter, and pursuant to the provisions of Article V, Section 4, paragraph 2, the Board of Directors may increase the amount of the annual assessment.

ARTICLE XII PROVISIONS REGARDING BALL FIELD

Section 1. There is one BALL FIELD which comprise part of the Common Properties, legally described as follows: Tract B in VERO BEACH HIGHLANDS UNIT 4 according to the Plat thereof recorded in Plat Book 8, at Page 38, Public Records of Indian River County, Florida. In addition to members of the Association and occupants of Living Units which are entitled to use same, the Owners of the following Lots and occupants of units thereon, are entitled to use the ball field; all lots situated in the following described Plats:

VERO BEACH HIGHLANDS UNIT ONE, according to the Plat thereof recorded in Plat Book 5 at Page 29 of the Public Records of Indian River County, Florida.

VERO BEACH HIGHLANDS UNIT TWO, according to the Plat thereof recorded in Plat Book 5 at Page 77 of the Public Records of Indian River County, Florida.

VERO BEACH HIGHLANDS UNIT THREE, according to the Plat thereof recorded in Plat Book 8 at Page 37 of the Public Records of Indian River County, Florida.

VERO BEACH HIGHLANDS UNIT FOUR, according to the plat thereof recorded in Plat Book 8 at page 38 of the Public Records of Indian River County Florida.

VERO BEACH HIGHLANDS UNIT FIVE, according to the Plat thereof recorded in Plat Book 8 at Page 56 of the Public Records of Indian River County Florida.

All such Lots which are not subject to this Declaration, as amended, are hereinafter referred to as "NON VERO BEACH HIGHLANDS LOTS".

Section 2. All persons using the BALL FIELD shall do so subject to this Declaration, the Articles of Incorporation and By-Laws of the Association, and reasonable Rules and Regulations promulgated by the Board of Directors of the Association; as amended from time to time. All such Documents and Rules and Regulations shall be equally applicable to NON VERO BEACH HIGHLANDS LOTS as compared with Lots subject to this Declaration, as amended.

Section 3. This Article XII concerning use of the BALLFIELD shall not confer rights upon NON VERO BEACH HIGHLANDS LOTS and Owners and occupants thereof to use any of the Common Properties other than the BALLFIELD.

Section 4. No NON VERO BEACH HIGHLAND LOT Owner or occupant shall be charged a fee for the use thereof unless Owners and occupants of Lots subject to this Declaration, as amended, alike are also charged such a use fee.

Section 5. The Association shall be responsible to maintain, repair and replace the BALL FIELD, as a Common Expense of the Association. Notwithstanding said provision to the contrary, any individual shall be responsible for any expenditures required by the Association as a result of the negligence or other act or inaction on the part of the particular individual. Said sum shall be due and payable immediately upon written demand being mailed by the Association. In collecting said sum, the Association shall be entitled to recover interest at the highest rate of interest then allowed by law on open accounts, as well as costs and attorneys and paralegal fees. In the event that the Owner of a Living Unit or Lot or any occupant, lessee, etc. of a Living Unit shall be the individual whose negligence, action or inaction resulted in the expenditure required by the Association, then the Owner of the Unit shall also be deemed the responsible party, and the expenditure required by the Association shall become an assessment and collectible as such under the Declaration, Articles of Incorporation and By-Laws of the Association.

Section 6. In the event that the County of Indian River assumes responsibility for the maintenance and/or insurance of those properties detailed in that agreement between General Development Corporation and Indian River County, Florida as recorded in Official Record Book 43, Page 124, Public Records of Indian River County Florida, as same may be amended, then the following shall apply: Notwithstanding the provisions contained in Section 5 next above, the Association shall receive contribution toward the maintenance, repair, replacement, improvement and insurance of the BALLFIELD as follows: General Development Corporation as Owner of any properties referred to in Article XII, Section 1 above, or any Condominium or Homeowners Association having jurisdiction thereof, as the case may be, shall be responsible to contribute to the Association that sum which is fifty (50%) percent of the expenses attributable to the maintenance, repair, replacement and improvement of the BALLFIELD. Said sum(s) shall be paid after the end of the budget year, and within fifteen (15) days after the Association provides a statement along with a detail of the said expenditures for the particular budget year. In the event of non-payment to the Association, the Association shall be entitled to also recover interest at the highest rate then allowed by law on open accounts, as well as costs and attorneys and paralegal fees in connection therewith." Except as otherwise amended hereby, the Declaration of Covenants and Restrictions shall remain unchanged and in full force and effect.