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DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR LILY'S CAY AT VERO BEACH

THIS DECLARATION, made as of the date hereinafter set forth by Diamond Court West, FL, LLC, a Florida Limited Liability Company, hereinafter referred to as "Declarant" or as "Developer".

WITNESSETH

WHEREAS, Declarant is the owner of certain property in the County of Indian River, State of Florida, which is platted as Lots 1 to 53, Lily's Cay at Vero Beach, according to the Plat filed in Plat Book 27, Page 75, with the Clerk of the Circuit Court, Indian River County, Florida. The legal description of the property subject to the Plat is attached as Exhibit "A" and made a part hereof. The Plat is attached as Exhibit "B" and made a part hereof.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall accrue to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Articles" and "Bylaws" shall mean and refer to the Articles of Incorporation and the Bylaws of the Association and any amendments thereto, as may be adopted from time to time. The Articles of Incorporation are attached as Exhibit "C" and made a part hereof. The Bylaws are attached as Exhibit "D" and made a part hereof.

Section 2. "Assessment" shall mean and refer to those charges made by the Association from time to time against each Lot within the Property for the purposes set forth herein, and shall include, but not be limited to Annual Assessment for Common Expenses, special assessments for capital improvements.

Section 3. "Association" shall mean and refer to Lily's Cay at Vero Beach Homeowner's Association, Inc., a not for profit corporation organized under the laws of the State of Florida, its successors and assigns.

Section 4. "Board of Directors" or "Board" shall mean and refer to the duly appointed or elected Board of Directors of the Association.

Section 5. "Select Builder" shall be one or more builders selected and contracted with by Developer to purchase, construct, or improve all Lots in the subdivision, or a builder designated by Developer to be a Select Builder.

Section 6. "Common Expenses" shall mean and refer to expenditures for services required and authorized to be performed by the Association.

Section 7. "Committee" shall mean the Architectural Control Committee.

Section 8. "Common Property" shall mean and refer to all real property, whether improved or not, that may, from time to time, be conveyed by the Developer or such other person in accordance with this Declaration to the Association and designated as Common Property or Common Area. Such Common Property shall be designed and intended for the common and nonexclusive use of the Owners and their tenants, guests, licensees and invitees. Common Property shall include those areas designated as such herein or in any Supplemental Declaration hereto or by or on any plat, site plan where dedication thereon is made by Developer, together with, if applicable and to the extent provided herein, driveways, certain private roadways, Recreational Facility, landscaping and pedestrian areas, entry features, fences, walls, signs erected by Developer to identify the Property or any portions thereof, irrigation and sprinkler systems, internal signalization and signage, areas surrounding canals or lakes and special design or landscaping features over or around such canals or lakes so long as such areas, special design or landscaping features and as long as the aforesaid items are within the Property.

Without limiting the generality of the foregoing, it is specifically intended that the Common Property shall include any and all subsequent capital improvements made by or at the direction of the Developer and/or the Association beyond the initial installations and/or maintenance provided by any governmental or quasi-governmental entity to which applicable portions of the Property may now or hereafter be dedicated. In addition to the Association, Developer shall have the right, subject to obtaining all required governmental approvals and permits, to construct or to have constructed on such Common Property those facilities Developer deems appropriate. All references herein to particular property or structures which are or may become part of the Common Property are by way of illustration and example only, and Developer shall be under no obligation to grant or construct such particular property or structures by reason of such references. Additionally, the timing, phasing and dates of completion of all such construction relative to Common Property shall be solely within the discretion of the Developer. It is specifically contemplated that the Common Property may change from time to time in connection with changes in Developer's development plans and other factors not now known.

Section 9. "Declaration" shall mean and refer to this instrument as it may, from time to time, be amended.

Section 10. “Developer” or “Declarant” shall mean and refer to Diamond Court West, FL, LLC, a Florida limited liability company, or the successors and assigns to the rights of the Developer hereunder.

Section 11. “Easements” shall mean that portion of the Property including the Buildings or Residences or portions thereof which have or may hereafter be set aside by the Developer for the limited or common use of the Developer. Owners, their invitees, guests, successors or assigns for the ingress, egress, utilities, water sewer, lighting, drainage, or otherwise and for all purposes related to the Development or as may be indicated on any site plan or Plat filed among the Public Records of Indian River County, Florida.

Section 12. “Improvements” shall mean and refer to all structures of any kind, including, without limitation any building, fence, wall, sign, paving, grading, any addition, alteration, screen enclosure, sewer, drain, disposal system, decorative building, landscaping or landscaping device or object or other changes to the natural state of the Property and vegetation existing thereon.

Section 13. “Individual Assessments” shall mean and refer to assessments levied against particular Lots and/or Owners to the exclusion of others and other charges against specific Lots or Owners as contemplated in this Declaration.

Section 14. “Interpretation and Flexibility”. In the event of any ambiguity or question as to whether any person, entity, property or improvement falls within any of the definitions set forth in this Article, the determination made by Developer in such regard (as evidenced by a recorded instrument stating same) shall be binding and conclusive. Moreover, Developer may, also by way of a recorded instrument, alter or amend the application of any portion of this Declaration as to any specified portion(s) of the Property in order to reflect any unique characteristics thereof; provided, that such altered or amended application is not in the reasonable judgment of Developer, unequivocally contrary to the overall uniform scheme of development for the Property.

Section 15. “Lily’s Cay at Vero Beach’s Documents” shall mean collectively the Plat, the Declaration, Articles, Bylaws, and any and all amendments and modifications thereto, and all of the instruments and documents referred to therein or referred to herein.

Section 16. “Limited Common Property” shall mean and refer to any portion of the Property which may be reserved for the exclusive benefit and use of specific Owners, as set forth on the Plat or as otherwise established by Developer, the maintenance of which shall be a Common Expense.

Section 17. “Lot” whether or not capitalized, shall mean each Lot platted and submitted to the encumbrances of this Declaration. The total number of Lots may increase as additional Lots are encumbered by this Declaration or as subsequent phases are platted and added to the Subdivision in the sole discretion of Declarant.

Section 18. “Member” shall mean and refer to all those Owners who are Members of the Association as hereinafter provided.

Section 19. “Owner” shall mean and refer to the Owner as shown by the real estate records in the Office of the Clerk of the Circuit Court of Indian River County, Florida, whether it be the Developer, Select Builder, one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Lot. Owner shall not mean or refer to the holder of a mortgage or security deed, its successors or assigns, unless and until such holder has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure, nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

Section 20. “Plat” shall mean the Plat and other related development documents for Lily’s Cay at Vero Beach prepared by Masteller & Moler, Inc. A copy of the Plat is attached as Exhibit “B” and made a part hereof.

Section 21. “Property” shall mean and refer to the real property described in "Exhibit “A” attached and made a part hereof.

Section 22. “Residence” shall mean and refer to a single family home structure which is intended for residential use, including the garage appurtenant thereto located upon a Lot within the Property.

Section 23. “Subdivision” shall mean that property platted as Lily’s Cay at Vero Beach Subdivision, and such other property as may be brought within the jurisdiction of the Association and as may be submitted to this Declaration.

Section 24. “Surface Water or Storm Water Management System” shall mean and refer to the system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use, or re-use water to prevent or reduce flooding, over drainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges, as constructed pursuant to the St. John’s River Water Management District Permit.

Section 25. “Surface Water Management System Easements” shall refer to that property which the Developer grants and reserves a non-exclusive easement burdening the areas of the Property designated on the Plat (and associated control structures), said areas being for the purpose of the Association effectively maintaining and operating the Surface Water Management System in accordance with the St. John’s River Water Management District Permit.

Section 26. “Tract B” shall mean and refer to the Lake and/or storm water tract referenced on the Plat.

Section 27. “Water Management District Permit” shall mean and refer to St. John’s River Water Management District Surface Water Management Permit No. IND-061-85606-6 dated April 3, 2014, which is applicable to the Subdivision.

ARTICLE II

PROPERTY RIGHTS

Section 1. Legal Description. The real property comprising the Property which shall be held, transferred, sold, conveyed, leased, used, and occupied subject to the terms of this Declaration is described in Exhibit "A" attached hereto and made a part hereof. Developer may, in its sole discretion, either bring within this Declaration additional lands, or withdraw lands pursuant to this Article.

Section 2. Additional Property. Developer may, at any time and from time to time in its sole discretion, subject additional property to and bring additional property within this Declaration, including without limitation, platted subdivisions, Lots, Common Property, phases, Recreation Facility, and other amenities, by recording in the public records of the County an amendment to this Declaration, describing such additional property and setting forth any use restrictions, voting rights, maintenance requirements, user fees, dues or other provisions pertaining to such property. Notwithstanding the fact that Developer's submission of additional property to this Declaration may result in an overall increase or decrease in Assessments attributable to each Lot, or may result in an overall increase or decrease in the total number of votes or Members in the Association, such an amendment by Developer shall not require the joinder or consent of the Association, other Owners, Institutional Mortgagees or other mortgagees of any portion of Lily's Cay at Vero Beach, or any other person or entity. Any property submitted to the Declaration pursuant to the terms hereof shall be included in the term "Property" and may be in Developer's discretion part of Lily's Cay at Vero Beach, regardless of where such property is located.

Section 3. Owner's Use of Lot. An Owner's use of his or her Lot shall be limited to residential use and purposes only. Commercial or business activities are not permitted on the Lot except for construction, development and sale of the Lots and Residences constructed thereon, and except for direct accessory services to the Residences such as the provision of utilities, maintenance and repair of Lots and Residences, and other such services. This section shall not apply to a Select Builder.

Section 4. Title to Common Property. Title to all Property heretofore designated by Developer as Common Property shall remain vested at all times in Developer or its successors or assigns, until turnover, at or around which time the Developer shall transfer Common Property to the Association without compensation. Notwithstanding the manner in which fee simple title to the Common Property is held, the Association shall be responsible for the management, maintenance and operation of the Common Property from and after the date of recordation of this Declaration. Anything herein contained to the contrary notwithstanding, certain portions of the Common Property may be reserved by Developer, in its sole and absolute discretion, as Limited Common Property for the exclusive benefit and use of specific Owners.

Section 5. Owner's Easements of Enjoyment in Common Property. The Common Property shall be for the sole and exclusive use of Owners, Owner's family members, guests, invitees, tenants, and Select Builders and their subcontractors, agents, and employees, for construction or improvement purposes. Subject the provision of this Declaration, Owners shall have a non-exclusive right and easement of enjoyment in and to the Common Property which right and

easement shall be appurtenant to and shall pass with the title to each Lot and shall be subject to and limited by the following:

(a) The right of the Association to dedicate or transfer all or any portion of the Common Property to any public agency, authority or utility, provided however, that no such dedication or transfer shall be effective unless: (i) such dedication or transfer is approved by the Declarant, so long as the Declarant owns a Lot, or if the Declarant no longer owns a Lot, then by a vote of two-thirds (2/3) of the total votes of the Association; (ii) the approval of such dedication or transfer has been properly recorded.

(b) The Rules and Regulations of the Association.

(c) The right of the Association to limit the number of guests and tenants of Owners.

(d) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Property and the facilities thereon and, in aid thereof, to mortgage said Common Property, and the rights of such mortgagee in the Common Property shall be subordinate to the right of the Owners hereunder.

(e) The right of the Developer or the Association to establish, from time to time, certain easements over the Common Property for purposes of installing, maintaining and repairing Utilities, which easements may benefit property and persons subject to this Declaration.

(f) The right of duly authorized employees, contractors, Select Builders, and agents of the Developer or Association to enter upon the Common Property for proper purposes of the Association, and the right of designated officials of governmental authorities having jurisdiction over the Property to enter upon the Common Property for purposes of enforcing applicable ordinances, rules and regulations of sad governmental authorities, and to correct or eliminate nuisances or violations resulting from the failure of either an Owner or the Association to exercise its maintenance and repair responsibilities.

Section 6. Owners' Easements of Ingress and Egress. Each Owner shall have, as an appurtenance to his Lot, a perpetual easement for ingress and egress to and from their Lot over and upon portions of the Common Property intended for such access.

Section 7. Delegation of Use. Any Owner may delegate Owner's the right and easement granted to said Owner pursuant to this Declaration to the members of his family, guests, invitees or his tenants who reside in his Residence but any such delegation shall be subject to and limited by the terms and conditions of this Declaration, the Articles and Bylaws of the Association and the Rules and Regulations of the Association.

Section 8. Restraint Upon Separation. The rights and easements granted to an Owner pursuant to this Article are appurtenant to his Lot, shall not be separated therefrom and shall pass with the title to his Lot, whether or not separately described.

Section 9. Conveyance to Association. The Association shall be obligated to accept any and all deeds of conveyance delivered to it by Developer, which deeds convey title to Common Property.

Section 10. Rules and Regulations Governing Use of the Common Property. Developer and the Association, through its Board of Directors, shall regulate the use of the Common Property by Members and Owners, and may from time to time promulgate such Rules and Regulations consistent with this Declaration, governing the use thereof as Developer or the Association may deem to be in the best interests of its Members; provided, however, that any conflict between Developer and the Association relating to such Rules and Regulations shall at all times be resolved in favor of Developer. A copy of all Rules and Regulations established hereunder and any amendments thereto shall be made available to all Members at the office of the Association. Such Rules and Regulations and all provisions, restrictions and covenants as now or hereafter provided, including, without limitation, all architectural and use restrictions contained in this Declaration, may be enforced through legal or equitable action by Developer or the Association. Without limiting the foregoing, the Association shall have the right to assess fines against Owners who violate the Rules and Regulations of the Association and against Owners whose family members, guests, employees, agents, lessees, licensees or invitees violate the Rules and Regulations, which fines shall be collected as an Individual Assessment from such Owners, and to suspend such Owner's rights and easements of enjoyment with respect to the Common Property.

Section 11. Developer's Reserved Rights. Notwithstanding any provisions in this Declaration to the contrary, and in recognition that the Developer will have a continuing and substantial interest in the development and administration of the Property, Developer hereby reserves for itself and its successors and assigns the following rights and privileges, and the Association recognizes and agrees to, and acknowledges that the Developer and its successors and assigns shall have the following rights and privileges without any cost to Developer and its successors and assigns for such rights and privileges, and the property rights granted to Owners pursuant to this Declaration shall be subject to the following provisions. All easements reserved by Developer are and shall remain private easements and the sole and exclusive property of the Developer, to be held or else conveyed in Developer's discretion to utility companies, the Association, or appropriate government agency.

(a) Eminent Domain. If all or part of any Common Property, private right-of-way, or private easement for access, is taken by eminent domain, Developer shall be entitled to the proceeds therefor and no claim shall be made by the Association or any Owner other than Developer for any portion of any award.

(b) Easements for Utilities. The Developer reserves a perpetual easement on, over and under all easements within the Subdivision and Common Property shown on the Subdivision plat for construction and maintenance of electric and telephone poles, wires, cables, conduits, water mains, drainage lines or drainage ditches, sewers, irrigation lines, roadways, natural gas, cable television, and other conveniences or utilities, until turnover, at or around which point the Developer shall transfer the easement to the Association without compensation. To the extent permitted by law, the Developer may grant a non-exclusive easement for the

installation and maintenance of radio and television cables within the Subdivision. The Owners of Lots subject to the easements reserved in this paragraph shall acquire no right or interest in utility or cable television equipment placed on, over or under the portions of the Subdivision which are subject to said easements.

(c) Drainage. Drainage flow shall not be obstructed or diverted from drainage easements. Developer may but shall not be required to cut drainways for surface water drainage and other utility repairs wherever and whenever necessary to maintain reasonable standards of health, safety and appearance; provided, however, any maintenance, clearing, grading or cutting of drainways must be permitted or as approved by the STRWMD and Indian River County pursuant to a permit modification. Except as provided in this Section, existing drainage shall not be altered so as to divert the flow of water onto an adjacent Lot or into sanitary sewer lines.

(d) Maintenance Easement. Developer and the Association reserve an easement within all designated drainage and utility easements in, on, over, and upon each Lot for the sole purpose of access, preserving, maintaining, or improving the Common Property. The Developer and the Association shall have an easement upon and the right to enter any Lot (excluding, however, the Residence) at a reasonable time and in a reasonable manner to operate and maintain all landscaping, irrigation systems and water management systems within all Lots, including, all grass, plants, trees, irrigation systems, sprinkler heads, timer devices, and storm water management and drainage systems.

(e) Right of Access. Developer reserves the right of access and use of all right of ways and easements for itself, contractors, successors and assigns including future owners of Lots or any expansion of the Subdivision, their heirs, successors, and assigns.

(f) Developer Rights Regarding Temporary Structures, Etc. Developer and Select Builder reserve the right to erect and maintain temporary dwelling, model houses, and/or other structures upon Lots owned by Developer, Developers assignee, or Select Builder, and to erect and maintain such commercial and display signs and devices as Developer or Select Builder deem advisable. Developer reserves the right to do all acts necessary in connection with the construction of such improvements on the Lots. Nothing contained in these covenants and restrictions shall be construed to restrict the foregoing rights of the Developer.

(g) Further Restrictions, Conditions, and Dedications. Developer reserves the right to impose further restrictions and to grant or dedicate additional easements and rights-of-way on any Lot in the Subdivision owned by Developer and on the Common Property, so long as the easements granted by Developer shall not materially or adversely affect any improvements or unreasonably interfere with use of the Common Property. Developer reserves the right of access and use of all rights of way and easements for itself, contractors, successors and assigns including future owners of Lots or any expansion of the Subdivision, their heirs, successors and assigns.

(h) Sales and signs. Developer and Select Builder shall have the right to use, occupy, demonstrate and show all portions of the Common Property for the purpose of promoting and aiding in the development, marketing, sale or rental of any portion of the

Property. The Developer and Select Builder shall have the right to display and erect signs and placards upon the Common Property and any portion of the Property, and operate and maintain sales offices and related facilities upon Common Property and any portion of the Property.

(j) Developer reserves the right to execute any and all documents and take such actions and to do such acts affecting the Property which, in Developer's sole discretion, are desirable or necessary to facilitate Developer's development of the Property, and the sale of the Lots.

Section 12 No Dedication to Public Use. Nothing contained in this Declaration shall be deemed to constitute a dedication, express or implied, of any part of the Common Property to or for any public use or purpose whatsoever.

ARTICLE III
MEMBERSHIP AND VOTING RIGHT IN THE ASSOCIATION

Section 1. General Purposes of Association. The Association is organized for the purpose of providing common services to the Owners; owning and maintaining landscaping and lighting on the Common Property; improving and adding to Common Property improvements and facilities; maintaining the drainage easements, Common Property surface water and/or stormwater management systems; providing enforcement of these covenants and restrictions; and engaging in activities for the mutual benefit of the Owners. In order to pay for these services, the Association will charge assessments against the Lots and their Owners. A Lot may be subject to lien for any unpaid assessments, but additionally each Owner is personally obligated for assessments coming due during the time such Owner owns the Lot. The functions of the Association shall be performed by a Board of Directors. Provisions relating to the Association and the Board of Directors are also contained in the Articles of Incorporation and By-Laws of the Association.

Section 2. Owner Membership. Every Owner of a platted Lot shall be a member of the Association upon acquiring title to the Lot. There shall be a one (1) time capital contribution fee equal three (3) months of regular assessments per Lot, payable to the Association by the new Owner at the time a Lot is conveyed to the new Owner. However, instead of paying the capital contribution fee to the Association, any purchaser who purchases a Lot from a Select Builder shall reimburse the Select Builder the amount of the capital contribution fee that the Select Builder paid when it acquired the Lot. A Lot acquired by a Select Builder from Declarant shall be subject to the capital contribution at that time of acquisition of the Lot. The Association may spend some or all of the capital contribution for inspection of the Lot after completion of the improvements to certify compliance with the terms and provisions of this Declaration. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The capital contribution may be increased from year to year in the same manner and amount as annual assessments may be increased pursuant to the terms of this Declaration.

Section 3. Classification of Membership.

- (a) The Homeowner's Association shall have three (3) classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant and Select Builder owned Lots, and shall be entitled to one (1) vote for each Owner. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. Class A members shall also include all owners, with the exception of the Declarant, of Lots in additional phases if additional phases are subjected to these restrictions as elsewhere provided in this Declaration.

Class B. The Class B member shall be the Declarant or successor developer and shall be entitled to five (5) votes for each Lot owned (to include each owned Lot in additional phases if additional phases are subjected to these restrictions as elsewhere provided in this Declaration). The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier: three (3) months after ninety percent (90%) of the Lots in all phases of the community that will ultimately be operated by the Association have been conveyed to members; or sold and conveyed by the Declarant (or its affiliates) to parties Class A members other than Select Builders, or sooner at the election of the Declarant. The Class A members shall be entitled to elect a member of the Board of Directors when fifty percent (50%) of all Lots have been sold and conveyed to parties other than Select Builders. After turnover of control of the Association, Declarant shall have one (1) vote for each Lot its owns; however, such Declarant owned Lots shall continue to be treated as Class B Lots for assessment purposes.

Class C. Class C members shall be the Select Builders who own Lots within the Subdivision, and each Lot owned by a Select Builder shall be a Class "C" Lot. Class C members shall have one (1) vote for each Lot owned and shall be obligated to pay assessments. Class C Membership ceases and converts to Class A Membership upon the sale or transfer of the Lot owned by Class C Members to a third party. Class C Members are subject to all terms and conditions of this Declaration, including references to Owners, unless otherwise specifically stated.

(b) The Developer is entitled to elect at least one (1) member of the Board of Directors of the Association as long as the Developer holds for sale in the ordinary course of business at least five (5%) percent of the parcels in all phases of the community (platted or unplatted). After the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-owned voting interests in the same manner as any other member, except for the purposes of reacquiring control of the Association or selecting the majority of the members of the Board of Directors. During the period of Developer control, Developer shall have, in addition to such other rights as it may have under this Declaration, the Articles of Incorporation, Bylaws and as otherwise provided by law, the following rights with respect to the Association:

1. The right to appoint all members of the Board of Directors of the Association and fill all vacancies on the Board;

2. The right to approve the appointment of all Officers of the Association. After turnover of control of the Association, no action shall be taken or decision adopted by the Board which would adversely impact on the construction, development, sale or marketing of the Property, or on the condition or appearance of the Property without the prior written consent of Developer for a period of twenty-four (24) months following recording of the Notice of Turnover. The Board shall submit such decisions and actions in writing within twenty (20) days after receipt thereof. In the event Developer fails to act within such time period, such failure shall be deemed an approval by the Developer of such action.

Section 4. Duties and Powers. The Association, acting through its Board of Directors, shall have all the powers conferred upon it by this Declaration, its Articles, Bylaws and otherwise available under the law. The Association shall have the duty to carry out all of the obligations placed upon it by this Declaration and for which it was created as set forth herein and in the Articles, including, but not limited to, the duty to maintain the Common Property, levy and collect Annual Assessments, Individual Assessments and Special Assessments, maintain such policies of insurance as the Board deems appropriate, pay bills, taxes and expenses related to the Common Property and Improvements thereon and Common Expenses.

Section 5. Board of Directors. The Association shall be governed by a Board of Directors as provided for in the Articles and Bylaws of the Association.

Section 6. Notices to Members. All notices, mailings and other documents provided or to be provided by the Association to Members shall be sent to each Member at the current address on file with the Association.

Section 7. General Matters. When reference is made in this Declaration, or in the Articles of Incorporation or Bylaws, or other relevant documents, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members at a duly constituted meeting thereof (i.e., one for which proper notice has been given and at which a quorum exists) and not of the Members themselves or of their Lots. To the extent lawful, the foregoing sentence shall apply to, without limitation, the establishment of a quorum at any applicable meeting.

Section 8 Developer Rights. Nothing stated in this Article shall be deemed to, in any manner, impair or diminish any rights, reservations or easements granted to or reserved by the Developer as stated elsewhere in this Declaration, the Articles and Bylaws or any exhibit hereto.

Section 9. Change of Membership. Change of membership in the Association shall be established by recording in the Public Records of Indian River County, Florida, a deed or other instrument conveying record fee title to any Lot and by the delivery to the Association of a copy of such recorded instrument. The Owner designated by such instrument shall, by his acceptance of such instrument, become a member of the Association, and the membership of the prior Owner shall be terminated. In the event that a copy of said instrument is not delivered to the

Association, said Owner shall become a member, but shall not be entitled to voting privileges enjoyed by his predecessor in interest. The foregoing shall not, however, limit the Association's powers or privileges. The interest, if any, of a member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to his Lot. Membership in the Association by all Owners shall be compulsory and shall continue, as to each Owner, until such time as such Owner transfers or conveys of record his interest in the Lot upon which his membership is based or until said interest is transferred or conveyed by operation of law, at which time the membership shall automatically be conferred upon the transferee. Membership shall be appurtenant to, run with, and shall not be separated from the Lot interest upon which membership is based.

Section 10. Membership Vote. Voting will be allowed by certified written mailed-in ballot on all issues that require a vote by the full Association. The maximum number of votes that may be cast is the sum of all votes held by qualified Class A members, Class B members and Class C members either present in person, or by written proxy at the time the vote is taken at a meeting, or by actual recorded ownership of platted Lots if by certified written ballot. The number of votes needed for a quorum on any vote in person or by certified written ballot of the Association shall be a minimum of thirty percent (30%) of the sum of all the votes held by qualified Class A members, Class B members and Class C members for any ballot to be valid. All matters to be voted on by the Association shall require a quorum and shall be decided by a majority of those votes cast by owners represented by the quorum. Voting shall also be permitted by general or limited proxy at any meeting of the Association.

Section 11. Voting Qualifications. To be qualified to vote, a Class A member and Class C member must be current in payment of all assessments and any liens which have been levied against that member or any Lot owned by that member as of the date of the vote. Any person designated in writing by the Declarant shall be qualified to cast the votes for each Lot owned by the Class B member.

ARTICLE IV **ARCHITECTURAL AND AESTHETIC REQUIREMENTS**

* Article IV does not apply to Select Builders. Select Builders shall comply with the provisions of the Select Builder Guidelines.

Section 1. Architectural Control Committee.

(a) There shall exist an Architectural Control Committee (hereinafter referred to as Committee") which shall consist of three (3) or more members which shall review, approve and/or disapprove the plans and specifications for improvements constructed, erected or alter on any Lot. So long as the Declarant retains ownership in a Lot in the Subdivision control of the Committee and approval of all plans and specifications and other functions herein shall be vested in the Declarant, who shall appoint all Committee Members. Appointive Committee members need not be Owners, and shall serve indefinitely, at Declarant's pleasure. The Declarant may, at anytime, delegate in writing review and approval of the Committee to the Board of Directors, which, in turn, may elect by a majority vote of the Board of Directors.

(b) After Declarant's Class B membership in the Association converts to Class A membership, a minimum of five (5) Committee members shall be elected by a majority vote of the Board of Directors of the Association at its annual meeting. Members may include members of the Board of Directors and Association Managers.

(c) Declarant shall have the right to promulgate and from time to time amend written architectural standards and construction specifications (hereinafter the "Architectural Review Guidelines") which shall establish, define and expressly limit the standards and specifications which will be approved, including, but not limited to, architectural style, exterior color finish, roofing material, siding material, driveway material, landscape design and construction technique. The Committee shall be responsible to also enforce the Guidelines. Developer shall not approve any improvements which it determines, in its discretion, not to be in harmony of external design, construction and/or location in relation to the surrounding structures, topography or the general plan of development of the Subdivision. All approvals by the Developer shall survive and there shall be no variances or withdrawals of the approval after the turnover of the Association.

(d) A quorum of the Committee shall consist of a majority of its members; it shall take the affirmative vote of a majority of the members at the meeting at which a quorum is present to approve or perform any action. The Committee shall keep written records of its actions. The Committee shall meet from time to time as necessary.

Section 2. Construction Plan Review.

(a) No Residence, dwelling, building or structure of any kind shall be constructed, erected, or altered on any Lot or in any part of the Subdivision, nor shall any exterior additions, changes or alterations therein be made until the plans and specifications showing the nature, kind, color, shape, height, materials, and location thereof shall have been first submitted to and approved by the Committee.

(b) Two (2) sets of construction plans and specifications shall be submitted to the Committee showing all intended construction and alterations on the subject Lot, including but not limited to site plan, tree survey, landscape plan, sidewalk construction, exterior elevations, paint colors, shingle samples, exterior materials samples, and other descriptions necessary to describe the project. An administrative fee of \$250.00 shall be paid to the Association by Class A and Class C Members for processing the house plans, payable at the time of submission. Plans and specifications in regard to topography and finished grade elevation must also be submitted for approval by the Committee prior to the commencement of any excavation work or activity which will alter the existing topography of the Lot. The Committee shall notify the Owner, in writing, within thirty (30) days of receipt of all required evidence, of the Committee's approval or disapproval of any project. Said written notice may be signed by any one member of the Committee.

(c) The plans, specifications, and location of all contemplated construction shall be in accordance with the terms hereof and with all applicable codes and ordinances of the local governing agency issuing permits for construction or land alteration in effect at the time of such

proposed construction or alteration. The Committee shall have the right, in its sole discretion based upon this Declaration, to approve or disapprove any Lot improvement, including but not limited to building, fence, wall, screened enclosure, grading, floor elevation, drainage plan, mailbox, solar energy device, posts, antennas, fountains, decorative building features, landscaping plan, landscape device or object, yard decorations, or other improvement, whether as new construction or additions, modifications or alterations to Lots.

(d) In the event any required approvals are not obtained prior to commencement of improvements, or in the event improvements are made which vary from those approved, it shall be deemed that no approvals were given and that a violation and/or breach of this Declaration has occurred. A fine of fifty dollars (\$50.00) per occurrence shall be assessed against the Lot and shall accrue with interest as provided in this Declaration until the fine is paid and approval is obtained or improvements corrected to comply with an approval given. If after one hundred and twenty days (120) days from the date the first fine is assessed and the non-compliance has not been corrected, the Committee may re-assess the fifty dollars (\$50.00) fine as a second occurrence of the same violation and may continue to do so every one hundred and twenty days (120) days until the violation has been corrected. In addition to fines, the Association may seek injunctive relief to require compliance with this Declaration which relief shall include court costs and attorney's fees including on appeal. Fines shall be subject to the procedural requirements set forth in this Declaration.

Section 3. Clearing. A site plan will be provided to the Committee showing the location of any structures, driveways, and sidewalks to be constructed and the landscape plan. All yard areas of a Lot shall be sodded or replanted with trees and shrubbery. If any unauthorized clearing takes place on any Lot or Common Property, restoration of said Lot or Common Property to their original condition must be made. The restoration plans as to location of plant material, size, and type must be submitted to the Committee for approval. If the Owner of any Lot (or his contractors, agents or invitees) that has been cleared without written authorization of the Committee fails to restore said Lot or Common Area damaged by the Owner (or his contractors, agents or invitees) within thirty (30) days of receipt of written notice from the Committee, then the Committee may make such restoration, the cost of which shall be a lien against the Lot and a debt of Owner which may be enforced in the same manner as enforcement of Assessments as set forth herein.

ARTICLE V GENERAL RESTRICTIONS - USE AND OCCUPANCY

Section 1. General Prohibition. No Residence, garage, outbuilding, structure or appurtenance of any kind, including additions or substantial alterations thereto, shall be erected, placed or maintained on the Lot or any portion thereof that does not conform to the standards, requirements, prohibitions and provisions of this Declaration or applicable governmental regulations, as same may exist or be changed from time to time without the consent and written approval by the Committee. No multiple story structure shall be constructed or maintained upon the Lot. For purposes of this restriction, a multiple story structure shall be defined as a structure, Residence or building that contains more than (1) floor of living space. All such construction shall be performed, completed, erected, placed and maintained only in accordance with the plans

and specifications required herein as approved by the Committee and governmental building code requirements. This section shall not apply to Select Builders. Select Builders shall follow the Select Builder Guidelines.

Section 2. Only Residential Purposes. No Lot shall be used in whole or in part for anything other than residential purposes, except for model residential dwelling units and **sales offices**, which may be maintained by the Select Builder or Developer only for purposes of the sale of residential dwellings within the Subdivision, and except such construction and sales trailers as may be permitted by Developer and any applicable governmental entity. Other than conducting the sale and construction of Residences, no trade, traffic of business of any kind, whether professional commercial industrial manufacturing or other non-residential use shall be engaged in or carried on within the Subdivision or any part thereof; nor any other activities which may be or which may become an annoyance or a nuisance to any Lot, Owner or to any adjacent property in the Subdivision.

Section 3. Dwelling Size. The ground floor of the Residence exclusive of any open porches, patios (enclosed or otherwise), breeze-ways and garages, shall not be less than 2200 square feet and a maximum of 3600 square feet. Each Residence shall have an enclosed garage for a minimum of two (2) cars. No carports shall be permitted.

Section 4. Building Location. The location of all buildings shall conform to the minimum setback requirements of Indian River County. For the purpose of this covenant, eaves, concrete slabs, steps and open porches shall not be considered as a part of the building; provided, however, that this shall not be constructed to permit any portion of a building on a Lot to encroach upon another Lot or easement. If there is any conflict between this covenant and zoning regulations of the proper governing authority said zoning regulations shall apply.

Section 5. Single Family Residential Use. No building or structure shall be erected, altered, placed or permitted to remain on any Lot other than one (1) single-family Residence, nor may any dwelling be occupied by more than one (1) family. For purposes of this provision, "family" shall be defined as a person or persons who are related by blood, adoption or marriage.

Section 6. Subdivision. No Lot shall be subdivided or split by any means what so ever into any greater number of residential Lots or into any residential plat or plats of smaller size.

Section 7. Occupancy Before Completion. No Residence, building or structure upon any Lot or Property shall be occupied until the same is approved for by such governmental agency which is responsible for regulation of building construction and until it complies with the terms and provisions of these covenants and restrictions. Upon completion, the Committee shall inspect the Lot and improvements and issue a certificate of compliance acknowledging that said terms and provisions have been met or itemizing any non-compliance. The certificate of compliance shall be delivered to the Owner upon the transfer of title or prior to occupancy.

Section 8. Alteration; Exterior Appearances, Structural Modifications. No alterations, changes, modifications, additions or improvements of any kind shall be made to the exterior of any Residence or upon any Lot or Common Property without the express written consent of the

Committee as provided for in this Declaration. Any consent by the Committee to any improvement to be made on any Lot or on the exterior of any Residence, or to anything to be placed thereon, may be withheld purely on aesthetic grounds, in the sole discretion of the Committee. No structural modifications, exterior alterations, or additions of any kind shall be made to a Lot or Residence without the prior written consent of the Committee. This section shall not apply to Select Builders. Select Builders shall follow the Select Builder Guidelines.

Section 9. Maintenance and Repair. All improvements placed or maintained on a Lot shall at all times be maintained in good condition and repair by the Owner. As it relates to motor vehicle maintenance, only well-maintained passenger vehicles bearing current license and registration tags as required by state law shall be permitted on the Property, unless stored in the garage of the Residence. No maintenance, repair or storage of any motor vehicle shall be permitted on any Lot or Common Property, with the exception within the garage of the Residence. No motor vehicle shall be placed upon blocks, jacks, or similar device upon any Lot or Common Property.

Section 10. Completion of Construction. All construction and landscaping approved by the Committee shall be completed within six (6) months from the date of written approval. The Committee may grant a greater period of time to complete said construction or may grant an extension of said six (6) month period. This section shall not apply to Select Builders. Select Builders shall follow the Select Builder Guidelines.

Section 11. Temporary Structures. No tent, shack, trailer, house trailer, garage, or other space shall at any time be used on any Lot as a Residence temporarily or permanently. No building or dwelling of a temporary character shall be permitted, except that buildings necessary for construction or sales taking place in the Subdivision and not intended to be used for living accommodations may be erected and maintained only during the course of construction and sales and after receipt of written approval from the Declarant.

Section 12. Ground Maintenance.

(a) Grass, hedges, shrubs, vines, trees, and mass plantings of any type on each Lot shall be kept trimmed and shall at regular intervals be mowed, trimmed and cut so as to maintain the same in a neat and attractive manner. Trees, shrubs, vines and plants which die shall be promptly removed and replaced. Maintenance of the irrigation system, landscaping, trees, and bushes and cutting of the grass on a Lot shall be the responsibility of the Association as a Common Expense; unless however the Owner installs a fence to enclose the Lot, then in such case, the Owner shall be the responsible for the maintenance of the landscaping, trees, and bushes and cutting of the grass on the Lot. For such maintenance purposes, the Association shall have an easement upon and the right to enter any Lot (excluding, however, the Residence) at a reasonable time and in a reasonable manner to conduct the maintenance duties imposed by this Section.

(b) No weeds, vegetation, rubbish, debris, garbage, objects, waste, or materials of any kind what so ever shall be placed or permitted to accumulate upon any portion of a Lot which would render it unsanitary, unsightly, offensive, or detrimental to the Subdivision or to the

occupants of any property in the vicinity. This section shall not apply to Select Builders. Select Builders shall follow the Select Builder Guidelines.

(c) No building material of any kind or character shall be placed or stored upon any Lot so as to be open to view by the public or neighbors, unless such material will be used and is used for the construction of buildings or structures upon the Lot on which the material is stored. This section shall not apply to Select Builders. Select Builders shall follow the Select Builder Guidelines.

(d) In the event any of the trees on a Lot die either by disease or neglect, they shall be replaced by Owner with the same or other approved type of tree to comply with these minimum requirements. Upon notification by the Board of Directors and/or the local governing agency, each Owner shall have thirty (30) days to replant/replace said trees required under these restrictions. In the event that any of the trees on Common Property die by disease or neglect, they shall be replaced by the Association with same or other approved type of tree to comply with these minimum requirements.

Section 13. Fences. Walls. Hedges. Mass Planting of Any Type.

(a) Fences, walls, hedges or mass planting of any type shall not exceed a height of six (6) feet above the finished graded surface of the grounds upon which it is located and shall not be constructed, planted, placed or maintained upon any Lot without the written consent and approval of the Committee. This section shall not apply to Select Builders. Select Builders shall follow the Select Builder Guidelines.

(b) No hedge or mass planting of any type exceeding three (3) feet above the finished graded surface of the ground upon which it is located shall be constructed, planted, placed or maintained between the street and the front setback line of any Lot without the written consent and approval of the Committee. This section shall not apply to Select Builders. Select Builders shall follow the Select Builder Guidelines.

(c) No fence may be constructed of wire, chain link or cyclone style of fencing on any Lot. All fences that face the road shall be landscaped with the landscaping approved by the Committee. This section shall not apply to Select Builders. Select Builders shall follow the Select Builder Guidelines.

(d) All fences to be constructed in the Subdivision shall be of uniform design and finish. The type and style shall be decided by the Committee. Prior to construction of a fence or wall on any Lot, the Owner must submit a detailed sketch showing the type and location, and confirming the use of the pre-approved style and color of the proposed fence or wall to the Committee for approval. This section shall not apply to Select Builders. Select Builders shall follow the Select Builder Guidelines.

(e) No fence shall be constructed over an easement without the approval of the Committee. This section shall not apply to Select Builders. Select Builders shall follow the Select Builder Guidelines.

Section 14. Animals, Birds and Fowl. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that a reasonable number of dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purposes. No kennel or other commercial animal operation shall be maintained on any Lot. No pet shall be allowed to run loose and uncontrolled within the Subdivision. All pets shall be maintained in a quiet and orderly fashion so as not to disturb other Owners. Pet owners shall comply with all governmental regulations concerning the proper care, maintenance, licensing, and control of their individual pets. All pets shall be on a leash when off the Owner's Lot. Pet owners are responsible for immediately removing any pet waste and disposing of it through their own receptacles. The Board of Directors shall have the right to order the removal of any pet which is considered a nuisance. In such event, the Board of Directors shall give written notice thereof to the pet owner.

Section 15. Laundry. No clothes, sheets, blankets or other articles shall be hung out to dry on the Lot except where enclosed by a lattice, fence, wall or other screening device. Nothing contained in these deed restrictions shall be in conflict with Florida Statutes 163.04 Renewable Energy Sources.

Section 16. Damage by Owners including Select Builders. The Owner of a Lot, including Select Builders, shall be responsible for any expense incurred by the Association or the Developer to repair or replace Common Area vegetation and topography, right-of-ways, swales, drainage facilities and utility lines when such repair or replacement is necessary as a result of the negligent or intentional errors or omissions of the Owner, his family, tenants, guests, agents or invitees. This shall specifically include repairs or replacements resulting from the actions of the Owner's contractor in constructing any improvements on the Owner's Lot. Any such expense if not paid upon demand shall be added to the Assessment to which the Owner's Lot is subject and shall be due and payable in the same manner as the Assessments provided in these covenants.

Section 17. Exterior Light Fixtures. The Committee shall approve all exterior lighting on Residences. No lighting fixture shall be installed that is an annoyance or a nuisance to the residents of adjacent Lot or Lots. This section shall not apply to a Select Builder.

Section 18. Parking; Commercial Vehicles, Boats, Trailers.

(a) No commercial vehicles, boats, motor homes, watercraft, campers, trailers and similar recreational vehicles or any unsightly vehicles of any kind shall park or be parked on the Property, Lots, or Common Property at any time except for: (i) loading and unloading purposes, limited to twenty-four (24) hours, (ii) service vehicles performing service to a Lot or Common Property, or (iii) when parked entirely within a closed garage. This section shall not apply to a Select Builder.

Section 19. Excavations. No excavations for stone, gravel dirt or earth shall be made on any portion of the Lot; except for the construction of dwellings, walls, foundations, swimming pools, structures and other appurtenances. The plans and specifications for such excavations must be approved by the Committee in writing prior to construction. This section shall not apply to a select builder.

Section 20. Signs. Except for permitted signs/advertising stated below, no signs, advertising, notice, letter or pictures of any kind shall be exhibited, displayed, inscribed, painted, or affixed on any part of the exterior of any Residence, or upon any Lot or Common Property, including, without limitation permitted by the Developer, Owners and Select Builders to advertise the sale of Lots or dwelling units for sale, and except as otherwise permitted by the Association's Board of Directors, no sign of any character shall be displayed or placed upon any Lot, Residence or Common Property, which signs may refer only to the particular Lot on which displayed. Said signs shall not exceed twelve (12") inches x twelve (12") inches, and shall be limited to one (1) sign per Lot or Residence, and displayed only upon the Lot sought to be rented or sold. No signs may be attached in any manner to a tree. Open house signs are permitted during the hours of the open house. Security signs may be posted within ten feet (10') of any entrance to the home in accordance with Florida Statute §720.304(6), as amended from time to time. This section shall not apply to Select Builders. Select Builders shall follow the Select Builder Guidelines.

Section 21 Refuse. No trash, garbage, rubbish, debris, waste or materials or other refuse shall be deposited or allowed to accumulate or remain on any lot unless otherwise approved by the Committee. Trash cans shall be maintained in the garage. This section shall not apply to Select Builders. Select Builders shall follow the Select Builder Guidelines.

Section 22. Nuisances. Neither Owner nor Owner's family, guests, invitees, tenants, licensees, agents shall make, produce, generate or permit any noxious, disturbing noises, odors, offensive trade or activity in any Residence or upon any Lot or Common Property, or permit anything by such persons that will interfere with the quiet enjoyment, rights, comforts, privacy, convenience of other Owners.

Section 23. Preservation of Common Property. No person shall obstruct damage or destroy, clear, open, reduce, remove, alter, modify or install anything or improvement within, over or upon any Common Property, easement or preservation area without first obtaining written approval from the Committee. No construction or excavation in the proximity of any preservation area, canal, bank slope or swale, shall be permitted which may substantially impair the stability of the character or drainage in said area.

Section 24. Open Burning. Open burning to reduce solid waste on any Lot is not permitted.

Section 25. Swimming Pools. A Swimming pool may be constructed on a Lot within the appropriate setbacks and with the approval of the location and material by the Committee. A Select Builder does not need Committee approval. Access to a pool from the boundaries of the Lot must be controlled from all directions by fencing or screened enclosure and the residential structure. If pools are protected by screens, such screens and their structures shall be approved

by the Committee. Swimming pools shall be only in ground type and shall be constructed of fiberglass, concrete, or concrete materials. There shall be no above ground pools.

Section 26. Right to Inspect. The Board of Directors and Members of the Committee may at any reasonable time or times during periods of construction or alteration and within thirty (30) days thereafter enter upon and inspect any Lot and any improvements thereon for the purpose of ascertaining whether the maintenance of such Lot and the maintenance, construction or alteration of structures thereon are in compliance with the provisions hereof; and neither said Board Committee Members nor any of its agents shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

Section 27. Antennae, Aerials and Satellite Dishes. Satellite dishes less than one meter in diameter and antennae may be installed on a Lot and, if an acceptable signal can be achieved, must be installed in the rear yard and at a height less than two (2') feet above the lowest point of the roof. Amateur Radio antennae permitted by FCC rules and regulations maybe installed in a way that minimizes impact on neighboring Lots. All other antennae, aerials and satellite dishes must be approved by the Committee.

Section 28. Games and Play Apparatus All games, bicycles and play apparatus remaining outdoors for more than three (3) days shall be located at the rear or side of the dwelling, so as not to be visible from any street. The Committee may make exceptions and permit basketball backboards or similar play apparatus that is visible from the street. Any permitted basketball standards must be in writing by the Committee and shall be constructed of uniform black enamel pole and white backboard and shall be a minimum of twenty-five (25') from any paved public street.

Section 29. Oil and Mining Operations. No oil or gas drilling, oil or gas development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil or gas wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 30. Water Supply and Septic Tanks. No individual water supply systems for drinking purposes or household use shall be permitted on any Lot unless approved by the Committee. This provision, however, shall not preclude the installation of any individual water systems for irrigation purposes, provided that such system is located, constructed and equipped in accordance with the requirements, standards and recommendations of the applicable governmental agencies. No individual sewage disposal systems shall be permitted on any Lot.

Section 31. Air Conditioning. No window or wall air conditioning units shall be permitted in any Residence located within the Subdivision. Heating, ventilating and air conditioning systems and HVAC pads ("HVAC System") exclusively serving a Residence shall be constructed either on the Lot or within the Common Property abutting the side Lot line, and shall located along the side of the residence a minimum of ten (10) feet from the front edge of the building and a maximum of thirty (30) feet from the front edge of the building. Notwithstanding any provision in this Declaration to the contrary, in the event that the HVAC System encroaches on the

Common Property, it shall be the sole responsibility of the Owner whose Residence is being served by such HVAC System to maintain, repair and replace the same.

Section 32. Tanks. No permanent above ground oil tanks or bottled gas tanks may be placed on Lots containing Residences.

Section 33. Vehicular Traffic. All vehicular traffic operating upon the Property shall at all times comply with controlling governmental law, and shall at all times obey any traffic signed placed on the Property. Unless otherwise posted, the speed limit in Lily's Cay at Vero Beach is fifteen (15) mph. All traffic directional signs are to be followed.

Section 34. Rules and Regulations. The Board may adopt such reasonable rules and regulations for the use, enjoyment, governance, maintenance and occupation of the Property, Common Property, Lots and Residences as the Board, in its sole discretion, deems appropriate or necessary, which rules shall inure to the benefit of the Property and shall be binding upon all Owners.

Section 35. Subdivision and Timesharing. No Lot shall be subdivided or its boundary lines changed. No Lot shall be made subject to any type of timesharing, or other program whereby the right to exclusive use of the Lot is offered to persons other than the Owner, without the prior written consent of the Association.

Section 36. Utility Easements. Easements for the installation, maintenance and billing of Utilities are reserved as shown on the Plat, by easement, and as provided herein.

Section 37. Implied Waiver. The failure of the Board to object to an Owner's or other party's failure to comply with Lily's Cay of Vero Beach's Documents now or hereafter promulgated shall in no event be deemed a waiver by the Board or any other party having an interest to object to the same and seek compliance with in accordance with this Declaration.

Section 38. Casualty Destruction to Improvements. In the event a Residence or other improvement upon a Lot is damaged or destroyed by casualty, hazard or other loss, then within a reasonable period of time after such incident, the Owner thereof shall commence to rebuild or repair the damaged Residence or Lot or improvements in compliance with the application determinations of the Committee and the Board, and shall diligently continue with rebuilding or repairing activities to completion.

ARTICLE VI

MAINTENANCE OBLIGATIONS

Section 1. Owner Responsibility. The Owner of each Residence shall be responsible for maintenance of all exterior and interior areas of his Residence, including the driveway, swimming pool and swimming pool enclosure, HVAC system, fences installed on the Lot. The expense of any maintenance, repair or construction of the Common Property and Residence necessitated by the negligent or willful acts of an Owner, or of his family members, guests,

employees, agents, lessees, licensees or invitees, shall be borne solely by such Owner, and such Owner's Residence shall be subject to an individual Assessment for such expense.

Section 2. Association Responsibility.

(a) Common Property. The Association shall be responsible for the maintenance, repair and replacement of all Common Property and any improvements thereon, and any personal property owned by the Association. The Association shall operate and maintain all landscaping, irrigation systems and water management systems within all Lots and Common Property, including, all grass, plants, trees, irrigation systems, sprinkler heads, timer devices, and storm water management and drainage systems and Tract B. Except, however, if the Owner installs a fence to enclose their Lot, the Owner shall be the responsible for the landscaping, irrigation systems and water management systems located on their Lot. For such maintenance purposes, the Association shall have an easement upon and the right to enter any Lot (excluding, however, the Residence) at a reasonable time and in a reasonable manner to conduct the maintenance duties imposed by this Section.

(b) Private Roads and Sidewalks. To the extent not maintained by the City, County or other governmental authority, the Association shall maintain, repair, and replace all roadways, curbing, and sidewalks situated upon the Common Property (the "Paved Areas"); provided, however, any damage to the Paved Areas, including, without limitation oil and other stains from motor vehicles or motorcycles, shall be the sole responsibility of the Owner of the motor vehicle or motorcycle causing such damage and/or the Owner to whom the motor vehicle or motorcycle owner was a guest, tenant or invitee, to repair, and in the event such repair is not promptly undertaken, the Association shall repair the same at Owner's expense.

(c) Wall and Fences. The Association shall maintain, repair and replace all site walls, fences, gates, installed or placed on the Property by the Developer or by the Association and located upon the Common Property.

(d) Maintenance of Additional Property. As additional property, including without limitation additional Residence and Common Property, is made subject to this Declaration, Developer shall have the absolute right to change, amend, or alter the maintenance provisions set forth in this Declaration, and to add additional maintenance provisions for such additional property as deemed appropriate by Developer in its sole and absolute discretion

Section 3. Surface Water or Stormwater Management System.

(a) Definitions. "Surface Water or Stormwater Management System" means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, over-drainage environmental degradation, and water pollution or otherwise affect the quantity and quality of discharge.

(b) Duties of the Association. Pursuant to the requirements of St. John's River Water Management District ("SJRWMD"), the Association has accepted responsibility for the operation and maintenance of the SJRWMD system located in within the Common Property

("SJRWMD System"). Any proposed amendment to the Lily's Cay of Vero Beach's Documents which would affect the SJRWMD System will be submitted to the SJRWMD for a determination of whether the proposed amendment necessitates a modification to the SJRWMD permit issued for the Property. Copies of the SJRWMD Permit and any future permit shall be maintained by the Association's Registered Agent for the Association's benefit. The Association shall be responsible for the maintenance, operation and repair of the surface water or stormwater management system within the Property. Maintenance of the surface water or stormwater management system(s) shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or storm water management capabilities as permitted by SJRWMD. Any repair or reconstruction of the surface water or stormwater management system shall be as permitted or, if modified, as approved by the SJRWMD.

(c) Covenant for Maintenance of Assessments for Association. Assessments shall systems including but not limited to work within the retention areas, drainage structures and also be used for the maintenance and repair of the surface water or stormwater management drainage easements.

(d) Easement for Access and Drainage. The Association shall have a perpetual non-exclusive easement over all areas of the surface water or stormwater management system for access to operate, maintain or repair the system. By this easement, the Association shall have the right to enter upon any portion of any Lot which is part of the surface water or stormwater management system at a reasonable time and in a reasonable manner, to operate, maintain or repair the surface water or stormwater management system as required by the SJRWMD permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire surface water or stormwater management system, including buffer areas or swales, without the prior approve of the SJRWMD.

(e) Amendment. Any amendment to the Declaration which alters any provision relating to the surface water or stormwater management system, beyond maintenance in its original condition, including the water management portions of the Common Property, must have the prior approval of SJRWMD.

(f) Enforcement. The SJRWMD shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in the Declaration which relate to the maintenance, operation and repair of the surface water or stormwater management system.

(g) Swale Maintenance. The Developer has constructed a drainage swale for each Lot for the purpose of managing and containing the flow of excess surface water, if any, found upon such Lot from time to time. Each Owner, including Select Builders, shall be responsible for the maintenance, operation and repair of the swales on the Lot. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which also the swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the SJRWMD. Filing, excavation, construction of fences or otherwise obstructing the surface water flow in the swales is prohibited. No alteration of the swale shall be authorized and any damage to any swales shall be repaired and the swale shall be

returned to its former condition as soon as possible by the Owner of the Lot upon which the swale is located.

ARTICLE VII COVENANT FOR ASSESSMENT

Section 1. Creation of Lien and Personal Obligation for Assessments. By acceptance of a deed to a Lot, each Owner and Select Builder other than the Developer is deemed to covenant and agree to pay to the Association annual and special assessments as hereinafter provided, regardless whether such covenant and agreement shall be expressed in such deed. The annual and special assessments, together with interest, costs, and reasonable attorneys' fees incurred in collecting same, shall be secured by a continuing lien upon the Lot against which each such assessment is made. Each Owner shall be personally liable for all assessments coming due upon his Lot while he is the Owner of said Lot.

Section 2. Purpose of Annual Assessments. Assessments shall be determined annually for Common Expenses for the purpose of maintenance and management of the Association, the Common Property, and for the purpose of promoting the safety and welfare of the Owners. Without limiting the foregoing, the annual Assessments shall be used for maintaining the landscaping; insurance coverage for the Common Property; legal and accounting fees; maintenance of the streets and roads within the Property; management fees; emergency services; repair and replacement of the Property required to be maintained by the Association pursuant to the terms of this Declaration; utility and cable service for the Common Property; garbage collection and trash and rubbish removal; cleaning services for such property required to be maintained by the Association pursuant to the terms of this Declaration; expenses and liabilities incurred by the Association in the enforcement of its rights and duties under this Declaration; creation of reasonable reserves; and all other expenses deemed by the Board of Directors of the Association to be necessary or proper to carry out the Association's management, maintenance, repair, operation and enforcement responsibilities. Assessments shall also be used for the maintenance, operation, and repair of the Surface Water Management System, including Tract B, all ditches, culverts, drains, pipes, conduits, ponds, and other facilities located on or benefiting the Property for the purpose of conveying, transmitting, draining, retaining, and storing storm water runoff from the Property, including with out limitation any and all of such items used or useful in connection with the operational and maintenance of Easements. Such maintenance, operation, and repair such include the exercise of practices which allow the Surface Water Management System to collect, convey, channel, hold, inhibit, or divert the movement of storm water as permitted by the SJRWMD. The Association shall maintain, operate and repair the Surface Water Management System in accordance with the provisions of The Development Order and in the Water Management District Permit, which provides for maintenance and monitoring program which shall be performed by the Association. The Association and its agents, employees and independent contractors shall have the right of ingress and egress to and from the Surface Water Management System for the purpose of complying with the terms and conditions of the Water Management District Permit and all applicable governmental regulations and requirements governing the use, maintenance, operation and repair of the Surface Water Management System. Assessments shall be used for the maintenance and repair of the surface water or storm water management systems including but not limited to work within retention areas, drainage strictures and drainage easements.

Section 3. Special Assessments. The Association shall have the power and authority to levy and collect Special Assessments from each Member for the following purposes: to pay in whole or in part for the cost of any shortfall in the annual budgeted operating revenue acquisition of property by the Association; construction, reconstruction, unexpected repair or replacement of improvements to the Common Property, including the necessary fixtures and personal property related thereto; and the expense of indemnification of each director and officer of the Association, provided that any such special assessment shall have been first approved by two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for such purpose.

Section 4. Individual Assessments. The Association shall have the power and authority to levy and collect an individual Assessment against a particular Lot for the cost of maintenance, repairs or replacements within or without the Lot, which the Owner thereof has failed or refused to perform, and which failure or refusal has, in the opinion of the Association, endangered or impaired the use or value of other portions of the Property or for this Declaration. The Association shall have a right of entry onto each Lot to perform necessary maintenance, repairs and replacements, including the right to abate or eliminate any nuisance. Additionally, the Association may levy an individual Assessment for any expense incurred by the Association to repair damage to Common Property as provided in this Declaration. The individual Assessment may be charged by the Association in an amount that reimburses it for actual expenses incurred. All individual Assessments shall be collectible in such manner as the Association shall determine.

Section 5. Date of Commencement of Annual Assessments; Due Dates. The annual regular assessments provided for in this Article shall commence on the first day of the month next following the recordation of these covenants and shall be applicable through December 31 of such year. Each subsequent annual assessment shall be imposed for the year beginning January 1 and ending December 31. The annual assessment shall be payable in advance in monthly installments, or in annual, semi- or quarter-annual installments if so determined by the Board of Directors of the Association.

The assessment amount (and applicable installments) maybe changed at any time by said Board from that originally stipulated or from any other assessment that is in the future adopted. The original assessment for any year shall be levied for the calendar year (to be reconsidered and amended, if necessary, no more than twice each year, but the amount of any revised assessment to be levied during any period shorter than a full calendar year shall be in proportion to the number of months (or other appropriate installments) remaining in such calendar year.

Section 6. 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 the Lots subject to the Association's jurisdiction for each assessment period, to the extent practicable, at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Subject to other provisions hereof, the Association shall upon demand at any time furnish to any Owner liable for an assessment a certificate in writing signed by an officer of the Association, setting forth whether such assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment of any assessment to the Association therein stated to have been paid.

The Association, through the action of its Board of Directors, shall have the power, but not the obligation, to enter into an agreement or agreements from time to time with one or more persons, firms or corporations (including affiliates of the Declarant) for management services. The Association shall have all other powers provided in its Articles of Incorporation and By-Laws.

Section 7. Effect of Non-Payment of Assessment; the Personal Obligation; the Lien; Remedies of the Association. If the assessments (or installments) provided for herein are not paid on the date(s) when due (being the date(s) specified herein or pursuant hereto), the such assessments (or) installments) shall become delinquent and shall, together with late charges, interest and the cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot which shall bind such property in the hands of the then Owners, his heirs, personal representatives, successors and assigns. Except as provided in this Declaration to the contrary, the personal obligation of the then Owner to pay such assessment shall pass to his successors in title and recourse may be had against either or both.

If any installment of an assessment is not paid within fifteen (15) days after the due date, at the option of the Association, a late charge not greater than the amount of such unpaid installment may be imposed (provided that only one late charge may be imposed on any one unpaid installment and if such installment is not paid thereafter, it and the late charge shall accrue interest as provided herein but shall not be subject to additional late charges; provided further, however, that each other installment thereafter coming due shall be subject one (1) late charge each as aforesaid) or the next twelve (12) months' worth of installments may be accelerated and become immediately due and payable in full and all such sums shall bear interest from the dates when due until paid at the highest lawful rate (or, if there is no highest lawful rate, eighteen percent (18%) per annum) and the Association may bring an action at law against the Owner(s) personally obligated by pay the same, may record a claim of lien (as evidence of its lien rights as hereinabove provided for) against the Lot on which the assessments and late charges are unpaid, may foreclose the lien against the Lot on which the assessments and late charges are unpaid, or may pursue one or more such remedies at the same time or successively, and attorneys' fees and costs actually incurred in preparing and filing the claim of lien and the complaint, if any, and prosecuting same, in such action shall be added to the amount of such assessments, late charges and interests, and in the event a judgment is obtained, such judgment shall include all such sums as above provided and attorneys' fees actually incurred together with the costs of the action, through all applicable appellate levels.

In the case of an acceleration of the next twelve (12) months' of installments, each installment so accelerated shall be deemed initially, equal to the amount of the then most current delinquent installment, provided that if any such installment so accelerated would have been greater in amount by reason of a subsequent increase in the applicable budget, the Owner of the

Lot whose installments were so accelerated shall continue to be liable for the balance due by reason of such increase and special assessments against such Lot shall be levied by the Association for such purpose.

In addition to the rights of collection of assessments stated in this Section, any and all persons acquiring title to or an interest in a Lot as to which the assessment is delinquent, including, without limitation, persons acquiring title by operation of law and by judicial sales, shall not be entitled to the occupancy of such Lot or the enjoyment of the Common Property until such time as all unpaid and delinquent assessments due and owing from the selling Owner have been fully paid; provided; however, that the provisions of this sentence shall not be applicable to the mortgagees and purchasers contemplated by this Article.

All assessments, late charges, interest, penalties, fines, attorney's fees and other sums provided for herein shall accrue to the benefit of the Association.

Section 8. Subordination of the Lien. The lien of the assessments provided for in this Article shall be subordinate to real property tax liens and the lien of any first mortgage (recorded prior to recordation by the Association of a claim of lien) held by First Mortgage lender or insured by FNMA/FHLMC, FHA or VA and which is now or hereafter placed upon any Lot: provided. However, that any such mortgage lender when in possession or any received, and in the event of a foreclosure any purchaser at a foreclosure sale, and any such mortgage lender acquiring a deed in lieu of foreclosure, and all persons claiming by, through or under such purchaser or mortgage lender, shall hold title subject to the liability and lien of any assessment coming due after such foreclosure (or conveyance in lieu of foreclosure). Any unpaid assessment which cannot be collected as a lien against any Lot by reason of the provisions of this Section shall be deemed to be an assessment divided equally among, payable by and a lien against all Lots subject to assessment by the Association, including the Lots as to which the foreclosure (or conveyance in lieu of foreclosure) took place. No mortgagee shall be required to collect assessments.

Notwithstanding the foregoing, a First Mortgagee who acquires title to a Lot through foreclosure or deed in foreclosure shall be liable to the Association for the greater of one percent (1%) of the original principal amount of the applicable first mortgage, the assessments payable to the Association with respect to the Lot for the twelve (12) months immediately preceding such acquisition of title or the maximum amount provided pursuant to Florida law, as amended from time to time.

Section 9. Developer's Payments. Developer's shall not be required to pay assessments levied on the Lots it owns which are subject to this Declaration for so long as Developer pays all common costs incurred by the Association in excess of those assessments receivable (as opposed to received) from all other Owners. Such payment of common expenses shall be made such that if any time during the below-specified time period, received from other Owners and other revenues collected by the Association are not sufficient for the payment of common expenses on a timely basis (including the full funding of any reserves adopted hereunder), Developer shall advance sufficient cash to the Association at the time such payments are due.

The foregoing provision shall be effective from the date of the recording of this Declaration and until the date which is the earlier of the end of the second (2nd) full year after this Declaration is recorded (subject to extension as provided below) or when the Class A Members elect a majority of the Board of Directors of the Association; provided, however, that the above-stated guaranteed amount shall increase by five percent (5%) on January 1 of each year following the year this Declaration is recorded. Developer may extend the assessment guarantee and deficit funding arrangements stated above of successive periods on one (1) year but to end no later than when the Class A Members elect a majority of the Board of Directors, at which time such arrangement shall automatically terminate.

Section 10. Association Funds. The portion of all regular assessments collected by the Association for reserves for future expenses, and the entire amount of all special and capital assessments, shall be held by the Association and may be invested in interest bearing accounts or in certificates of deposit or other like instruments or account available at banks or savings and loan institutions, the deposits of which are insured by an agency of the United States.

ARTICLE VII ENFORCEMENT

Section 1. Violation and Enforcement of Restriction and Covenants.

(a) The Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenant, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In any action for enforcement brought hereunder, the prevailing party shall be entitled to reasonable attorney's fees including attorney's fees through appellate proceedings.

(b) The Association may suspend, for a reasonable period of time, the right of members (excluding the Developer) or a members tenants, guests, or invitees, or both, to use Common Property and facilities and may levy reasonable fines against any member or any tenant, guest, or invitee in accordance with Florida Statutes §720.305 as amended from time to time.

(c) Upon learning of a violation, the Association shall issue the Owner a written notice either by certified return receipt mail or posting on the property requesting the Owner to cure the violation and advising the Owner that a fine or suspension will be imposed if the violation is not cured within fourteen (14) days of receipt of the notice.

(d) No fine or suspension will be imposed without an opportunity for a hearing before a committee of at least three (3) members appointed by the Board who are not officers, directors, or employees of the Association or the parent, spouse, child, brother, or sister of an officer, director or employee. A majority vote of the committee must be obtained within thirty (30) days of the original notice for a fine or suspension to be imposed. The requirements of this subsection do not apply to the imposition of suspension or fines upon any member because of the balance of the members to pay assessments or other charges when due.

(e) Should the violation not be cured within said fourteen (14) days of receipt of said written violation, a fine shall automatically be imposed subject to subsection (d). The amount of the fine at the time of filing this Declaration is up to one thousand dollars (\$1,000.00), but said amount may be increased from time to time by the Board of Directors without vote of the Association or amendment of this Declaration, if authorized by law. A fine of less than one thousand dollars (\$1,000.00) may not become a lien against a Lot; except, however, any fines greater than one thousand dollars (\$1,000.00) shall be deemed to a lien against a Lot. In any action to recover a fine, the prevailing party is entitled to reasonable attorney fees and costs from non-prevailing party as determined by the Court.

(f) The Association shall have the authority but is not obligated to cure any violation through whatever action it deems reasonable and the expenses thereof shall be chargeable to the Owner of the Lot or Lots on which or in connection with the violation has occurred. Said expense shall be payable forthwith and upon demand. In the event the Association has expended funds in connection with curing such violation, then and in such event the funds so expended shall become an assessment upon the Lot or Lots enforceable as provided herein for unpaid assessments.

(g) Violation or breach of any conditions, covenant, or restriction herein contained shall give the Developer and the Association in addition to other remedies, the right to proceed at law or equity to compel a compliance with the terms of said condition, covenant, and restriction, and to prevent the violation or breach of any of them and the expense of such litigation shall be borne by the then Owner of the subject property. Expenses of litigation shall include reasonable attorney's fees incurred by the Developer or the Association seeking such enforcement.

(h) Suspension of Common Property use rights shall not impair the right of an owner or tenant of a Lot to have vehicular or pedestrian ingress to and egress from the Lot, including, but not limited to, the right to park.

(i) The failure of the Association or of a Owner to enforce any right, provision, covenant or condition which may be granted by the plat or by any other valid restrictive covenant shall not constitute a waiver of the right of the Association or Owner to enforce such right, provision, covenant or condition in the future.

ARTICLE VIII
EASEMENTS

Section 1. Utilities. The Property shall be subject to such easements as may be determined in the sole discretion of Developer for utilities including, but not limited to, water, sewer, electric and cable television as may be reasonably required to properly and adequately serve the Property as it exists from time to time. Each of said easements, whether heretofore or hereafter created, shall constitute covenants running with the Property and, notwithstanding any other provisions of this Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with the proper and intended use of any portion of the Property and said easements shall

survive any termination of this Declaration. Said easements shall not interfere with, and shall be subordinate to, the use and title of every Lot.

Section 2. Service. Developer hereby grants to delivery, pick-up and fire protection services, police and other authorities of the law, United States mail carriers, representatives of electrical, telephone, cable television and other utilities authorized by the Developer to service the Property, and to such other persons as the Developer from time to time may designate, the non-exclusive, perpetual right of ingress and egress over and across the Common Property for the purposes of performing their authorized services and investigation.

Section 3. Roadway and Sidewalk Access Easements. Easements are hereby reserved and provided in favor of Owners, and their guests, invitees and tenants, for ingress and egress over and about the Common Property, and for vehicular and pedestrian traffic over and across such portions of the Common Property areas as are used for roads within the Property. The rights provided under such easements shall be exercised by the foregoing parties in a manner so as not to interfere with the use and enjoyment of the common Property by other Owners and owner's family, guests, invitees and tenants. Developer and the Association shall have the right to grant similar easements in favor of persons and property not subject to this Declaration. Easements are also reserved in favor of Owners and Owners guests, invitees and tenants over sidewalks and other areas of the Common Property for ingress and egress to their Lots and Residences.

Section 4. Landscape and Irrigation Maintenance Easements. Maintenance easements are hereby reserved and provided in favor of the Association over all Lots (including without limitation, front yard areas, side yard areas, and rear yard areas) and Common Property for purposes of installation, maintenance, repair and replacement of all landscaping and irrigation improvements and systems and water and lake retention areas for which the Association has the obligation to maintain and repair.

Section 5. Easement for Encroachment. Notwithstanding any provision to the contrary herein, in the event that any Residence encroaches on any portion of the Common Property or adjoining Lots, a perpetual easement appurtenant to such Lot shall exist for the continuance of such encroachment on the Common Property or adjoining Lots. In the event any fence, roof, overhanging roof, HVAC system, pool lines and equipment, gas lines, utility lines, or portion of the Residence as constructed on any Lot, encroaches or overlaps on any other Lot or the Common Property, a perpetual easement appurtenant to the Lot upon which the fence, HVAC system, roof, overhanging roof, or Residence is constructed shall exist for the continuation of any such encroachment or overlapping upon the adjoining Common Property or Lots.

Section 6. Association. Such easements throughout the Property as may reasonably be necessary for the Association to perform its services required and authorized hereunder are hereby granted in favor of the Association.

Section 7. Execution. To the extent that the creation of any of the easements described in this Article requires the joinder of Owners, the Developer by its duly authorized officers may, as the agent or other attorney-in-fact for the Owners, execute, acknowledge and deliver such instruments and the Owners, by the acceptance of deeds to their Lot, irrevocably nominate, constitute and appoint the Developer, through its duly authorized officers, as their proper and

legal attorney-in-fact for such purpose. Said appointment is coupled with an interest and is therefore irrevocable. Any such instrument executed pursuant to this Article shall recite that it is made pursuant to this Article.

ARTICLE IX TRANSFERS OF LOTS

In order to preserve the values and amenities of Lily's Cay at Vero Beach, the following provisions shall be applicable to sales, leases and other transfers:

Section 1. Leases. Owners may lease their Residence pursuant to the Rules and Regulations and this Declaration. No Residence may be leased for a period of less than three (3) months nor may a Residence be leased more than two (2) times during any calendar year. All tenants and guests are required to comply with Lily's Cay at Vero Beach's documents, and other obligations created by this Declaration. The Board reserves the right to limit the number of tenants or guests which may reside in a Residence, and the duration of leases or guest stays, as the case may be. Owners leasing their Lots or Residences are required to provide the Association with a copy of the lease or the names and addresses of the landlord and the tenant that are contained in the lease or rental agreement. In order to maintain a community of congenial residents who are financially responsible and thus protect the value of the Property, no Owner may lease any Lot or building thereon without the prior written approval of the Association as provided hereinafter. A reasonable administrative fee, as determined by the Association, may be charged by the Association to the Owner in the event of a lease or lease application, for the purpose of defraying the cost associated with processing of the lease application for approval, reflecting the proposed lease in the books and records of the Association and other matters associated with any Board approved lease. If the required notice to the Association shall not be given, then at any time after receiving the knowledge of the lease or possession of the Lot or building thereon, the Association may, without notice, approve or disapprove of the lease. The administrative fee shall not apply to a Select Builder. Additionally, the Association may charge a reasonable estoppel fee in conjunction with the contract for the sale of a Lot.

Section 2. Entity Ownership. If the purchaser or lessee of a Lot is a corporation, trust or entity other than an individual person, the person who executes the lease or contract to purchase shall be the primary occupant of the Lot unless the purchaser or lessee designates otherwise. All other occupants shall be considered as either guests or lessees, as may be appropriate, who shall be subject to all use and occupancy restrictions provided in the Declaration, and in the rules and regulations of all governing associations. All such approvals shall be made on forms supplied by the Association.

Section 3. Notice of Conveyance. At any time an Owner conveys his Lot, he and the transferee shall be jointly obligated to notify the Association of the transferee's name, mailing address and date of transfer. A notice will be provided by the Association upon the transfer of any Lot providing the current written status of the Association dues.

Section 4. Certificate of Approval. In the case of a sale, if the proposed transfer is approved by the Association, such approval shall be evidenced by a Certificate of Approval, executed by

the President, Vice President or Secretary of the Association, which Certificate shall be recorded in the Public Records of the County, at the expense of the Seller of the Lot.

ARTICLE X
GENERAL PROVISIONS

Section 1. Severability and Interpretation. Invalidation of any of these covenants or restrictions by judgment or court order shall in no way affect any other provisions hereof, which shall remain in full force and effect. Should any conflict in interpretation arise between the provisions of this Declaration and of the Articles of Incorporation, the provisions of this Declaration shall prevail.

Section 2. Duration, Modification and Amendment. Except as the same may be changed, modified, or amended as provided for hereafter, the covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, at which time they shall be automatically extended for successive periods of ten (10) years, unless modified or terminated by a duly recorded written instrument executed in conformance with the requirements described below.

So long as Declarant owns one or more Lots within the Subdivision, as may be expanded, the Declarant may, in its sole discretion and without any notice to or vote by other Owners, change, modify or amend any provision of this Declaration in whole or in part by executing a written instrument making such changes and having the same duly recorded in the Public Records of Indian River County, Florida.

At any time after the Declarant no longer owns any Lot or Lots within the Subdivision, as may be expanded, the covenants, agreements, conditions, reservations, restrictions, and charges created and established herein may be waived, abandoned, terminated, modified, altered, or changed upon notice to all members of the Association and with the approval of two-thirds (2/3) of the total membership vote. Such action may be taken at any annual or special meeting of the Association or by certified written ballot, so long as written notice of such proposed action or amendment is given thirty (30) days prior to the meeting or scheduled vote. Any such proposed action must be initiated in the same manner as amendments to the By-Laws of the Association. No such waiver, abandonment, termination, modification or alteration shall become effective until a properly executed instrument in writing shall be recorded in the Public Records of Indian River County, Florida.

The foregoing notwithstanding, any amendments to the covenants and restrictions which alter the surface water or stormwater management system, beyond maintenance in its original condition, including the water management portion of the Common Property, must have the prior approval of the SJRWMD.

Section 3. Mortgage or Conveyance of Common Property. In addition to any approvals required of the SJRWMD, any subsequent mortgage or conveyance of a Common Property or any portion thereof shall require the approval of at least fifty (50%) percent of the total membership vote.

Section 4. Covenants Run with the Land. All restrictions, reservations, covenants, conditions and easements contained in this Declaration shall constitute covenants running with the land and all grantees, devisees or mortgages, their heirs, personal representatives, successors and assigns, and all parties claiming by, though or under such persons or entities, agree to be bound by the provisions of Lily's Cay at Vero Beach's documents.

Section 5. Enforcement. The covenants and restrictions herein contained in any of the Lily's Cay at Vero Beach's Documents may be enforced by the Developer, the Associations, any Owner or Owners, in any judicial proceedings seeking any remedy recognizable at law or in equity, including damages, injunction or any other form of relief against any person, firm or entity violating or attempting to violate any covenant, restriction or provision hereunder.

Section 6. Effect of Waiver of Violation. The failure of any party to enforce any such covenants, restrictions or provision of this Declaration shall in no event be deemed a waiver of such covenant, restriction or provision or of the right such party to thereafter enforce such covenant, restriction or provision.

Section 7. Expandable Association.

(a) Upon the recordation of this Declaration, the Association shall have as members all Owners of Lots in that portion of the Subdivision to which this Declaration has been made applicable, and said portion shall be subject to the jurisdiction of the said Association, the provisions of this Declaration, and the terms of the Articles of Incorporation and By-Laws of the Association, as amended from time to time.

(b) If the Developer elects to submit additional phases of the Subdivision to this Declaration and to the jurisdiction of the Association, the owners of Lots included therein shall also be Members of the Association, and shall enjoy the use of and contribute toward the costs of maintenance, repair and operation of the Common Property on an equal basis with all other Owners.

(c) Any additions of portions of the Subdivision which Declarant elects to submit to this Declaration shall be made by filing of record a supplementary declaration of covenants and restrictions with respect to the additional property, which if applicable shall extend these covenants and restrictions to such property.

(d) Such supplementary declaration may contain such complementary additions, deletions, changes to this Declaration as may be required to reflect the different character, if any, of the added properties. In no event, however, shall such supplementary declaration revoke, or otherwise modify the covenants and restrictions established by this Declaration upon the existing subject properties unless properly amended in accordance with the amendment procedures set forth herein.

(e) No vote or approval of any Owner is needed if Declarant elects to expand Lily's Cay at Vero Beach Subdivision.

Section 7. Rules and Regulations. The Board of Directors may, from time to time, adopt or amend previously adopted administrative Rules and Regulations governing the details of the use and maintenance of properties within the area in order to ensure compliance with the Architectural Review Guidelines as established pursuant to the Declaration. If any irreconcilable conflict should arise or exist with respect to the interpretation of the Bylaws, the Articles of Incorporation, or Declaration, the Articles of Incorporation and the Declaration shall prevail.

Section 8. Captions, Headings and Titles. Article, section and paragraph captions, headings and titled inserted throughout this Declaration are intended as a matter of convenience only and in no way shall such captions, headings and titles define, limit or in any way affect the subject matter or any of the terms and provisions thereunder nor the terms and provisions of this Declaration.

Section 9. Attorneys' Fees. The prevailing party in any litigation or dispute associated with Lily's Cay at Vero Beach's Documents shall be entitled to recover all costs thereof, including, without limitation, reasonable attorneys' fees, court costs, legal assistant time, expert witness fees, investigate fees, administrative fees, administrative costs, and all other expenses and charges billed by the attorney to the prevailing party even if not taxable court costs (including, without limitation, all such fees, costs and expenses incident to arbitration, mediation, appellate, bankruptcy, and post judgment proceedings incurred in any such action, proceeding or appeal, in addition to other relief to which the party or parties may be entitled) and whether or not suit is instituted.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused these presents to be executed in its name by its duly authorized officer, as of the 12 day of January, ~~2015~~ 2016.

Signed, sealed, and delivered in the presence of:

DECLARANT
**DIAMOND COURT WEST, FL, LLC A
FLORIDA LIMITED LIABILITY COMPANY**

W-AK
Printed Name William A King

By: [Signature] MANAGE
Name: R. G. [Signature]
Title: MANAGE

Victor J. Harsh
Printed Name Victor J Harsh

STATE OF ~~FLORIDA~~ Virginia
COUNTY OF ~~INDIAN RIVER~~ Virginia Beach

I HEREBY CERTIFY that on this day, before me an officer duly authorized in the State and in the County aforesaid to take acknowledgments, personally appeared

Raymond Gottlieb as Manager of Diamond Court West, FL, a Florida Limited Liability Company on behalf of the company. He is personally known to me or produced as identification.

WITNESS my hand and official seal this 12 day of January, ~~2015~~ 2016

Notary Public, State of Florida

(Notary Seal)

Tammie S Jakobsson
Print Name:

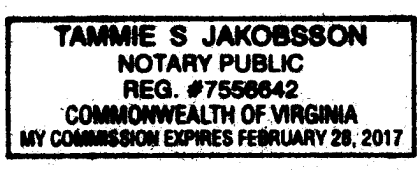


EXHIBIT "A"

Legal Description

LEGAL DESCRIPTION TO LILY'S CAY AT VERO BEACH

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 32 SOUTH, RANGE 39 EAST, RUN N89°50'39"W ALONG THE QUARTER SECTION LINE A DISTANCE OF 1320.31 FEET TO THE COMMON SECTION LINE OF SECTION 25 AND SECTION 26; THENCE RUN N00°10'13"W ALONG THE SAID SECTION LINE A DISTANCE OF 50.00 FEET TO THE NORTH RIGHT OF WAY LINE OF 41ST STREET AS IT NOW EXISTS AND THE POINT OF BEGINNING;

FROM SAID POINT OF BEGINNING RUN N89°48'23"W ALONG SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 581.47 FEET TO SOUTHEAST CORNER OF "INDIAN RIVER COURTS, P.D., PHASE 2", PLAT BOOK 16, PAGES 39 THROUGH 39D, INDIAN RIVER COUNTY; THENCE RUN N04°12'51"W ALONG THE EAST BOUNDARY LINE OF SAID INDIAN RIVER COURTS, P.D., PHASE 2, A DISTANCE OF 614.90 FEET TO THE NORTHEAST CORNER OF SAID INDIAN RIVER COURTS, P.D., PHASE 2; THENCE RUN S89°52'19"E ALONG THE SOUTH BOUNDARY LINE OF INDIAN RIVER COURTS, P.D., PHASE 1, PLAT BOOK 16, PAGE 39-39D, INDIAN RIVER COUNTY A DISTANCE OF 628.49 FEET TO THE AFOREMENTIONED COMMON SECTION LINE; THENCE RUN S89°48'27"E A DISTANCE OF 242.44 FEET TO THE WESTERLY RIGHT OF WAY LINE OF INDIAN RIVER BOULEVARD AS IT NOW EXISTS AND A POINT ON CURVE; THENCE RUN SOUTHEASTERLY ALONG SAID CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 6903.96 FEET, A CENTRAL ANGLE OF 01°00'32", SUBTENDED BY A CHORD BEARING AND DISTANCE OF S00°49'48"E AND ARC DISTANCE OF 121.56 FEET TO A POINT OF TANGENCY; THENCE RUN S44°54'13"E A DISTANCE OF 671.19 FEET; THENCE RUN S21°59'33"W A DISTANCE OF 57.09 FEET TO THE AFORESAID NORTH RIGHT OF WAY LINE OF 41ST STREET; THENCE RUN N89°50'39"W ALONG SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 781.74 FEET TO THE POINT OF BEGINNING.

CONTAINING 705,773.95 SQUARE FEET OR 16.20 ACRES, MORE OR LESS.

SAID PARCEL BEING ALSO DESCRIBED AS:

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 32 SOUTH, RANGE 39 EAST, THENCE N 89°49'20" W ALONG THE QUARTER SECTION LINE A DISTANCE OF 1320.04 FEET TO AN INTERSECTION WITH THE COMMON SECTION LINE OF SECTION 25 AND SECTION 26; THENCE N 00°10'18" E ALONG THE SAID COMMON

SECTION LINE A DISTANCE OF 50.00 FEET TO AN INTERSECTION WITH THE NORTH RIGHT OF WAY LINE OF 41ST STREET AS IT NOW EXISTS AND THE POINT OF BEGINNING OF THE HEREON DESCRIBED PARCEL;
FROM SAID POINT OF BEGINNING THENCE N 89°49'00" W ALONG SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 581.38 FEET TO AN INTERSECTION WITH THE SOUTHEAST CORNER OF PHASE 2 OF INDIAN RIVER COURTS, P.D., AS RECORDED IN PLAT BOOK 16, PAGES 39 THROUGH 39D, INDIAN RIVER COUNTY; THENCE N 04°13'11" W ALONG THE EAST BOUNDARY LINE OF SAID PHASE 2, A DISTANCE OF 614.90 FEET TO THE NORTHEAST CORNER OF SAID PHASE 2 AND THE SOUTHEAST CORNER OF PHASE 1 OF SAID INDIAN RIVER COURTS, P.D.; THENCE S 89°52'00" E ALONG THE SOUTH BOUNDARY LINE OF SAID PHASE 1 OF INDIAN RIVER COURTS, P.D. A DISTANCE OF 628.49 FEET TO THE AFOREMENTIONED COMMON SECTION LINE; THENCE CONTINUE ALONG THE SAID SOUTH LINE OF PHASE 1 S 89°48'40" E A DISTANCE OF 242.58 FEET TO AN INTERSECTION WITH THE WESTERLY RIGHT OF WAY LINE OF INDIAN RIVER BOULEVARD AND A NON-TANGENT POINT ON CIRCULAR CURVE, SAID POINT BEARS S 46°06'50" W FROM THE RADIUS POINT OF SAID CURVE; THENCE ALONG SAID WESTERLY RIGHT OF WAY AND SOUTHEASTERLY ALONG SAID CIRCULAR CURVE, CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 6903.96 FEET, THROUGH A CENTRAL ANGLE OF 01°00'29" FOR AN ARC LENGTH OF 121.46 FEET TO A POINT OF TANGENCY, SAID CURVE IS SUBTENDED BY A CHORD OF 121.45 FEET THAT BEARS S 44°23'24" E; THENCE CONTINUE ALONG THE SAID WESTERLY RIGHT OF WAY, S 44°53'38" E A DISTANCE OF 671.19 FEET; THENCE CONTINUE ALONG SAID WESTERLY RIGHT OF WAY, S 21°50'25"W A DISTANCE OF 57.11 FEET TO THE AN INTERSECTION WITH THE SAID NORTH RIGHT OF WAY LINE OF 41ST STREET; THENCE N 89°49'20" W ALONG SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 781.88 FEET TO THE POINT OF BEGINNING.

CONTAINING 705,773.95 SQUARE FEET OR 16.20 ACRES, MORE OR LESS.

EXHIBIT B

PLAT AND ALL RELATED DEVELOPMENT PLAN DOCUMENTS

EXHIBIT C

ARTICLES OF INCORPORATION

PREPARED BY AND TO BE

RETURNED TO:

Lisa Thompson Barnes,, Esq.

Collins, Brown, Barkett, Garavaglia & Lawn, Chartered

Post Office Box 3686

Vero Beach, FL 32964

E-mail: lthompson@verolaw.com

ARTICLES OF INCORPORATION

OF

LILY'S CAY AT VERO BEACH HOMEOWNER'S ASSOCIATION, INC.

The undersigned incorporator hereby adopts the following Articles of Incorporation for the purpose of forming a not-for-profit corporation under the "Florida Not-For-Profit Corporation Act."

ARTICLE I

CORPORATE NAME

The name of the Corporation shall be LILY'S CAY AT VERO BEACH HOMEOWNER'S ASSOCIATION, INC. (hereinafter the "Association").

ARTICLE II

DURATION

The duration of the Corporation shall be perpetual. The address of the principal office of this corporation shall be 835 20th Place, Vero Beach, Florida 32960, and the mailing address shall be the same.

ARTICLE III

DEFINITIONS

The terms used in these Articles shall have the same definitions and meanings as those set forth in the Declaration of Covenants, Conditions and Restrictions for LILY'S CAY AT

VERO BEACH (“Declaration”), to be recorded in the Public Records of Indian River County, Florida, unless herein provided to the contrary, or unless the context otherwise requires.

ARTICLE IV

COMMENCEMENT OF CORPORATE EXISTENCE

The corporate existence of the Association shall commence at the time these Articles of Incorporation are filed by the Department of State of the State of Florida.

ARTICLE V

PURPOSES AND POWERS

The Association is not organized for pecuniary profit or financial gain, and no part of the Association’s assets or income shall inure to the benefit of any Director, Officer or Member of the Association except as may be authorized by the Board of Directors in accordance with the terms and provisions of the Bylaws of the Association with respect to compensation of Directors, Officers or Members of the Association for the rendition of unusual or exceptional services to the Association.

The purposes for which the Association is formed, and the powers which may be exercised by the Association, are:

1. To own, operate, maintain, preserve or replace, and to provide architectural control over Lots, and Common Property located on that certain parcel of real property situate in Indian River County, Florida, known as LILY’S CAY AT VERO BEACH, and described in Exhibit “A” to the Declaration; and to Lots and Common Property that may be annexed or otherwise added to the Property from time to time pursuant to the Declaration; and

2. To acquire by gift, purchase or otherwise, own, build, improve, operate, repair, maintain and replace, lease, transfer, convey, or otherwise dispose of real property, buildings, units, improvements, fixtures and personal property in connection with the business and affairs of the Association; and

3. To dedicate, sell or transfer all or any part of, or any interest in, the Common Properties to any public agency, taxing authority, or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors, provided that such decision, sale, or transfer is approved by a two-thirds (2/3) vote of the Board of Directors and prior written consent of the Developer is obtained for so long as the Developer owns one (1) Lot in the Property; and

4. To establish, levy, collect and enforce payment of all assessments and charges pursuant to the terms and provisions of the Declaration or Bylaws of the Association and to use

the proceeds thereof in the exercise of its powers and duties, including without limitation, to levy and collect adequate assessments against members of the Association for the costs of maintenance and operation of the Surface Water or Stormwater Management System (as defined in the Declaration); and

5. To pay all expenses in connection with and incident to the conduct of the business and affairs of the Association; and

6. To borrow money and to pledge, mortgage or hypothecate any or all of the real or personal property owned by the Association as security for money borrowed or debts incurred by the Association; and

7. To annex additional real property to the Property pursuant to the terms and provisions of the Declaration; and

8. To exercise such powers which are now or may hereafter be conferred by law upon an Association organized for the purposes set forth herein, or which may be necessary or incidental to the powers so conferred; and

9. To grant easements on or through the Common Property or any portion thereof;
and

10. To exercise all of the powers and privileges, and to perform all of the duties and obligations, of the Association, as set forth in the Declaration, as the same may be amended from time to time; and

11. To promulgate, amend or enforce rules, regulations, bylaws, covenants, restrictions or agreements to effectuate the purposes for which the Association is organized; and

12. To contract for the management of the Association and to delegate in such contract all or any part of the powers and duties of the Association, and to contract for services to be provided to Owners such as, but not limited to, utilities services; and

13. To purchase insurance upon the Property or any part thereof and insurance for the protection of the Association, its Officers, Directors and Owners; and

14. To employ personnel and contract with professionals including, but not limited to, attorneys, accountants, architects and engineers to perform the services required for the proper operation of the Association; and

15. To appear through its authorized agents before any legislative, judicial, administrative or governmental body concerning matters affecting the Property and/or the Association; and

16. To operate, maintain and manage the Surface Water or Stormwater Management System in a manner consistent with the St. Johns River Water Management District Permit No.

IND-061-85606-6 dated April 3, 2014 requirements and applicable District rules, and shall assist in the enforcement of the Declaration, which relate to the Surface Water or Stormwater Management System.

The foregoing clauses shall be construed both as purposes and powers and the enumeration of specific purposes and powers shall not be construed to limit or restrict in any way the purposes and powers of the Association that may be granted by applicable law and any amendments thereto or otherwise conferred upon not-for-profit corporations by common law and the statutes of the State of Florida in effect from time to time.

ARTICLE VI

BOARD OF DIRECTORS

A. NUMBER AND QUALIFICATIONS. The business and affairs of the Association shall be managed and governed by a Board of Directors. The number of Directors constituting the initial Board of Directors shall be three (3). The number of Directors may be increased or decreased from time to time in accordance with the Bylaws of the Association, but in no event shall there be less than three (3) Directors nor more than seven (7) Directors. Directors need not be Members of the Association.

B. DUTIES AND POWERS. All of the duties and powers of the Association existing under the Declaration, these Articles and the Bylaws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by Members when such approval is specifically required.

C. ELECTION; REMOVAL. Directors of the Association shall be elected at the Annual Meeting of the Members in the manner determined by and subject to the qualifications set forth in the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.

D. TERM OF INITIAL DIRECTORS. The Developer shall appoint the members of the first Board of Directors who shall hold office for the periods described in the Bylaws.

E. INITIAL DIRECTORS. The names and addresses of the first Board of Directors who shall hold office until their successors are elected and have taken office, as provided in the Bylaws are as follows:

ARTICLE VII

TRANSACTION IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

No contract or transaction between the Association and one or more of its Directors or Officers or between the Association and any other corporation, partnership, association or other organization in which one or more of its Officers or Directors are Officers or Directors of this Association shall be invalid, void or voidable solely for this reason or solely because the Officer or Director is present at, or participates in, meetings of the board or committee thereof which

authorized the contract or transaction, or solely because said Officer's or Director's votes are counted for such purpose. No Director or Officer of the Association shall incur liability by reason of the fact that said Director or Officer may be interested in any such contract or transaction. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

Similarly, no contract or transaction between the Association and any other corporation, partnership, association, or organization in which one or more of the Officers or Directors of this Association may be an employee or have another affiliated relationship shall be invalid, void, or voidable solely because the Officer or Director of this Association serves as an Officer, Director, employee, principal or is otherwise affiliated with said corporation, partnership, association or other organization which is entering into a contract or transaction with the Association.

ARTICLE VIII

OFFICERS

The affairs of the Association shall be administered by the Officers holding the offices designated in the Bylaws. The Officers shall be elected by the Board of Directors of the Association at its first meeting following the Annual Meeting of the Members of the Association and shall serve at the pleasure of the Board of Directors. The Bylaws may provide for the removal of Officers, for filling vacancies and for the duties of the Officers. The names and addresses of the Officers who shall serve until their successors are designated by the Board of Directors are as follows:

President:

Wes Sandler

448 Viking Drive, Suite 220

Virginia Beach, VA 23452

Vice President:

Alan

Resh

448 Viking Drive, Suite 220

Virginia Beach, VA 23452

Secretary:

Catherine Scarborough

448 Viking Drive, Suite 220

Virginia Beach, VA 23452

Treasurer:

Catherine Scarborough

448 Viking Drive, Suite 220

Virginia Beach, VA 23452

ARTICLE IX

MEMBERSHIP & VOTING

A. MEMBERSHIP. Every person or entity who is an Owner as defined in the Declaration, shall be a Member of the Association. Any person or entity who holds an interest in any Lot merely as security for the performance of an obligation shall not be a Member of the Association unless and until such holder of a security interest acquires title pursuant to foreclosure or judicial proceeding or deed-in-lieu of foreclosure. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Each Owner shall become a Member of the Association upon title to the Lot being conveyed by deed to such Owner and upon the recording of said deed among the Public Records of Indian River County, Florida, or upon a transfer of title by operation of law. Transfer of membership shall be established by the recording among the Public Records of Indian River County, Florida, of a warranty deed or other instrument establishing a record title to a Lot, the Owner or Owners designated by such instrument thereby becoming a Member or Members of the Association and the membership of the prior Owner or Owners thereupon being terminated.

B. VOTING. All votes shall be cast by Members in accordance with the Declaration as the same may be amended from time to time.

ARTICLE X

AMENDMENT

Amendments to these Articles shall be proposed in the following manner:

A. PROPOSAL. Notice of the subject matter for proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered.

B. ADOPTION. The resolution for the adoption of a proposed amendment may be proposed by either a majority of the Board of Directors or by not less than two-thirds (2/3) of the Members of the Association. The approvals must be by not less than two-thirds (2/3) of all the

Members of the Association represented at a meeting at which a quorum thereof has been attained.

C. **LIMITATION.** No amendment shall be made that is in conflict with the Declaration or Bylaws, nor shall any amendment make changes which would in any way affect the rights, privileges, powers or options herein provided in favor of or reserved to the Developer, or an affiliate of the Developer, unless the Developer shall join in the execution of the amendment. Notwithstanding anything to the contrary contained herein, until Developer has turned over control of the Association as provided in the Declaration, no amendment to these Articles shall be effective unless the Developer shall consent to and join in the execution of the amendment.

D. **DEVELOPER AMENDMENT.** Notwithstanding anything to the contrary contained herein, until Developer has turned over control of the Association as provided in the Declaration, the Developer may amend these Articles consistent with the provisions of the Declaration allowing certain amendments to be effected by the Developer alone, including, but not limited to, Developer’s amendment to correct any scrivener’s error as determined by Developer in its sole discretion.

E. **RECORDING.** A copy of each amendment shall be filed with the Secretary of State pursuant to the provisions of applicable Florida law, and a copy certified by the Secretary of State shall be recorded in the Public Records of Indian River County, Florida.

ARTICLE XI

BYLAWS

The first Bylaws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided in the Bylaws and the Declaration.

ARTICLE XII

INCORPORATOR

The name and address of the incorporator of the Association is:

<u>Name</u>	<u>Address</u>
Lisa Thompson Barnes	756 Beachland Boulevard Vero Beach, Florida 32963

ARTICLE XIII

INDEMNIFICATION

A. **INDEMNITY.** The Association shall indemnify, hold harmless and defend any person (hereinafter referred to as “Indemnitee”) who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil,

criminal, administrative or investigative, by reason of the fact that he is or was a Director, employee, Officer or agent of the Association, including those selected, appointed, or elected by the Developer, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, unless (a) a court of competent jurisdiction determines, after all available appeals have been exhausted or not pursued by the proposed Indemnitee, that he was grossly negligent or that he acted willfully or wantonly in disregard of the interests of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (b) such court further specifically determines that indemnification should be denied. The termination of any action, suit or proceeding - by judgment, order, settlement, conviction or upon plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person was grossly negligent or that he acted willfully or wantonly in disregard of the interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

B. **AGREEMENT TO DEFEND.** To the extent that a Director, Officer, employee or agent of the Association is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding whether civil, criminal, administrative or investigative by reason of the fact that he is or was a Director, Officer, employee or agent of the Association, including those selected, appointed, or elected by the Developer, the Association hereby agrees to defend and provide counsel to such Indemnitee and shall advance all attorneys fees and costs at all pretrial, trial and appellate levels. In the event retainers for attorneys' fees and/or costs are necessary to be provided, the Association shall advance such retainers, as well as having full responsibility for payment of attorneys' fees and costs that may be billed or otherwise become due during the pendency of any action, suit or proceeding or in advance of same in the event such action, suit or proceeding is threatened. The Indemnitee shall have the right of reasonable approval of any attorneys proposed to represent said Indemnitee. The agreement to defend provided for in this section shall be in addition and not in lieu of such other rights of reimbursement, indemnification and hold harmless provisions existing under this Article or any other provisions of the Articles and Bylaws of the Association, the Declaration and as elsewhere provided by law.

C. **EXPENSES.** To the extent that a Director, Officer, employee or agent of the Association including those selected, appointed, or elected by the Developer, has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Paragraph A above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys, fees and appellate attorneys fees) actually and reasonably incurred by him in connection therewith. Any costs or expenses incurred by the Association in implementing any of the provisions of this Article XIII shall be fully assessable against Owners as Common Expenses of the Association.

D. **ADVANCES.** Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding, as provided hereinabove, by or on behalf of the affected Director, Officer, employee or agent, including those selected, appointed, or elected by the Developer, to repay

such amount unless it shall ultimately be determined that he is not entitled to be indemnified by the Association as authorized in this Article, in which event, the Indemnitee shall reimburse the Association for all attorneys' fees and costs advanced by it on behalf of the Indemnitee.

E. MISCELLANEOUS. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaws, agreement, vote of Members, Florida law, or otherwise, and shall continue as to a person who has ceased to be a Director, Officer, employee or agent, including those selected, appointed, or elected by the Developer, and shall inure to the benefit of the heirs and personal representatives of such person.

F. INSURANCE. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Association, including those selected, appointed, or elected by the Developer, or is or was serving, at the request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

G. AMENDMENT. Anything to the contrary herein notwithstanding, the provisions of this Article XIII may not be amended without the prior written consent of all persons whose interest would be adversely affected by such amendment.

ARTICLE XIV

SELF DEALINGS VALIDITY OF AGREEMENT AND WAIVER OF CLAIMS

A. SELF DEALING. No contract, agreement or undertaking of any sort between or among the Association, Directors, Officers, Members or the Developer shall be invalidated or affected by reason that any of them hold the same or similar positions with another condominium, homeowners or property owners association within the Property or that they are financially interested in the transaction or that they are employed by Developer or Developer's Affiliates.

B. VALIDITY OF AGREEMENT. No contract, agreement or undertaking of any sort between the Association and any entity or individual shall be invalidated or affected by reason that the Association, its Directors, Officers, the Developer, its agents or employees hold a financial interest in or with the individual or entity.

C. WAIVER OF CLAIMS. By acquisition of a Residence or Residential Unit, or any interest therein, within the Property, each and every individual or entity, of whatsoever kind or nature, thereby waives any claim for damages or other relief grounded in tort, contract, equity or otherwise arising out of the negotiation, execution, performance and enforcement of contracts, agreements or undertakings described above, that may accrue at the time of purchase or

thereafter against the Association, its Directors, Officers, Members, the Developer, Developer's Affiliates, its agents or employees.

ARTICLE XV

DISSOLUTION

The Association may be dissolved by a unanimous vote of the Members at any regular or special meeting; provided, however, that the proposed action is specifically set forth in the notice of any such meeting, and that so long as Developer owns one (1) or more Residences in the Property, the Developer's written consent to the dissolution of the Association must first be obtained. In the event of the dissolution of this Association or any successor entity hereto, all Association property and maintenance obligations attributable to the Association shall be transferred to a successor entity or an appropriate governmental body for the purposes of continuing the maintenance responsibilities originally performed by the Association or its successors in accordance with the terms and provisions of the Declaration. In addition, in the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the Surface Water or Stormwater Management System must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

ARTICLE XVI

VA/HUD PROVISIONS

So long there is a Class "B" membership and so long as HUD and/or VA is holding, insuring or guaranteeing any loan secured by property subject to the Declaration, the following actions shall require the prior approval of HUD and/or VA, respectively: (a) annexation of additional property other than that described on Exhibit "B" to the Declaration, (b) any dedication of mortgage of the Property, any merger or consolidation in which the Corporation is a participant, (d) dissolution of the Corporation, or (e) material amendment of these Articles.

In addition, so long as there is a Class "B" membership and so long as HUD and/or VA is holding, insuring or guaranteeing any loan secured by property subject to the Declaration, upon dissolution of the Corporation, other than incident to a merger or consolidation, the assets of the Corporation shall be dedicated to an appropriate public agency to be used to purposes similar to those for which this Corporation was created or shall be granted, conveyed and assigned to a non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XVII

HEADINGS AND CAPTIONS

The headings or captions of these Articles of Incorporation are inserted for convenience and none of them shall have any force or effect, and the interpretation of the various Articles shall not be influenced by any of said headings or captions.

ARTICLE XVIII

INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Association is:

**756 Beachland Boulevard
Vero Beach, Florida 32963**

and the name of the initial registered agent of the Association at said address is:

Lisa Thompson Barnes

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation on this _____ day of _____, 2015.

Lisa Thompson Barnes, Incorporator

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by Lisa Thompson Barnes, Incorporator of LILY'S CAY AT VERO BEACH HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of the corporation, and who is personally known to me.

Sign Name of Notary

Print Name of Notary Public

My Commission Expires:

**CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE
SERVICE OF PROCESS WITHIN THIS STATE, NAMING AGENT UPON
WHOM PROCESS MAY BE SERVED**

In compliance with the laws of Florida, the following is submitted:

First, that desiring to organize under the laws of the State of Florida, the corporation named in the foregoing Articles of Incorporation has named Lisa Thompson Barnes, whose address is: 756 Beachland Boulevard, Vero Beach, Florida 32963-1745, County of Indian River, State of Florida, as its statutory registered agent.

Having been named statutory agent of said corporation at the place designated in this certificate, I hereby accept the same and agree to act in this capacity, and agree to comply with the provisions of Florida law relative to keeping the registered office open.

Dated this _____ day of _____, 2015.

Lisa Thompson Barnes, Registered Agent

EXHIBIT "D"

BYLAWS

PREPARED BY AND TO BE
RETURNED TO:
Lisa Thompson Barnes,, Esq.
Collins, Brown, Caldwell, Barkett, Garavaglia
& Lawn, Chartered
Post Office Box 3686
Vero Beach, FL 32964
E-mail: lthompson@verolaw.com

BYLAWS

OF

LILY'S CAY AT VERO BEACH HOMEOWNER'S ASSOCIATION, INC.

(A Corporation Not for Profit
under the Laws of the State of Florida)

ARTICLE I

IDENTITY

The following Bylaws shall govern the operation of **LILY'S CAY AT VERO BEACH HOMEOWNER'S ASSOCIATION, INC.**, a corporation not for profit, hereinafter referred to as the "Association".

The Association is an incorporated non-profit corporation, organized and existing pursuant to Chapters 617 and 720, Florida Statutes, and the Declaration of Covenants, Conditions and Restrictions for LILY'S CAY AT VERO BEACH (the "Declaration") agreed to by all who acquire property located in LILY'S CAY AT VERO BEACH, legally described in Exhibit "A" to the Declaration.

Section 1. The office of the Association shall be at 835 20th Place, Vero Beach, Florida 32960, or at such other place in the State of Florida, as may subsequently designated by the Board of Directors of the Association.

Section 2. The seal of the corporation will bear the name of the corporation and the word "Florida", the words "corporation not for profit" and the year of the incorporation.

ARTICLE II

MEMBERSHIP AND VOTING PROVISIONS

Section 1. Quorum. The presence, in person or by proxy, of a majority of the Owners' total votes (Class A, Class B and Class C) shall constitute a quorum.

Section 2. Proxies. Limited Proxies and General Proxies may be used to establish a quorum. Limited proxies may be used for votes taken to waive or reduce reserves, to waive financial statement requirements, to amend the Declaration, to amend the Articles of Incorporation or Bylaws, and for any other matter permitted by Florida law. Proxies may not be used to elect members to the Board. General proxies may be used for matters for which limited proxies are not required. Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting or any adjournment of the meeting. Any proxies given to the Board of Directors shall be voted at the direction of a majority of the Board of Directors.

Section 3. Designation of Voting Member.

A. Lot owned by one (1) person: The right to vote shall be established by presentation to the Secretary of the Association of a certified copy of the deed of conveyance to the Lot. The sole Owner shall be the "Voting Member".

B. Lot owned by more than one (1) person other than husband and wife: A certified copy of the deed of conveyance of the Lot together with a Certificate, signed by all of the record owners of the Lot, designating the member entitled to vote shall be filed with the Secretary of the Association.

C. Lot owned by a corporation: The officer or employee thereof entitled to cast the votes for the Lot of the corporation shall be designated in a Certificate for this purpose, signed by the appropriate corporate officer, attested to by the Secretary or Assistant Secretary of the corporation, and filed with the Secretary of the Association. The person designated in such Certificate who is entitled to cast the vote for a Lot shall also be known as a "Voting Member". Such Certificates shall be valid until revoked or until superseded by a subsequent Certificate, or until a change in the ownership of the Lot concerned.

D. Lot owned jointly by husband and wife: The following three (3) provisions apply:

(i) They may, but they shall not be required to, designate a Voting Member.

(ii) If they do not designate a Voting Member, and if both are present they may jointly cast one (1) vote. If they are unable to concur in their decision upon any subject requiring vote, they shall lose their right to vote on that subject at that meeting. (As previously provided, the vote of a Lot is not divisible.)

(iii) Where they do not designate a Voting Member, and only one (1) person is present at a meeting, the person present may cast the vote, just as though he or she owned the Lot individually, and without establishing the concurrence of the absent person.

(iv) Except as otherwise provided herein, failure to designate a Voting Member shall constitute a waiver of the vote for that Lot.

ARTICLE III

MEETING OF THE MEMBERSHIP

Section 1. Time. The annual members meeting shall be held each year at a time and place designated by resolution of the Board of Directors for the purpose of electing Directors and transacting any other business authorized to be transacted by the members. There shall be an annual meeting every calendar year and, to the extent possible, no later than twelve (12) months after the last preceding annual meeting.

Section 2. Place. All meetings of the Association membership shall be held at a location convenient to the members at such place and at such time as shall be designated by the Board of Directors and stated in the notice of the meeting.

Section 3. Notice of Meeting; Waiver of Notice. Notice of a meeting of Members, stating the time and place and the purpose(s) for which the meeting is called, shall be given by the President or Secretary. The notice of the annual meeting shall be sent by mail or hand delivery to each Member, unless the Member waives in writing the right to receive notice of the annual meeting by mail. The delivery or mailing shall be to the address of the Member as it appears on the roster of Members. The posting and mailing of the notice shall be effected not less than fourteen (14) days, nor more than sixty (60) days, prior to the date of the meeting.

Notice of specific meetings may be waived before or after the meeting and the attendance of any Member (or person authorized to vote for such Member) shall constitute such Member's waiver of notice of such meeting, except when his (or his authorized representative's) attendance is for the express purpose of objecting, at the beginning of the meeting, to the transaction of business because the meeting is not lawfully called.

An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered in accordance with this Section. No other proof of notice of a meeting shall be required.

Section 4. Meetings. Meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, by a majority of the Board of Directors, or must be called by the President or Secretary at the written request of a majority of the Voting Members of the entire membership, which request shall state the purpose of the proposed meeting. Business transacted at all meetings shall be confined to that stated in the notice thereof.

Section 5. Order of business at Annual Members Meeting. The order of business at the Annual Members Meeting and as far as practical at other members meetings will be:

- A. Call to Order by the President.
- B. Election of Chairman of the meeting.
- C. Calling of the roll and certifying of proxies.
- D. Proof of notice of meeting, or waiver of notice.
- E. Reading and disposal of any unapproved minutes.
- F. Reports of officers.
- G. Reports of committees.
- H. Election of Directors.
- I. Unfinished business.

J. New business.

K. Adjournment.

Such order may be waived in whole or in part by direction of the Chairman.

Section 6. Adjourned Meeting. If any meeting of members cannot be organized because a quorum of Voting Members is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

ARTICLE IV

DIRECTORS

Section 1. Number, Term and Qualifications. The affairs of the Association shall be governed by a Board of Directors consisting of an odd number of Directors, no fewer than three (3) nor more than seven (7), and all such Directors, other than members of the first Board of Directors, shall be members of the Association, except as provided herein, and shall be elected annually pursuant to Section 2 of this Article IV.

Until turnover of the Association, Developer shall be entitled to appoint all members of the Board of Directors. Thereafter, as long as Developer is the Owner of one (1) Lot, it shall be entitled to representation on the Board of Directors. The term of each Director's service shall be one (1) year and shall extend until the next annual meeting of the members or until the successor is duly elected and qualified, or until the Director is removed in the manner provided for in Section 3 below.

Section 2. Election of Directors. Election of Directors will be conducted in the following manner:

A. Election of Directors will be held at the annual members meeting.

B. The Association's Board of Directors shall be elected by a written ballot or voting machine as follows:

(i) Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver to each Owner entitled to vote a first notice of date of election which shall include notification that any Owner or other eligible person desiring to be a candidate for the Board shall give written notice to the Secretary of the Association not less than forty (40) days before a scheduled election, and that they may include an information sheet, no larger than 8-1/2" x 11", furnished by the candidate, to be included with the mailing of the ballot.

(ii) Not less than thirty (30) days before the election meeting, the Association shall mail and deliver a second notice of the meeting to all Owners entitled to vote together with a ballot and any information sheets received from candidates.

C. Elections shall be decided by a plurality of written ballots cast regardless of quorum; however, at least one-third (1/3) of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Directors.

D. Notwithstanding the provisions of this paragraph, an election and balloting are not required unless more candidates file notices of intent to run or are nominated than vacancies exist on the Board.

E. If two (2) or more candidates for the same position receive the same number of votes which would result in one (1) or more candidates not serving or serving a lesser term, the Association shall conduct a run off election in accordance with the following procedures:

(i) The only candidates eligible for the run-off election to the Board positions are the candidates who received the tie votes at the previous election.

(ii) The notice of the run-off election shall be mailed or personally delivered to the voters, by the Board within seven (7) days of the date of the election at which the tie vote occurred. The notice shall inform the voters of the date, time, and place of the run-off election and shall include a ballot and copies of any candidate's information sheets previously submitted by the run-off candidates. The run-off election must be held not less than twenty-one (21) days nor more than thirty (30) days after the date of the election at which the tie occurred.

Section 3. Removal of Directors. At any time after the first meeting of the membership, at any duly convened regular or special meeting, any one or more of the Directors, except any Director representing Developer, may be removed, with or without cause, by the affirmative vote of not less than two-thirds (2/3) of the total membership. A Director representing Developer may only be removed with the consent, in writing, of the Developer.

Section 4. Vacancies on Directorate. If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor or successors who shall hold office for the balance of the unexpired term in respect to which such vacancy occurred or such vacancy may remain unfilled. Should the directorship of a Director representing the Developer become vacant by reason of resignation or disqualification, the Developer will have the right to appoint a successor.

Commencing with the Directors elected at the first meeting of the membership, the transfer of title of his or her Lot by a Director shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors, but not later than the date of transfer of title, unless that Director continues to own other property in LILY'S CAY AT VERO BEACH. No member shall continue to serve on the Board should the payment of an assessment due from said member be more than sixty (60) days delinquent. Said delinquency shall automatically constitute a resignation effective when said delinquency is certified to the Board of Directors by the President.

Section 5. Directors Meetings. An organizational meeting of each new Board of Directors will be held within ten (10) days following each annual or special meeting of members in which a new Board is elected. Meetings of the Board of Directors may be called by the President, and in his absence, by the Vice President, or by a majority of the members of the Board of Directors, by giving not less than five (5) days notice, in writing, to all of the members of the Board of Directors of the time and place of said meeting. All notices of meeting shall state the purpose of the meeting.

Section 6. Waiver of Notice. Before, or at any meeting of the Board of Directors, any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

Section 7. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at such meetings at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

Section 8. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, by the Declaration, the Articles of Incorporation or by these Bylaws directed to be exercised and done by the members. These powers shall specifically include, but shall not be limited to, the following:

A. To exercise all powers specifically set forth in the Declaration, the Articles of Incorporation, in these Bylaws, by law, and all powers incidental thereto.

B. To make assessments, collect assessments, and use and expend the assessments to carry out the purposes and powers of the Association.

C. Upon receipt from the Treasurer of Certification of Default by a member, to suspend the voting rights of such member during any period in which such member shall be in default in the payment of any assessment levied by the Association.

D. To issue, or to cause an appropriate officer to issue, upon demand by any interested person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these Certificates. If a Certificate states an assessment has been paid, such Certificate shall be conclusive evidence of such payment.

E. To employ and dismiss attorneys, accountants, employees contractors and other professionals as the need arises for the benefit of the Association of the Subdivision.

F. To make and amend rules and regulations not inconsistent with the Declaration respecting the operation and use of the Lots and facilities, and the use and maintenance of the Common Property and any property acquired by the Association.

G. To adopt and publish rules and regulations governing the use of the Common Property and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.

H. To designate a Nominating Committee as set forth in Article V hereof.

I. To designate the Architectural Review Committee, if delegated to do so, as set forth in the Declaration.

J. To procure and maintain adequate liability and hazard insurance on property owned by the Association, if deemed necessary.

K. Exercise all powers granted in the Articles of Incorporation.

M. Operate and maintain the Common Property, including surface water management system.

N. Maintain bank accounts on behalf of the Association and designate signatories required thereof.

O. Purchasing, leasing or otherwise acquiring Lots or other property in the name of the Association.

P. Levy fines against appropriate owners for violations of the Declaration or of the Rules and Regulations established by the Association to govern the conduct of such owners and others.

ARTICLE V

NOMINATING COMMITTEE

Section 1. Forty-five (45) days prior to each annual meeting of the members, the Board of Directors will designate a new Nominating Committee to place in nomination names of members proposed to serve as Directors for the ensuing year. The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors and two (2) or more members of the Association. The Nominating Committee will meet and formulate its list of nominees. The Chairman will thereupon advise the Secretary of the proposed nominations, who, after conveying the Chairman's report to the Board of Directors, will include the list of nominees in the notice of the annual meeting dispatched to the members.

ARTICLE VI

OFFICERS

Section 1. Elective Officers. The principal officers of the Association shall be a President, Vice-President, a Secretary, and a Treasurer and such other officers as may from time to time be deemed appropriate by the Board of Directors. One (1) person may hold more than one of the aforementioned offices; except, however, the President shall not also hold the office of Secretary. Only members of the Board of Directors may be elected to the offices of President and Vice-President.

Section 2. Election. The officers of the Association designated in Section 1 above shall be elected by the Board of Directors at the organizational meeting of each new Board following the annual meeting of the members.

Section 3. Appointive Officers. The Board may appoint an Assistant Treasurer and such other officers as the Board deems necessary or desirable.

Section 4. Terms. The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time with or without cause by the Board of Directors; provided, however, that no officer shall be removed except by the affirmative vote for removal by a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the Owners and the Board of Directors. He shall have the executive power and general supervision over the affairs of the Association and other officers. He shall sign all written contracts and perform all of the duties incident to his office as well as those which may be delegated to him from time to time by the Board of Directors.

Section 6. The Vice-President. The Vice-President shall perform all of the duties of the President in his absence and such other duties as may be assigned to him from time to time by the Board of Directors.

Section 7. The Secretary. The Secretary shall issue notice of all Board of Directors' Meetings and all meetings of the Owners; he shall attend and keep the minutes of same; he shall have charge of all the Association's books, records and papers, except those kept by the Treasurer.

Section 8. The Treasurer.

A. Shall prepare for the Board of Directors each year a proposed annual budget of the Association.

B. Shall have custody of the Association's funds and securities, and keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association in such depositories as may be designated from time to time by the Board of Directors of the Association.

C. Shall disburse, subject to the stipulation of Article VII, Section 1, the funds of the Association as may be ordered by the Board of Directors in accordance with these Bylaws, making proper record of such disbursements and shall render to the President and the Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the Association.

D. Shall collect the assessments and shall promptly report the status of collections and of all delinquencies to the Board of Directors of the Association.

E. Shall give status reports to potential transferees of Lots on which reports the transferee may rely.

If an Assistant Treasurer is appointed, he shall perform the duties of the Treasurer in the Treasurer's absence.

Section 9. Compensation. No compensation will be paid to officers or directors of the Association.

ARTICLE VII

FINANCES AND ASSESSMENTS

Section 1. Depositories. The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time upon resolution and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association as may be designated by the Board of Directors.

Section 2. Fiscal Year. The fiscal year of the Association shall conform to the calendar year; provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America.

Section 3. Determination of Assessments.

A. As set forth in the Declaration, the Board of Directors of the Association shall fix and determine, from time to time, the sum or sums necessary and adequate for the expenses of the Association for the purpose of maintenance and management of the Association, the Common Property, and for the purpose of promoting the safety and welfare of the Owners. Without limiting the foregoing, the annual Assessments shall be used for maintaining the landscaping of each Lot; insurance coverage for the Common Property; legal and accounting

fees; maintenance of the streets and roads within the Property; management fees; emergency services; repair and replacement of the Property required to be maintained by the Association pursuant to the terms of this Declaration; utility and cable service for the Common Property; garbage collection and trash and rubbish removal; repayment of the total sum the Developer has paid to the Association in accordance within the Developer's Agreement; cleaning services for such property required to be maintained by the Association pursuant to the terms of this Declaration; expenses and liabilities incurred by the Association in the enforcement of its rights and duties under this Declaration; creation of reasonable reserves; and all other expenses deemed by the Board of Directors of the Association to be necessary or proper to carry out the Association's management, maintenance, repair, operation and enforcement responsibilities. Assessments shall also be used for the maintenance, operation, and repair of the Surface Water Management System, including Tract B, all ditches, culverts, drains, pipes, conduits, ponds, and other facilities located on or benefiting the Property for the purpose of conveying, transmitting, draining, retaining, and storing storm water runoff from the Property, including without limitation any and all of such items used or useful in connection with the operational and maintenance of Easements. Such maintenance, operation, and repair such include the exercise of practices which allow the Surface Water Management System to collect, convey, channel, hold, inhibit, or divert the movement of storm water as permitted by the SJRWMD. The Board of Directors is specifically empowered, on behalf of the Association, to make and collect assessments. The amount required for annual expenses and disbursements will be provided through assessments of equal amount against each Lot in LILY'S CAY AT VERO BEACH. Unless otherwise ordered by the Board of Directors, said assessments shall be payable yearly, collectable quarterly or as otherwise determined by the Board in advance and shall be due on the first day of each year in advance.

B. Special Assessments, should such be required by the Board of Directors, shall be levied by the Association to pay in whole or in part for the cost of any shortfall in the annual budgeted operating revenues, or for any repair or replacement of an existing capital improvement, or for the construction/acquisition of a new capital improvement, without concurrence of the Owners unless the cost of such repair/replacement/ acquisition/construction is major. "Major" as referenced herein shall be defined to mean that the amount of the proposed special assessment per Owner, plus any other special assessments levied during that same fiscal year, exceeds fifty percent (50%) of the then current year's annual assessment. Major capital improvements shall require the special assessment to be approved by a majority of a minimum of thirty percent (30%) of the membership. The Association may also levy special assessments without limitation or the concurrence of any Owner to pay for the cost of maintenance or enforcement of the Declaration with regard to specific Lots; any such assessment shall be levied against the Owner of such Lot. Special assessments shall be payable at such time and place determined by the Association and stated in the assessment notice.

C. When the Board of Directors has determined the amount of any assessment, the Treasurer of the Association shall mail or present to each Owner a statement of said Owner's assessment. All assessments shall be payable to the Association and upon request the Treasurer shall give a receipt for each payment made.

D. As a basis for determining and collecting annual assessments referred to in Section 3A of this Article, the Board of Directors shall adopt a budget of estimated receipts and expenditures for each fiscal year. Such budget shall set forth the estimated amount of funds required to cover:

- (i) current expenses, including reasonable allowances for working funds and contingencies.
- (ii) betterments, including provision for any necessary capital expenditures for improvements or additions and will be part of the Association property, and
- (iii) for creation of reserves, when appropriate, for long-term repair requirements or to meeting actual or anticipated losses.

D. The Board of Directors shall direct the Treasurer to have an annual audit and accounting of the Association's funds in accordance with procedures specified by the Board, at the end of each fiscal year.

Section 4. Lien for Assessments. The Association shall have a lien against each Lot to secure payment of any assessment, charge, fine, penalty or other amount due and owing to the Association with respect to the Lot, plus legal interest from the date due and payable, plus all costs and expenses of collecting the unpaid amount, including reasonable attorney's fees. The lien shall be subordinate to any institutional first mortgage on the property. The lien may be foreclosed in the manner for foreclosure of mortgages in the State of Florida, or as hereinafter set forth.

Section 5. Acceleration of Assessment Installments Upon Default. If any installment of an assessment is not paid within fifteen (15) days after the due date, at the option of the Association, a late charge not greater than the amount of such unpaid installment may be imposed (provided that only one late charge may be imposed on any one unpaid installment and if such installment is not paid thereafter, it and the late charge shall accrue interest as provided herein but shall not be subject to additional late charges; provided further, however, that each other installment thereafter coming due shall be subject one (1) late charge each as aforesaid) or the next twelve (12) months' worth of installments may be accelerated and become immediately due and payable in full and all such sums shall bear interest from the dates when due until paid at the highest lawful rate (or, if there is no highest lawful rate, eighteen percent (18%) per annum) and the Association may bring an action at law against the Owner(s) personally obligated by pay the same, may record a claim of lien (as evidence of its lien rights as hereinabove provided for) against the Lot on which the assessments and late charges are unpaid, may foreclose the lien against the Lot on which the assessments and late charges are unpaid, or may pursue one or more such remedies at the same time or successively, and attorneys' fees and costs actually incurred in preparing and filing the claim of lien and the complaint, if any, and prosecuting same, in such action shall be added to the amount of such assessments, late charges and interests, and in the event a judgment is obtained, such judgment shall include all such sums as above provided and attorneys' fees actually incurred together with the costs of the action, through all applicable appellate levels.

In the case of an acceleration of the next twelve (12) months' of installments, each installment so accelerated shall be deemed initially, equal to the amount of the then most current delinquent installment, provided that if any such installment so accelerated would have been greater in amount by reason of a subsequent increase in the applicable budget, the Owner of the Lot whose installments were so accelerated shall continue to be liable for the balance due by reason of such increase and special assessments against such Lot shall be levied by the Association for such purpose.

In addition to the rights of collection of assessments stated in this Section, any and all persons acquiring title to or an interest in a Lot as to which the assessment is delinquent, including, without limitation, persons acquiring title by operation of law and by judicial sales, shall not be entitled to the occupancy of such Lot or the enjoyment of the Common Property until such time as all unpaid and delinquent assessments due and owing from the selling Owner have been fully paid; provided; however, that the provisions of this sentence shall not be applicable to the mortgagees and purchasers contemplated by this Article.

All assessments, late charges, interest, penalties, fines, attorney's fees and other sums provided for herein shall accrue to the benefit of the Association.

ARTICLE VIII

COMPLIANCE AND DEFAULT

Section 1. Violations. Violation and Enforcement of Restriction and Covenants.

(a) The Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenant, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In any action for enforcement brought hereunder, the prevailing party shall be entitled to reasonable attorney's fees including attorney's fees through appellate proceedings.

(b) The Association may suspend, for a reasonable period of time, the right of members (excluding the Developer) or a members tenants, guests, or invitees, or both, to use Common Property and facilities and may levy reasonable fines against any member or any tenant, guest, or invitee in accordance with Florida Statutes §720.305 as amended from time to time.

(c) Upon learning of a violation, the Association shall issue the Owner a written notice either by certified return receipt mail or posting on the property requesting the Owner to cure the violation and advising the Owner that a fine or suspension will be imposed if the violation is not cured within fourteen (14) days of receipt of the notice.

(d) No fine or suspension will be imposed without an opportunity for a hearing before a committee of at least three (3) members appointed by the Board who are not officers, directors, or employees of the Association or the parent, spouse, child, brother, or sister of an officer,

director or employee. A majority vote of the committee must be obtained within thirty (30) days of the original notice for a fine or suspension to be imposed. The requirements of this subsection do not apply to the imposition of suspension or fines upon any member because of the balance of the members to pay assessments or other charges when due.

(e) Should the violation not be cured within said fourteen (14) days of receipt of said written violation, a fine shall automatically be imposed subject to subsection (d). The amount of the fine at the time of filing this Declaration is up to one thousand dollars (\$1,000.00), but said amount may be increased from time to time by the Board of Directors without vote of the Association or amendment of this Declaration, if authorized by law. A fine of less than one thousand dollars (\$1,000.00) may not become a lien against a Lot; except, however, any fines greater than one thousand dollars (\$1,000.00) shall be deemed to a lien against a Lot. In any action to recover a fine, the prevailing party is entitled to reasonable attorney fees and costs from non-prevailing party as determined by the Court.

(f) The Association shall have the authority but is not obligated to cure any violation through whatever action it deems reasonable and the expenses thereof shall be chargeable to the Owner of the Lot or Lots on which or in connection with the violation has occurred. Said expense shall be payable forthwith and upon demand. In the event the Association has expended funds in connection with curing such violation, then and in such event the funds so expended shall become an assessment upon the Lot or Lots enforceable as provided herein for unpaid assessments.

(g) Violation or breach of any conditions, covenant, or restriction herein contained shall give the Developer and the Association in addition to other remedies, the right to proceed at law or equity to compel a compliance with the terms of said condition, covenant, and restriction, and to prevent the violation or breach of any of them and the expense of such litigation shall be borne by the then Owner of the subject property. Expenses of litigation shall include reasonable attorney's fees incurred by the Developer or the Association seeking such enforcement.

(h) Suspension of Common Property use rights shall not impair the right of an owner or tenant of a Lot to have vehicular or pedestrian ingress to and egress from the Lot, including, but not limited to, the right to park.

(i) The failure of the Association or of a Owner to enforce any right, provision, covenant or condition which may be granted by the plat or by any other valid restrictive covenant shall not constitute a waiver of the right of the Association or Owner to enforce such right, provision, covenant or condition in the future.

ARTICLE IX

AMENDMENTS TO THE BYLAWS

These Bylaws may be altered, amended or added to at any duly called meeting of the members; provided:

(a) Notice of the meeting shall contain a statement of the proposed amendment.

(b) The amendment, if not inconsistent with Florida Statutes, the Articles of Incorporation and the Declaration of Covenants, Conditions and Restrictions, shall be approved by the affirmative vote of not less than two-thirds (2/3) of the total membership of the Board of Directors.

ARTICLE X

LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Association shall not relieve or release any former Owner or member from any liability or obligation incurred under or in any way connected to said Owner's ownership and membership or impair any rights or remedies which the Association may have against such former Owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

ARTICLE XI

RULES AND REGULATIONS

The Board of Directors may, from time to time, adopt or amend previously adopted administrative Rules and Regulations governing the details of the use and maintenance of properties within the area in order to insure compliance with the Design Criteria as established pursuant to the Declaration of Covenants, Conditions and Restrictions. A copy of the Rules and Regulations adopted from time to time, as herein provided, shall be kept at the office of the Association and be made available for review by the members of the Association.

If any irreconcilable conflict should arise or exist with respect to the interpretation of these Bylaws, the Articles of Incorporation, or Declaration, the Articles of Incorporation and the Declaration of Covenants, Conditions and Restrictions shall prevail.

ARTICLE XII

GENDER OR NUMBER

Reference herein made to gender or number shall be taken to mean masculine or feminine, singular or plural, whenever the context or circumstances so require.

The foregoing were adopted as the By-laws of LILY'S CAY AT VERO BEACH HOMEOWNERS ASSOCIATION, INC., a corporation not-for-profit under the laws of the State of Florida, at a meeting of the Board of Directors of that Association held on the _____ day of _____, 2015.

APPROVED:

[Signature]
Wes Sandler, President

[Signature]
Catherine Scarborough, Secretary

STATE OF Virginia
COUNTY OF Virginia Beach

The foregoing instrument was acknowledged before me this 12 day of January, ~~2016~~ 2015, by Wes Sandler, President of LILY'S CAY AT VERO BEACH HOMEOWNERS ASSOCIATION, INC., a Florida Corporation, on behalf of the Corporation, who () is personally known to me, or () has produced _____ as identification and did (did not) take an oath.

TAMMIE S JAKOBSSON
NOTARY PUBLIC
REG. #7556642
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES FEBRUARY 28, 2017

[Signature]
Notary Public
Name: Tammie S Jakobsson
Commission Number: 7556642
Commission Expiration: 2/28/17

STATE OF Virginia
COUNTY OF Virginia Beach

The foregoing instrument was acknowledged before me this 12 day of January, ~~2016~~ 2015, by Catherine Scarborough, Secretary of LILY'S CAY AT VERO BEACH HOMEOWNERS ASSOCIATION, INC., a Florida Corporation, on behalf of the Corporation, who () is personally known to me, or () has produced _____ as identification and did (did not) take an oath.

TAMMIE S JAKOBSSON
NOTARY PUBLIC
REG. #7556642
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES FEBRUARY 28, 2017

[Signature]
Notary Public
Name: Tammie S Jakobsson
Commission Number: 7556642
2/28/17

EXHIBIT "A"

Legal Description

LEGAL DESCRIPTION TO LILY'S CAY AT VERO BEACH

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 32 SOUTH, RANGE 39 EAST, RUN N89°50'39"W ALONG THE QUARTER SECTION LINE A DISTANCE OF 1320.31 FEET TO THE COMMON SECTION LINE OF SECTION 25 AND SECTION 26; THENCE RUN N00°10'13"W ALONG THE SAID SECTION LINE A DISTANCE OF 50.00 FEET TO THE NORTH RIGHT OF WAY LINE OF 41ST STREET AS IT NOW EXISTS AND THE POINT OF BEGINNING;

FROM SAID POINT OF BEGINNING RUN N89°48'23"W ALONG SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 581.47 FEET TO SOUTHEAST CORNER OF "INDIAN RIVER COURTS, P.D., PHASE 2", PLAT BOOK 16, PAGES 39 THROUGH 39D, INDIAN RIVER COUNTY; THENCE RUN N04°12'51"W ALONG THE EAST BOUNDARY LINE OF SAID INDIAN RIVER COURTS, P.D., PHASE 2, A DISTANCE OF 614.90 FEET TO THE NORTHEAST CORNER OF SAID INDIAN RIVER COURTS, P.D., PHASE 2; THENCE RUN S89°52'19"E ALONG THE SOUTH BOUNDARY LINE OF INDIAN RIVER COURTS, P.D., PHASE 1, PLAT BOOK 16, PAGE 39-39D, INDIAN RIVER COUNTY A DISTANCE OF 628.49 FEET TO THE AFOREMENTIONED COMMON SECTION LINE; THENCE RUN S89°48'27"E A DISTANCE OF 242.44 FEET TO THE WESTERLY RIGHT OF WAY LINE OF INDIAN RIVER BOULEVARD AS IT NOW EXISTS AND A POINT ON CURVE; THENCE RUN SOUTHEASTERLY ALONG SAID CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 6903.96 FEET, A CENTRAL ANGLE OF 01°00'32", SUBTENDED BY A CHORD BEARING AND DISTANCE OF S00°49'48"E AND ARC DISTANCE OF 121.56 FEET TO A POINT OF TANGENCY; THENCE RUN S44°54'13"E A DISTANCE OF 671.19 FEET; THENCE RUN S21°59'33"W A DISTANCE OF 57.09 FEET TO THE AFORESAID NORTH RIGHT OF WAY LINE OF 41ST STREET; THENCE RUN N89°50'39"W ALONG SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 781.74 FEET TO THE POINT OF BEGINNING.

CONTAINING 705,773.95 SQUARE FEET OR 16.20 ACRES, MORE OR LESS.

SAID PARCEL BEING ALSO DESCRIBED AS:

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 32 SOUTH, RANGE 39 EAST, THENCE N 89°49'20" W ALONG THE QUARTER SECTION LINE A DISTANCE OF 1320.04 FEET TO AN INTERSECTION WITH THE COMMON SECTION LINE OF SECTION 25 AND SECTION 26; THENCE N 00°10'18" E ALONG THE SAID COMMON

SECTION LINE A DISTANCE OF 50.00 FEET TO AN INTERSECTION WITH THE NORTH RIGHT OF WAY LINE OF 41ST STREET AS IT NOW EXISTS AND THE POINT OF BEGINNING OF THE HEREON DESCRIBED PARCEL;

FROM SAID POINT OF BEGINNING THENCE N 89°49'00" W ALONG SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 581.38 FEET TO AN INTERSECTION WITH THE SOUTHEAST CORNER OF PHASE 2 OF INDIAN RIVER COURTS, P.D., AS RECORDED IN PLAT BOOK 16, PAGES 39 THROUGH 39D, INDIAN RIVER COUNTY; THENCE N 04°13'11" W ALONG THE EAST BOUNDARY LINE OF SAID PHASE 2, A DISTANCE OF 614.90 FEET TO THE NORTHEAST CORNER OF SAID PHASE 2 AND THE SOUTHEAST CORNER OF PHASE 1 OF SAID INDIAN RIVER COURTS, P.D.; THENCE S 89°52'00" E ALONG THE SOUTH BOUNDARY LINE OF SAID PHASE 1 OF INDIAN RIVER COURTS, P.D. A DISTANCE OF 628.49 FEET TO THE AFOREMENTIONED COMMON SECTION LINE; THENCE CONTINUE ALONG THE SAID SOUTH LINE OF PHASE 1 S 89°48'40" E A DISTANCE OF 242.58 FEET TO AN INTERSECTION WITH THE WESTERLY RIGHT OF WAY LINE OF INDIAN RIVER BOULEVARD AND A NON-TANGENT POINT ON CIRCULAR CURVE, SAID POINT BEARS S 46°06'50" W FROM THE RADIUS POINT OF SAID CURVE; THENCE ALONG SAID WESTERLY RIGHT OF WAY AND SOUTHEASTERLY ALONG SAID CIRCULAR CURVE, CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 6903.96 FEET, THROUGH A CENTRAL ANGLE OF 01°00'29" FOR AN ARC LENGTH OF 121.46 FEET TO A POINT OF TANGENCY, SAID CURVE IS SUBTENDED BY A CHORD OF 121.45 FEET THAT BEARS S 44°23'24" E; THENCE CONTINUE ALONG THE SAID WESTERLY RIGHT OF WAY, S 44°53'38" E A DISTANCE OF 671.19 FEET; THENCE CONTINUE ALONG SAID WESTERLY RIGHT OF WAY, S 21°50'25"W A DISTANCE OF 57.11 FEET TO THE AN INTERSECTION WITH THE SAID NORTH RIGHT OF WAY LINE OF 41ST STREET; THENCE N 89°49'20" W ALONG SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 781.88 FEET TO THE POINT OF BEGINNING.

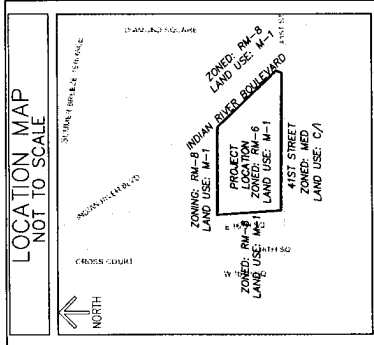
CONTAINING 705,773.95 SQUARE FEET OR 16.20 ACRES, MORE OR LESS.

Exhibit "B"

LILYS CAY AT VERO BEACH

SECTIONS 25 AND 26, TOWNSHIP 32 SOUTH, RANGE 39 EAST INDIAN RIVER COUNTY, FLORIDA

PLAT BOOK PAGE DOCKET NO.



CERTIFICATE OF DEDICATION COMMONWEALTH OF VIRGINIA COUNTY OF PRINCESS ANNE

KNOW ALL MEN BY THESE PRESENTS, THAT DIAMOND COURT WEST FL, LLC, A VIRGINIA LIMITED LIABILITY COMPANY...

1) TRACT "A" IS HEREBY DEDICATED IN PERPETUITY TO THE LILYS CAY AT VERO BEACH HOMEOWNER'S ASSOCIATION, INC. AS A LANDSCAPE TRACT...

2) ACCESS AND DRAINAGE EASEMENTS AS SHOWN WITHIN TRACT A ARE HEREBY DEDICATED FOR THE USE AND BENEFIT OF THE OWNERS AND RESIDENTS OF LILYS CAY AT VERO BEACH...

3) STORMWATER TRACT "B" AND LAKE MAINTENANCE EASEMENTS AS SHOWN ARE DEDICATED IN PERPETUITY TO THE LILYS CAY AT VERO BEACH HOMEOWNER'S ASSOCIATION, INC. FOR CONSTRUCTION AND MAINTENANCE OF DRAINAGE FACILITIES...

4) DRAINAGE EASEMENTS AS SHOWN ON THIS PLAT ARE HEREBY DECLARED TO BE SMALL DRAINAGE FACILITIES AND SHALL BE THE PERPETUAL MAINTENANCE OBLIGATION OF THE LILYS CAY AT VERO BEACH HOMEOWNER'S ASSOCIATION, INC. INDIAN RIVER COUNTY...

5) UTILITY EASEMENTS AS SHOWN ON THIS PLAT ARE HEREBY DEDICATED IN PERPETUITY TO INDIAN RIVER COUNTY FOR THE CONSTRUCTION, INSTALLATION, MAINTENANCE AND OPERATION OF UTILITIES BY ANY UTILITY PROVIDER...

6) SIDEWALK EASEMENT AS SHOWN ALONG 41ST STREET IS DEDICATED IN PERPETUITY TO THE BOARD OF COUNTY COMMISSIONERS OF INDIAN RIVER COUNTY, FLORIDA, FOR THE PURPOSE OF MAINTAINING A PUBLIC SIDEWALK...

7) LANDSCAPE BUFFER EASEMENTS AS SHOWN ARE DEDICATED IN PERPETUITY TO THE LILYS CAY AT VERO BEACH HOMEOWNER'S ASSOCIATION, INC. FOR THE PURPOSE OF PLANTING, MAINTENANCE AND CONSTRUCTION OF DECORATIVE BUFFERING AND SHALL BE THE PERPETUAL MAINTENANCE OBLIGATION OF THE LILYS CAY AT VERO BEACH HOMEOWNER'S ASSOCIATION, INC.

IN WITNESS WHEREOF, DIAMOND COURT WEST FL, LLC, HAS CAUSED THESE PRESENTS TO BE SIGNED BY RAYMOND L. GOTTLEB, WITH THE AUTHORITY OF ITS BOARD OF DIRECTORS THIS THE ___ DAY OF ___ 2015.

BY: RAYMOND L. GOTTLEB, MANAGER WITNESS (SIGNATURE) WITNESS (SIGNATURE) WITNESS (PRINT NAME) WITNESS (PRINT NAME)

ACKNOWLEDGEMENT TO DEDICATOR: THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS ___ DAY OF ___ 2015, BY RAYMOND L. GOTTLEB, MANAGER, DIAMOND COURT WEST FL, LLC, ON BEHALF OF SAID LIMITED LIABILITY COMPANY...

NOTARY PUBLIC: COMMISSION NUMBER: BY COMMISSION EXPIRES: PRINT NAME: WITNESS: PRINTED NAME: PRINTED NAME: NOTARY SEAL

THIS INSTRUMENT WAS PREPARED BY DAVID TAYLOR FOR MASTELLER, MOLE & TAYLOR, INC. 1655 27TH STREET, SUITE 2, VERO BEACH, FL 33490-4000 PHONE 772-564-8950 FAX 772-794-0847 ORIGINAL PREPARATION DATE: FEBRUARY 20, 2015

CERTIFICATE OF SURVEY: THAT THE UNDERSIGNED, BEING A LICENSED AND REGISTERED LAND SURVEYOR, DOES HEREBY CERTIFY THAT ON 07/23/15 I COMPLETED THE SURVEY OF THE LANDS AS SHOWN IN THE FOREGOING PLAT...

SIGNED: David Taylor, Surveyor, REGISTERED PROFESSIONAL SURVEYOR AND MAPPER, REGISTRATION NO. 3243 DATED 11/14/14

THE TIES TO GOVERNMENT CORNERS AS SHOWN HEREON DO HEREBY CONFORM TO FCCC THIRD ORDER CLASS 1 STANDARDS AS REQUIRED.

COUNTY SURVEYOR CERTIFICATION: THIS PLAT OF LILYS CAY AT VERO BEACH HAS BEEN REVIEWED BY THE UNDERSIGNED PROFESSIONAL SURVEYOR AND MAPPER EMPLOYED BY THE BOARD OF COUNTY COMMISSIONERS OF INDIAN RIVER COUNTY FOR CONFORMITY TO THE REQUIREMENTS OF CHAPTER 177, FLORIDA STATUTES AS AMENDED.

DAVID W. SCHRYVER, FSM COUNTY SURVEYOR AND MAPPER REGISTRATION NO. LS 4864 APPROVED AS TO FORM AND LEGAL SUFFICIENCY: WILLIAM K. DARRAL, DEPUTY COUNTY ATTORNEY

CERTIFICATE OF APPROVAL BY COUNTY ADMINISTRATOR: BY: JOSEPH A. BARRO, COUNTY ADMINISTRATOR

CLERK'S CERTIFICATION: I, CLERK OF CIRCUIT COURT OF INDIAN RIVER COUNTY, FLORIDA, DO HEREBY CERTIFY THAT I HAVE EXAMINED THE PLAT AND THE RECORDS OF THE COUNTY AND THE REQUIREMENTS OF CHAPTER 177 AS AMENDED OF THE LAWS OF THE STATE OF FLORIDA...

BY: JEFFREY R. SMITH, DEPUTY CLERK FOR THE COURT AND COMPTROLLER INDIAN RIVER COUNTY, FLORIDA

CERTIFICATE OF TITLE: I, LISA THOMPSON BARNES OF COLLINS, BROWN, BARNETT, CASHMILLA & LAMM, CHARTERED, AN ATTORNEY AT LAW LICENSED IN THE STATE OF FLORIDA, DOES HEREBY CERTIFY THAT I HAVE EXAMINED THE TITLE TO THE HEREON DESCRIBED PROPERTY...

BY: LISA THOMPSON BARNES, ATTORNEY AT LAW, FLORIDA BAR NO. _____ DATE: _____

NOTICE: COVENANTS, RESTRICTIONS OR RESERVATIONS AFFECTING THE OWNERSHIP OR USE OF THE PROPERTY SHOWN IN THIS PLAT HAVE BEEN FILED IN OFFICIAL RECORD BOOK NO. ___ PAGE ___ PUBLIC RECORDS OF INDIAN RIVER COUNTY, FLORIDA.

CLERK OF THE CIRCUIT COURT OF INDIAN RIVER COUNTY, FLORIDA: CLERK TO THE E.C.C. COUNTY SURVEYOR: COUNTY SURVEYOR: SEAL: SEAL: SEAL: SEAL: SHEET 1 OF 4

LILY'S CAY AT VERO BEACH

SECTIONS 25 AND 26, TOWNSHIP 32 SOUTH, RANGE 39 EAST
INDIAN RIVER COUNTY, FLORIDA

PLAT BOOK _____
PAGE _____
DOCKET NO. _____

- PC = POINT OF CURVE
- P.C.P. = PERMANENT CONTROL POINT
- P.D. = PLANNED DEVELOPMENT
- PG = PACE
- P.L. = POINT OF BEGINNING CURVE
- P.R.M. = PERMANENT REFERENCE MONUMENT
- P.S.M. = PROFESSIONAL SURVEYOR AND MAPPER
- R = RADIUS
- (R) = RADIAL
- N = NORTH
- N.A.M. = NORTH AMERICAN DATUM
- NAVD = NORTH AMERICAN VERTICAL DATUM
- NGVD = NATIONAL GEODETIC SURVEY
- NO = NON RADIAL
- NS = NORTH
- NSP = NORTH SPLIT PLANE COORDINATE
- OR = ORIGINAL RECORD BOOK
- PBS = PLAT BOOK SAINT LUCIE COUNTY
- INC = INCORPORATED
- I.P. = IRON ROD AND CAP
- LB = LICENSED BUSINESS OR EASEMENT
- LLC = LIMITED LIABILITY COMPANY
- L.M.E. = LAKE MAINTENANCE EASEMENT
- N = NORTH
- N.A.M. = NORTH AMERICAN DATUM
- NAVD = NORTH AMERICAN VERTICAL DATUM
- NGVD = NATIONAL GEODETIC SURVEY
- NO = NON RADIAL
- NS = NORTH
- NSP = NORTH SPLIT PLANE COORDINATE
- OR = ORIGINAL RECORD BOOK
- PBS = PLAT BOOK SAINT LUCIE COUNTY

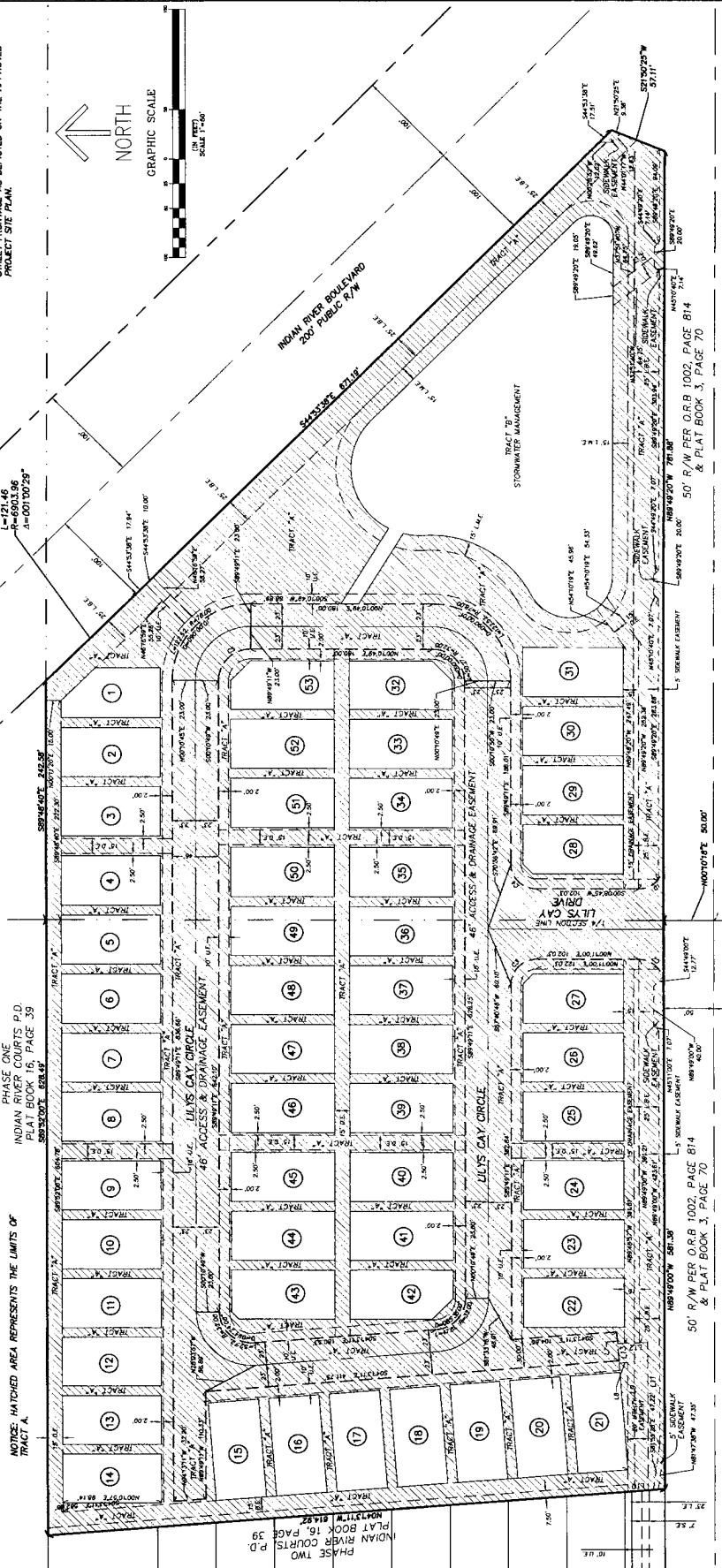
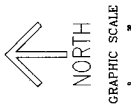
- ID = IDENTIFICATION
- INC = INCORPORATED
- I.P. = IRON ROD AND CAP
- LB = LICENSED BUSINESS OR EASEMENT
- LLC = LIMITED LIABILITY COMPANY
- L.M.E. = LAKE MAINTENANCE EASEMENT
- N = NORTH
- N.A.M. = NORTH AMERICAN DATUM
- NAVD = NORTH AMERICAN VERTICAL DATUM
- NGVD = NATIONAL GEODETIC SURVEY
- NO = NON RADIAL
- NS = NORTH
- NSP = NORTH SPLIT PLANE COORDINATE
- OR = ORIGINAL RECORD BOOK
- PBS = PLAT BOOK SAINT LUCIE COUNTY

- 45' = 1/4" P.S.M. STAMPED P.L.S. 5243
- UNLESS OTHERWISE NOTED
- SET 1/2" IRON ROD AND CAP STAMPED LB 4644
- SET NAIL/DISK STAMPED P.C.P. LB 4644
- ABAN. = ABANDONED
- AL = ALLEGHANY MARK
- CCR = CERTIFIED CORNER RECORD
- CH = CHORD
- CHS = CHORD BEARING
- CR = CORNER
- CS = CURVE
- DELTA = DELTA
- D.E. = DRAINAGE EASEMENT
- E. = EAST
- EV = ELEVATION
- FNDA = FOUND
- GPS = GLOBAL POSITIONING SYSTEMS

CURVE #	LENGTH	RADIUS	DELTA
C1	39.26	24.00	089°38'05"
C2	39.27	24.00	090°07'00"
C3	39.02	24.63	087°14'27"
C4	39.28	24.00	090°02'04"
C5	39.27	24.00	090°03'00"

LINE #	LENGTH	DIRECTION
L1	30.00	N85° 46' 49"E
L2	30.00	N87° 06' 55"W
L3	152.75	N89° 49' 00"W
L4	20.06	S84° 11' 11"E
L5	30.01	N02° 06' 55"W
L6	20.01	N85° 46' 49"E

NOTICE: COVENANTS, RESTRICTIONS OR RESERVATIONS AFFECTING THE OWNERSHIP OR USE OF THE LANDS SHOWN IN THIS PAGE ARE IN THE OFFICIAL RECORDS OF INDIAN RIVER COUNTY, FLORIDA. NOTICE: THE BUILDERS/LOT OWNER SHALL BE RESPONSIBLE FOR PROVIDING THE SIDEWALK REQUIRED ALONG HIS LOTS AND THE SIDEWALKS SHOWN ON THE APPROVED PROJECT SITE PLAN.



THIS SHEET CONTAINS EASEMENT DIMENSIONS.
FOR INDIVIDUAL LOT DIMENSIONS SEE SHEET 3.

INDIAN RIVER COUNTY P.D. PLAT BOOK 16, PAGE 39
INDIAN RIVER COUNTY P.D. PLAT BOOK 16, PAGE 39
INDIAN RIVER COUNTY P.D. PLAT BOOK 16, PAGE 39

THIS INSTRUMENT WAS PREPARED BY DAVID TAYLOR FOR MASTELLER, MOLE & TAYLOR, INC. 1620 S. GIFFORD ROAD, SUITE 100, VERO BEACH, FLORIDA 33570-1000. PHONE 772-564-8050 FAX 772-794-0847. ORIGINAL PREPARATION DATE: FEBRUARY 20, 2015.

EXHIBIT C

ARTICLES OF INCORPORATION

**PREPARED BY AND TO BE
RETURNED TO:**

**Lisa Thompson Barnes,, Esq.
Collins, Brown, Barkett, Garavaglia & Lawn, Chartered
Post Office Box 3686
Vero Beach, FL 32964
E-mail: lthompson@verolaw.com**

ARTICLES OF INCORPORATION

OF

LILY'S CAY AT VERO BEACH HOMEOWNER'S ASSOCIATION, INC.

The undersigned incorporator hereby adopts the following Articles of Incorporation for the purpose of forming a not-for-profit corporation under the "Florida Not-For-Profit Corporation Act."

ARTICLE I

CORPORATE NAME

The name of the Corporation shall be LILY'S CAY AT VERO BEACH HOMEOWNER'S ASSOCIATION, INC. (hereinafter the "Association").

ARTICLE II

DURATION

The duration of the Corporation shall be perpetual. The address of the principal office of this corporation shall be 835 20th Place, Vero Beach, Florida 32960, and the mailing address shall be the same.

ARTICLE III

DEFINITIONS

The terms used in these Articles shall have the same definitions and meanings as those set forth in the Declaration of Covenants, Conditions and Restrictions for LILY'S CAY AT

VERO BEACH (“Declaration”), to be recorded in the Public Records of Indian River County, Florida, unless herein provided to the contrary, or unless the context otherwise requires.

ARTICLE IV

COMMENCEMENT OF CORPORATE EXISTENCE

The corporate existence of the Association shall commence at the time these Articles of Incorporation are filed by the Department of State of the State of Florida.

ARTICLE V

PURPOSES AND POWERS

The Association is not organized for pecuniary profit or financial gain, and no part of the Association’s assets or income shall inure to the benefit of any Director, Officer or Member of the Association except as may be authorized by the Board of Directors in accordance with the terms and provisions of the Bylaws of the Association with respect to compensation of Directors, Officers or Members of the Association for the rendition of unusual or exceptional services to the Association.

The purposes for which the Association is formed, and the powers which may be exercised by the Association, are:

1. To own, operate, maintain, preserve or replace, and to provide architectural control over Lots, and Common Property located on that certain parcel of real property situate in Indian River County, Florida, known as LILY’S CAY AT VERO BEACH, and described in Exhibit “A” to the Declaration; and to Lots and Common Property that may be annexed or otherwise added to the Property from time to time pursuant to the Declaration; and

2. To acquire by gift, purchase or otherwise, own, build, improve, operate, repair, maintain and replace, lease, transfer, convey, or otherwise dispose of real property, buildings, units, improvements, fixtures and personal property in connection with the business and affairs of the Association; and

3. To dedicate, sell or transfer all or any part of, or any interest in, the Common Properties to any public agency, taxing authority, or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors, provided that such decision, sale, or transfer is approved by a two-thirds (2/3) vote of the Board of Directors and prior written consent of the Developer is obtained for so long as the Developer owns one (1) Lot in the Property; and

4. To establish, levy, collect and enforce payment of all assessments and charges pursuant to the terms and provisions of the Declaration or Bylaws of the Association and to use

the proceeds thereof in the exercise of its powers and duties, including without limitation, to levy and collect adequate assessments against members of the Association for the costs of maintenance and operation of the Surface Water or Stormwater Management System (as defined in the Declaration); and

5. To pay all expenses in connection with and incident to the conduct of the business and affairs of the Association; and

6. To borrow money and to pledge, mortgage or hypothecate any or all of the real or personal property owned by the Association as security for money borrowed or debts incurred by the Association; and

7. To annex additional real property to the Property pursuant to the terms and provisions of the Declaration; and

8. To exercise such powers which are now or may hereafter be conferred by law upon an Association organized for the purposes set forth herein, or which may be necessary or incidental to the powers so conferred; and

9. To grant easements on or through the Common Property or any portion thereof;
and

10. To exercise all of the powers and privileges, and to perform all of the duties and obligations, of the Association, as set forth in the Declaration, as the same may be amended from time to time; and

11. To promulgate, amend or enforce rules, regulations, bylaws, covenants, restrictions or agreements to effectuate the purposes for which the Association is organized; and

12. To contract for the management of the Association and to delegate in such contract all or any part of the powers and duties of the Association, and to contract for services to be provided to Owners such as, but not limited to, utilities services; and

13. To purchase insurance upon the Property or any part thereof and insurance for the protection of the Association, its Officers, Directors and Owners; and

14. To employ personnel and contract with professionals including, but not limited to, attorneys, accountants, architects and engineers to perform the services required for the proper operation of the Association; and

15. To appear through its authorized agents before any legislative, judicial, administrative or governmental body concerning matters affecting the Property and/or the Association; and

16. To operate, maintain and manage the Surface Water or Stormwater Management System in a manner consistent with the St. Johns River Water Management District Permit No.

IND-061-85606-6 dated April 3, 2014 requirements and applicable District rules, and shall assist in the enforcement of the Declaration, which relate to the Surface Water or Stormwater Management System.

The foregoing clauses shall be construed both as purposes and powers and the enumeration of specific purposes and powers shall not be construed to limit or restrict in any way the purposes and powers of the Association that may be granted by applicable law and any amendments thereto or otherwise conferred upon not-for-profit corporations by common law and the statutes of the State of Florida in effect from time to time.

ARTICLE VI

BOARD OF DIRECTORS

A. NUMBER AND QUALIFICATIONS. The business and affairs of the Association shall be managed and governed by a Board of Directors. The number of Directors constituting the initial Board of Directors shall be three (3). The number of Directors may be increased or decreased from time to time in accordance with the Bylaws of the Association, but in no event shall there be less than three (3) Directors nor more than seven (7) Directors. Directors need not be Members of the Association.

B. DUTIES AND POWERS. All of the duties and powers of the Association existing under the Declaration, these Articles and the Bylaws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by Members when such approval is specifically required.

C. ELECTION; REMOVAL. Directors of the Association shall be elected at the Annual Meeting of the Members in the manner determined by and subject to the qualifications set forth in the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.

D. TERM OF INITIAL DIRECTORS. The Developer shall appoint the members of the first Board of Directors who shall hold office for the periods described in the Bylaws.

E. INITIAL DIRECTORS. The names and addresses of the first Board of Directors who shall hold office until their successors are elected and have taken office, as provided in the Bylaws are as follows:

ARTICLE VII

TRANSACTION IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

No contract or transaction between the Association and one or more of its Directors or Officers or between the Association and any other corporation, partnership, association or other organization in which one or more of its Officers or Directors are Officers or Directors of this Association shall be invalid, void or voidable solely for this reason or solely because the Officer or Director is present at, or participates in, meetings of the board or committee thereof which

authorized the contract or transaction, or solely because said Officer's or Director's votes are counted for such purpose. No Director or Officer of the Association shall incur liability by reason of the fact that said Director or Officer may be interested in any such contract or transaction. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

Similarly, no contract or transaction between the Association and any other corporation, partnership, association, or organization in which one or more of the Officers or Directors of this Association may be an employee or have another affiliated relationship shall be invalid, void, or voidable solely because the Officer or Director of this Association serves as an Officer, Director, employee, principal or is otherwise affiliated with said corporation, partnership, association or other organization which is entering into a contract or transaction with the Association.

ARTICLE VIII

OFFICERS

The affairs of the Association shall be administered by the Officers holding the offices designated in the Bylaws. The Officers shall be elected by the Board of Directors of the Association at its first meeting following the Annual Meeting of the Members of the Association and shall serve at the pleasure of the Board of Directors. The Bylaws may provide for the removal of Officers, for filling vacancies and for the duties of the Officers. The names and addresses of the Officers who shall serve until their successors are designated by the Board of Directors are as follows:

- President: Wes Sandler
448 Viking Drive, Suite 220
Virginia Beach, VA 23452
- Vice President: Alan Resh
448 Viking Drive, Suite 220
Virginia Beach, VA 23452
- Secretary: Catherine Scarborough
448 Viking Drive, Suite 220
Virginia Beach, VA 23452
- Treasurer: Catherine Scarborough
448 Viking Drive, Suite 220
Virginia Beach, VA 23452

ARTICLE IX

MEMBERSHIP & VOTING

A. MEMBERSHIP. Every person or entity who is an Owner as defined in the Declaration, shall be a Member of the Association. Any person or entity who holds an interest in

any Lot merely as security for the performance of an obligation shall not be a Member of the Association unless and until such holder of a security interest acquires title pursuant to foreclosure or judicial proceeding or deed-in-lieu of foreclosure. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Each Owner shall become a Member of the Association upon title to the Lot being conveyed by deed to such Owner and upon the recording of said deed among the Public Records of Indian River County, Florida, or upon a transfer of title by operation of law. Transfer of membership shall be established by the recording among the Public Records of Indian River County, Florida, of a warranty deed or other instrument establishing a record title to a Lot, the Owner or Owners designated by such instrument thereby becoming a Member or Members of the Association and the membership of the prior Owner or Owners thereupon being terminated.

B. VOTING. All votes shall be cast by Members in accordance with the Declaration as the same may be amended from time to time.

ARTICLE X

AMENDMENT

Amendments to these Articles shall be proposed in the following manner:

A. PROPOSAL. Notice of the subject matter for proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered.

B. ADOPTION. The resolution for the adoption of a proposed amendment may be proposed by either a majority of the Board of Directors or by not less than two-thirds (2/3) of the Members of the Association. The approvals must be by not less than two-thirds (2/3) of all the Members of the Association represented at a meeting at which a quorum thereof has been attained.

C. LIMITATION. No amendment shall be made that is in conflict with the Declaration or Bylaws, nor shall any amendment make changes which would in any way affect the rights, privileges, powers or options herein provided in favor of or reserved to the Developer, or an affiliate of the Developer, unless the Developer shall join in the execution of the amendment. Notwithstanding anything to the contrary contained herein, until Developer has turned over control of the Association as provided in the Declaration, no amendment to these Articles shall be effective unless the Developer shall consent to and join in the execution of the amendment.

D. DEVELOPER AMENDMENT. Notwithstanding anything to the contrary contained herein, until Developer has turned over control of the Association as provided in the Declaration, the Developer may amend these Articles consistent with the provisions of the Declaration allowing certain amendments to be effected by the Developer alone, including, but not limited to, Developer's amendment to correct any scrivener's error as determined by Developer in its sole discretion.

E. RECORDING. A copy of each amendment shall be filed with the Secretary of State pursuant to the provisions of applicable Florida law, and a copy certified by the Secretary of State shall be recorded in the Public Records of Indian River County, Florida.

ARTICLE XI

BYLAWS

The first Bylaws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided in the Bylaws and the Declaration.

ARTICLE XII

INCORPORATOR

The name and address of the incorporator of the Association is:

Name

Address

Lisa Thompson Barnes

756 Beachland Boulevard
Vero Beach, Florida 32963

ARTICLE XIII

INDEMNIFICATION

A. INDEMNITY. The Association shall indemnify, hold harmless and defend any person (hereinafter referred to as "Indemnatee") who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a Director, employee, Officer or agent of the Association, including those selected, appointed, or elected by the Developer, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, unless (a) a court of competent jurisdiction determines, after all available appeals have been exhausted or not pursued by the proposed Indemnatee, that he was grossly negligent or that he acted willfully or wantonly in disregard of the interests of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (b) such court further specifically determines that indemnification should be denied. The termination of any action, suit or proceeding - by judgment, order, settlement, conviction or upon plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person was grossly negligent or that he acted willfully or wantonly in disregard of the interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

B. AGREEMENT TO DEFEND. To the extent that a Director, Officer, employee or agent of the Association is a party or is threatened to be made a party to any threatened, pending

or contemplated action, suit or proceeding whether civil, criminal, administrative or investigative by reason of the fact that he is or was a Director, Officer, employee or agent of the Association, including those selected, appointed, or elected by the Developer, the Association hereby agrees to defend and provide counsel to such Indemnitee and shall advance all attorneys fees and costs at all pretrial, trial and appellate levels. In the event retainers for attorneys' fees and/or costs are necessary to be provided, the Association shall advance such retainers, as well as having full responsibility for payment of attorneys' fees and costs that may be billed or otherwise become due during the pendency of any action, suit or proceeding or in advance of same in the event such action, suit or proceeding is threatened. The Indemnitee shall have the right of reasonable approval of any attorneys proposed to represent said Indemnitee. The agreement to defend provided for in this section shall be in addition and not in lieu of such other rights of reimbursement, indemnification and hold harmless provisions existing under this Article or any other provisions of the Articles and Bylaws of the Association, the Declaration and as elsewhere provided by law.

C. EXPENSES. To the extent that a Director, Officer, employee or agent of the Association including those selected, appointed, or elected by the Developer, has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Paragraph A above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys, fees and appellate attorneys fees) actually and reasonably incurred by him in connection therewith. Any costs or expenses incurred by the Association in implementing any of the provisions of this Article XIII shall be fully assessable against Owners as Common Expenses of the Association.

D. ADVANCES. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding, as provided hereinabove, by or on behalf of the affected Director, Officer, employee or agent, including those selected, appointed, or elected by the Developer, to repay such amount unless it shall ultimately be determined that he is not entitled to be indemnified by the Association as authorized in this Article, in which event, the Indemnitee shall reimburse the Association for all attorneys' fees and costs advanced by it on behalf of the Indemnitee.

E. MISCELLANEOUS. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaws, agreement, vote of Members, Florida law, or otherwise, and shall continue as to a person who has ceased to be a Director, Officer, employee or agent, including those selected, appointed, or elected by the Developer, and shall inure to the benefit of the heirs and personal representatives of such person.

F. INSURANCE. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Association, including those selected, appointed, or elected by the Developer, or is or was serving, at the request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such,

whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

G. AMENDMENT. Anything to the contrary herein notwithstanding, the provisions of this Article XIII may not be amended without the prior written consent of all persons whose interest would be adversely affected by such amendment.

ARTICLE XIV

SELF DEALINGS VALIDITY OF AGREEMENT AND WAIVER OF CLAIMS

A. SELF DEALING. No contract, agreement or undertaking of any sort between or among the Association, Directors, Officers, Members or the Developer shall be invalidated or affected by reason that any of them hold the same or similar positions with another condominium, homeowners or property owners association within the Property or that they are financially interested in the transaction or that they are employed by Developer or Developer's Affiliates.

B. VALIDITY OF AGREEMENT. No contract, agreement or undertaking of any sort between the Association and any entity or individual shall be invalidated or affected by reason that the Association, its Directors, Officers, the Developer, its agents or employees hold a financial interest in or with the individual or entity.

C. WAIVER OF CLAIMS. By acquisition of a Residence or Residential Unit, or any interest therein, within the Property, each and every individual or entity, of whatsoever kind or nature, thereby waives any claim for damages or other relief grounded in tort, contract, equity or otherwise arising out of the negotiation, execution, performance and enforcement of contracts, agreements or undertakings described above, that may accrue at the time of purchase or thereafter against the Association, its Directors, Officers, Members, the Developer, Developer's Affiliates, its agents or employees.

ARTICLE XV

DISSOLUTION

The Association may be dissolved by a unanimous vote of the Members at any regular or special meeting; provided, however, that the proposed action is specifically set forth in the notice of any such meeting, and that so long as Developer owns one (1) or more Residences in the Property, the Developer's written consent to the dissolution of the Association must first be obtained. In the event of the dissolution of this Association or any successor entity hereto, all Association property and maintenance obligations attributable to the Association shall be transferred to a successor entity or an appropriate governmental body for the purposes of continuing the maintenance responsibilities originally performed by the Association or its successors in accordance with the terms and provisions of the Declaration. In addition, in the event of termination, dissolution or final liquidation of the Association, the responsibility for the

operation and maintenance of the Surface Water or Stormwater Management System must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

ARTICLE XVI

VA/HUD PROVISIONS

So long there is a Class "B" membership and so long as HUD and/or VA is holding, insuring or guaranteeing any loan secured by property subject to the Declaration, the following actions shall require the prior approval of HUD and/or VA, respectively: (a) annexation of additional property other than that described on Exhibit "B" to the Declaration, (b) any dedication of mortgage of the Property, any merger or consolidation in which the Corporation is a participant, (d) dissolution of the Corporation, or (e) material amendment of these Articles.

In addition, so long as there is a Class "B" membership and so long as HUD and/or VA is holding, insuring or guaranteeing any loan secured by property subject to the Declaration, upon dissolution of the Corporation, other than incident to a merger or consolidation, the assets of the Corporation shall be dedicated to an appropriate public agency to be used to purposes similar to those for which this Corporation was created or shall be granted, conveyed and assigned to a non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XVII

HEADINGS AND CAPTIONS

The headings or captions of these Articles of Incorporation are inserted for convenience and none of them shall have any force or effect, and the interpretation of the various Articles shall not be influenced by any of said headings or captions.

ARTICLE XVIII

INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Association is:

**756 Beachland Boulevard
Vero Beach, Florida 32963**

and the name of the initial registered agent of the Association at said address is:

Lisa Thompson Barnes

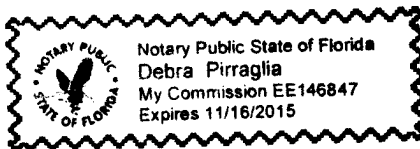
IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation on this 23 day of July, 2015.

[Signature]
Lisa Thompson Barnes, Incorporator

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

The foregoing instrument was acknowledged before me this 23 day of July, 2015, by Lisa Thompson Barnes, Incorporator of LILY'S CAY AT VERO BEACH HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of the corporation, and who is personally known to me.

[Signature]
Sign Name of Notary



Debra Pirraglia
Print Name of Notary Public
My Commission Expires:

CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE SERVICE OF PROCESS WITHIN THIS STATE, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED

In compliance with the laws of Florida, the following is submitted:

First, that desiring to organize under the laws of the State of Florida, the corporation named in the foregoing Articles of Incorporation has named Lisa Thompson Barnes, whose address is: 756 Beachland Boulevard, Vero Beach, Florida 32963-1745, County of Indian River, State of Florida, as its statutory registered agent.

Having been named statutory agent of said corporation at the place designated in this certificate, I hereby accept the same and agree to act in this capacity, and agree to comply with the provisions of Florida law relative to keeping the registered office open.

Dated this 23 day of July, 2015.

[Signature]
Lisa Thompson Barnes, Registered Agent

EXHIBIT "D"

BYLAWS

PREPARED BY AND TO BE
RETURNED TO:
Lisa Thompson Barnes,, Esq.
Collins, Brown, Caldwell, Barkett, Garavaglia
& Lawn, Chartered
Post Office Box 3686
Vero Beach, FL 32964
E-mail: lthompson@verolaw.com

BYLAWS

OF

LILY'S CAY AT VERO BEACH HOMEOWNER'S ASSOCIATION, INC.

(A Corporation Not for Profit
under the Laws of the State of Florida)

ARTICLE I

IDENTITY

The following Bylaws shall govern the operation of **LILY'S CAY AT VERO BEACH HOMEOWNER'S ASSOCIATION, INC.**, a corporation not for profit, hereinafter referred to as the "Association".

The Association is an incorporated non-profit corporation, organized and existing pursuant to Chapters 617 and 720, Florida Statutes, and the Declaration of Covenants, Conditions and Restrictions for LILY'S CAY AT VERO BEACH (the "Declaration") agreed to by all who acquire property located in LILY'S CAY AT VERO BEACH, legally described in Exhibit "A" to the Declaration.

Section 1. The office of the Association shall be at 835 20th Place, Vero Beach, Florida 32960, or at such other place in the State of Florida, as may subsequently designated by the Board of Directors of the Association.

Section 2. The seal of the corporation will bear the name of the corporation and the word "Florida", the words "corporation not for profit" and the year of the incorporation.

ARTICLE II

MEMBERSHIP AND VOTING PROVISIONS

Section 1. Quorum. The presence, in person or by proxy, of a majority of the Owners' total votes (Class A, Class B and Class C) shall constitute a quorum.

Section 2. Proxies. Limited Proxies and General Proxies may be used to establish a quorum. Limited proxies may be used for votes taken to waive or reduce reserves, to waive financial statement requirements, to amend the Declaration, to amend the Articles of Incorporation or Bylaws, and for any other matter permitted by Florida law. Proxies may not be used to elect members to the Board. General proxies may be used for matters for which limited proxies are not required. Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting or any adjournment of the meeting. Any proxies given to the Board of Directors shall be voted at the direction of a majority of the Board of Directors.

Section 3. Designation of Voting Member.

A. Lot owned by one (1) person: The right to vote shall be established by presentation to the Secretary of the Association of a certified copy of the deed of conveyance to the Lot. The sole Owner shall be the "Voting Member".

B. Lot owned by more than one (1) person other than husband and wife: A certified copy of the deed of conveyance of the Lot together with a Certificate, signed by all of the record owners of the Lot, designating the member entitled to vote shall be filed with the Secretary of the Association.

C. Lot owned by a corporation: The officer or employee thereof entitled to cast the votes for the Lot of the corporation shall be designated in a Certificate for this purpose, signed by the appropriate corporate officer, attested to by the Secretary or Assistant Secretary of the corporation, and filed with the Secretary of the Association. The person designated in such Certificate who is entitled to cast the vote for a Lot shall also be known as a "Voting Member". Such Certificates shall be valid until revoked or until superseded by a subsequent Certificate, or until a change in the ownership of the Lot concerned.

D. Lot owned jointly by husband and wife: The following three (3) provisions apply:

(i) They may, but they shall not be required to, designate a Voting Member.

(ii) If they do not designate a Voting Member, and if both are present they may jointly cast one (1) vote. If they are unable to concur in their decision upon any subject requiring vote, they shall lose their right to vote on that subject at that meeting. (As previously provided, the vote of a Lot is not divisible.)

(iii) Where they do not designate a Voting Member, and only one (1) person is present at a meeting, the person present may cast the vote, just as though he or she owned the Lot individually, and without establishing the concurrence of the absent person.

(iv) Except as otherwise provided herein, failure to designate a Voting Member shall constitute a waiver of the vote for that Lot.

ARTICLE III

MEETING OF THE MEMBERSHIP

Section 1. **Time.** The annual members meeting shall be held each year at a time and place designated by resolution of the Board of Directors for the purpose of electing Directors and transacting any other business authorized to be transacted by the members. There shall be an annual meeting every calendar year and, to the extent possible, no later than twelve (12) months after the last preceding annual meeting.

Section 2. **Place.** All meetings of the Association membership shall be held at a location convenient to the members at such place and at such time as shall be designated by the Board of Directors and stated in the notice of the meeting.

Section 3. **Notice of Meeting; Waiver of Notice.** Notice of a meeting of Members, stating the time and place and the purpose(s) for which the meeting is called, shall be given by the President or Secretary. The notice of the annual meeting shall be sent by mail or hand delivery to each Member, unless the Member waives in writing the right to receive notice of the annual meeting by mail. The delivery or mailing shall be to the address of the Member as it appears on the roster of Members. The posting and mailing of the notice shall be effected not less than fourteen (14) days, nor more than sixty (60) days, prior to the date of the meeting.

Notice of specific meetings may be waived before or after the meeting and the attendance of any Member (or person authorized to vote for such Member) shall constitute such Member's waiver of notice of such meeting, except when his (or his authorized representative's) attendance is for the express purpose of objecting, at the beginning of the meeting, to the transaction of business because the meeting is not lawfully called.

An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered in accordance with this Section. No other proof of notice of a meeting shall be required.

Section 4. Meetings. Meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, by a majority of the Board of Directors, or must be called by the President or Secretary at the written request of a majority of the Voting Members of the entire membership, which request shall state the purpose of the proposed meeting. Business transacted at all meetings shall be confined to that stated in the notice thereof.

Section 5. Order of business at Annual Members Meeting. The order of business at the Annual Members Meeting and as far as practical at other members meetings will be:

- A. Call to Order by the President.
- B. Election of Chairman of the meeting.
- C. Calling of the roll and certifying of proxies.
- D. Proof of notice of meeting, or waiver of notice.
- E. Reading and disposal of any unapproved minutes.
- F. Reports of officers.
- G. Reports of committees.
- H. Election of Directors.
- I. Unfinished business.
- J. New business.
- K. Adjournment.

Such order may be waived in whole or in part by direction of the Chairman.

Section 6. Adjourned Meeting. If any meeting of members cannot be organized because a quorum of Voting Members is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

ARTICLE IV

DIRECTORS

Section 1. Number, Term and Qualifications. The affairs of the Association shall be governed by a Board of Directors consisting of an odd number of Directors, no fewer than three (3) nor more than seven (7), and all such Directors, other than members of the first Board of

Directors, shall be members of the Association, except as provided herein, and shall be elected annually pursuant to Section 2 of this Article IV.

Until turnover of the Association, Developer shall be entitled to appoint all members of the Board of Directors. Thereafter, as long as Developer is the Owner of one (1) Lot, it shall be entitled to representation on the Board of Directors. The term of each Director's service shall be one (1) year and shall extend until the next annual meeting of the members or until the successor is duly elected and qualified, or until the Director is removed in the manner provided for in Section 3 below.

Section 2. Election of Directors. Election of Directors will be conducted in the following manner:

A. Election of Directors will be held at the annual members meeting.

B. The Association's Board of Directors shall be elected by a written ballot or voting machine as follows:

(i) Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver to each Owner entitled to vote a first notice of date of election which shall include notification that any Owner or other eligible person desiring to be a candidate for the Board shall give written notice to the Secretary of the Association not less than forty (40) days before a scheduled election, and that they may include an information sheet, no larger than 8-1/2" x 11", furnished by the candidate, to be included with the mailing of the ballot.

(ii) Not less than thirty (30) days before the election meeting, the Association shall mail and deliver a second notice of the meeting to all Owners entitled to vote together with a ballot and any information sheets received from candidates.

C. Elections shall be decided by a plurality of written ballots cast regardless of quorum; however, at least one-third (1/3) of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Directors.

D. Notwithstanding the provisions of this paragraph, an election and balloting are not required unless more candidates file notices of intent to run or are nominated than vacancies exist on the Board.

E. If two (2) or more candidates for the same position receive the same number of votes which would result in one (1) or more candidates not serving or serving a lesser term, the Association shall conduct a run off election in accordance with the following procedures:

(i) The only candidates eligible for the run-off election to the Board positions are the candidates who received the tie votes at the previous election.

(ii) The notice of the run-off election shall be mailed or personally delivered to the voters, by the Board within seven (7) days of the date of the election at which the tie vote occurred. The notice shall inform the voters of the date, time, and place of the run-off election and shall include a ballot and copies of any candidate's information sheets previously submitted by the run-off candidates. The run-off election must be held not less than twenty-one (21) days nor more than thirty (30) days after the date of the election at which the tie occurred.

Section 3. Removal of Directors. At any time after the first meeting of the membership, at any duly convened regular or special meeting, any one or more of the Directors, except any Director representing Developer, may be removed, with or without cause, by the affirmative vote of not less than two-thirds (2/3) of the total membership. A Director representing Developer may only be removed with the consent, in writing, of the Developer.

Section 4. Vacancies on Directorate. If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor or successors who shall hold office for the balance of the unexpired term in respect to which such vacancy occurred or such vacancy may remain unfilled. Should the directorship of a Director representing the Developer become vacant by reason of resignation or disqualification, the Developer will have the right to appoint a successor.

Commencing with the Directors elected at the first meeting of the membership, the transfer of title of his or her Lot by a Director shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors, but not later than the date of transfer of title, unless that Director continues to own other property in LILY'S CAY AT VERO BEACH. No member shall continue to serve on the Board should the payment of an assessment due from said member be more than sixty (60) days delinquent. Said delinquency shall automatically constitute a resignation effective when said delinquency is certified to the Board of Directors by the President.

Section 5. Directors Meetings. An organizational meeting of each new Board of Directors will be held within ten (10) days following each annual or special meeting of members in which a new Board is elected. Meetings of the Board of Directors may be called by the President, and in his absence, by the Vice President, or by a majority of the members of the Board of Directors, by giving not less than five (5) days notice, in writing, to all of the members of the Board of Directors of the time and place of said meeting. All notices of meeting shall state the purpose of the meeting.

Section 6. Waiver of Notice. Before, or at any meeting of the Board of Directors, any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

Section 7. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the

Directors present at such meetings at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

Section 8. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, by the Declaration, the Articles of Incorporation or by these Bylaws directed to be exercised and done by the members. These powers shall specifically include, but shall not be limited to, the following:

- A. To exercise all powers specifically set forth in the Declaration, the Articles of Incorporation, in these Bylaws, by law, and all powers incidental thereto.
- B. To make assessments, collect assessments, and use and expend the assessments to carry out the purposes and powers of the Association.
- C. Upon receipt from the Treasurer of Certification of Default by a member, to suspend the voting rights of such member during any period in which such member shall be in default in the payment of any assessment levied by the Association.
- D. To issue, or to cause an appropriate officer to issue, upon demand by any interested person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these Certificates. If a Certificate states an assessment has been paid, such Certificate shall be conclusive evidence of such payment.
- E. To employ and dismiss attorneys, accountants, employees contractors and other professionals as the need arises for the benefit of the Association of the Subdivision.
- F. To make and amend rules and regulations not inconsistent with the Declaration respecting the operation and use of the Lots and facilities, and the use and maintenance of the Common Property and any property acquired by the Association.
- G. To adopt and publish rules and regulations governing the use of the Common Property and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.
- H. To designate a Nominating Committee as set forth in Article V hereof.
- I. To designate the Architectural Review Committee, if delegated to do so, as set forth in the Declaration.

J. To procure and maintain adequate liability and hazard insurance on property owned by the Association, if deemed necessary.

K. Exercise all powers granted in the Articles of Incorporation.

M. Operate and maintain the Common Property, including surface water management system.

N. Maintain bank accounts on behalf of the Association and designate signatories required thereof.

O. Purchasing, leasing or otherwise acquiring Lots or other property in the name of the Association.

P. Levy fines against appropriate owners for violations of the Declaration or of the Rules and Regulations established by the Association to govern the conduct of such owners and others.

ARTICLE V

NOMINATING COMMITTEE

Section 1. Forty-five (45) days prior to each annual meeting of the members, the Board of Directors will designate a new Nominating Committee to place in nomination names of members proposed to serve as Directors for the ensuing year. The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors and two (2) or more members of the Association. The Nominating Committee will meet and formulate its list of nominees. The Chairman will thereupon advise the Secretary of the proposed nominations, who, after conveying the Chairman's report to the Board of Directors, will include the list of nominees in the notice of the annual meeting dispatched to the members.

ARTICLE VI

OFFICERS

Section 1. Elective Officers. The principal officers of the Association shall be a President, Vice-President, a Secretary, and a Treasurer and such other officers as may from time to time be deemed appropriate by the Board of Directors. One (1) person may hold more than one of the aforementioned offices; except, however, the President shall not also hold the office of Secretary. Only members of the Board of Directors may be elected to the offices of President and Vice-President.

Section 2. Election. The officers of the Association designated in Section 1 above shall be elected by the Board of Directors at the organizational meeting of each new Board following the annual meeting of the members.

Section 3. Appointive Officers. The Board may appoint an Assistant Treasurer and such other officers as the Board deems necessary or desirable.

Section 4. Terms. The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time with or without cause by the Board of Directors; provided, however, that no officer shall be removed except by the affirmative vote for removal by a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the Owners and the Board of Directors. He shall have the executive power and general supervision over the affairs of the Association and other officers. He shall sign all written contracts and perform all of the duties incident to his office as well as those which may be delegated to him from time to time by the Board of Directors.

Section 6. The Vice-President. The Vice-President shall perform all of the duties of the President in his absence and such other duties as may be assigned to him from time to time by the Board of Directors.

Section 7. The Secretary. The Secretary shall issue notice of all Board of Directors' Meetings and all meetings of the Owners; he shall attend and keep the minutes of same; he shall have charge of all the Association's books, records and papers, except those kept by the Treasurer.

Section 8. The Treasurer.

A. Shall prepare for the Board of Directors each year a proposed annual budget of the Association.

B. Shall have custody of the Association's funds and securities, and keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association in such depositories as may be designated from time to time by the Board of Directors of the Association.

C. Shall disburse, subject to the stipulation of Article VII, Section 1, the funds of the Association as may be ordered by the Board of Directors in accordance with these Bylaws, making proper record of such disbursements and shall render to the President and the Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the Association.

D. Shall collect the assessments and shall promptly report the status of collections and of all delinquencies to the Board of Directors of the Association.

E. Shall give status reports to potential transferees of Lots on which reports the transferee may rely.

If an Assistant Treasurer is appointed, he shall perform the duties of the Treasurer in the Treasurer's absence.

Section 9. Compensation. No compensation will be paid to officers or directors of the Association.

ARTICLE VII

FINANCES AND ASSESSMENTS

Section 1. Depositories. The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time upon resolution and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association as may be designated by the Board of Directors.

Section 2. Fiscal Year. The fiscal year of the Association shall conform to the calendar year; provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America.

Section 3. Determination of Assessments.

A. As set forth in the Declaration, the Board of Directors of the Association shall fix and determine, from time to time, the sum or sums necessary and adequate for the expenses of the Association for the purpose of maintenance and management of the Association, the Common Property, and for the purpose of promoting the safety and welfare of the Owners. Without limiting the foregoing, the annual Assessments shall be used for maintaining the landscaping of each Lot; insurance coverage for the Common Property; legal and accounting fees; maintenance of the streets and roads within the Property; management fees; emergency services; repair and replacement of the Property required to be maintained by the Association pursuant to the terms of this Declaration; utility and cable service for the Common Property; garbage collection and trash and rubbish removal; repayment of the total sum the Developer has paid to the Association in accordance within the Developer's Agreement; cleaning services for such property required to be maintained by the Association pursuant to the terms of this Declaration; expenses and liabilities incurred by the Association in the enforcement of its rights and duties under this Declaration; creation of reasonable reserves; and all other expenses deemed by the Board of Directors of the Association to be necessary or proper to carry out the Association's management, maintenance, repair, operation and enforcement responsibilities. Assessments shall also be used for the maintenance, operation, and repair of the Surface Water Management System, including Tract B, all ditches, culverts, drains, pipes, conduits, ponds, and other facilities located on or benefiting the Property for the purpose of conveying, transmitting, draining, retaining, and storing storm water runoff from the Property, including without limitation any and all of such items used or useful in connection with the operational and maintenance of Easements. Such maintenance, operation, and repair such include the exercise of

practices which allow the Surface Water Management System to collect, convey, channel, hold, inhibit, or divert the movement of storm water as permitted by the SJRWMD. The Board of Directors is specifically empowered, on behalf of the Association, to make and collect assessments. The amount required for annual expenses and disbursements will be provided through assessments of equal amount against each Lot in LILY'S CAY AT VERO BEACH. Unless otherwise ordered by the Board of Directors, said assessments shall be payable yearly, collectable quarterly or as otherwise determined by the Board in advance and shall be due on the first day of each year in advance.

B. Special Assessments, should such be required by the Board of Directors, shall be levied by the Association to pay in whole or in part for the cost of any shortfall in the annual budgeted operating revenues, or for any repair or replacement of an existing capital improvement, or for the construction/acquisition of a new capital improvement, without concurrence of the Owners unless the cost of such repair/replacement/ acquisition/construction is major. "Major" as referenced herein shall be defined to mean that the amount of the proposed special assessment per Owner, plus any other special assessments levied during that same fiscal year, exceeds fifty percent (50%) of the then current year's annual assessment. Major capital improvements shall require the special assessment to be approved by a majority of a minimum of thirty percent (30%) of the membership. The Association may also levy special assessments without limitation or the concurrence of any Owner to pay for the cost of maintenance or enforcement of the Declaration with regard to specific Lots; any such assessment shall be levied against the Owner of such Lot. Special assessments shall be payable at such time and place determined by the Association and stated in the assessment notice.

C. When the Board of Directors has determined the amount of any assessment, the Treasurer of the Association shall mail or present to each Owner a statement of said Owner's assessment. All assessments shall be payable to the Association and upon request the Treasurer shall give a receipt for each payment made.

D. As a basis for determining and collecting annual assessments referred to in Section 3A of this Article, the Board of Directors shall adopt a budget of estimated receipts and expenditures for each fiscal year. Such budget shall set forth the estimated amount of funds required to cover:

(i) current expenses, including reasonable allowances for working funds and contingencies.

(ii) betterments, including provision for any necessary capital expenditures for improvements or additions and will be part of the Association property, and

(iii) for creation of reserves, when appropriate, for long-term repair requirements or to meeting actual or anticipated losses.

D. The Board of Directors shall direct the Treasurer to have an annual audit and accounting of the Association's funds in accordance with procedures specified by the Board, at the end of each fiscal year.

Section 4. Lien for Assessments. The Association shall have a lien against each Lot to secure payment of any assessment, charge, fine, penalty or other amount due and owing to the Association with respect to the Lot, plus legal interest from the date due and payable, plus all costs and expenses of collecting the unpaid amount, including reasonable attorney's fees. The lien shall be subordinate to any institutional first mortgage on the property. The lien may be foreclosed in the manner for foreclosure of mortgages in the State of Florida, or as hereinafter set forth.

Section 5. Acceleration of Assessment Installments Upon Default. If any installment of an assessment is not paid within fifteen (15) days after the due date, at the option of the Association, a late charge not greater than the amount of such unpaid installment may be imposed (provided that only one late charge may be imposed on any one unpaid installment and if such installment is not paid thereafter, it and the late charge shall accrue interest as provided herein but shall not be subject to additional late charges; provided further, however, that each other installment thereafter coming due shall be subject one (1) late charge each as aforesaid) or the next twelve (12) months' worth of installments may be accelerated and become immediately due and payable in full and all such sums shall bear interest from the dates when due until paid at the highest lawful rate (or, if there is no highest lawful rate, eighteen percent (18%) per annum) and the Association may bring an action at law against the Owner(s) personally obligated by pay the same, may record a claim of lien (as evidence of its lien rights as hereinabove provided for) against the Lot on which the assessments and late charges are unpaid, may foreclose the lien against the Lot on which the assessments and late charges are unpaid, or may pursue one or more such remedies at the same time or successively, and attorneys' fees and costs actually incurred in preparing and filing the claim of lien and the complaint, if any, and prosecuting same, in such action shall be added to the amount of such assessments, late charges and interests, and in the event a judgment is obtained, such judgment shall include all such sums as above provided and attorneys' fees actually incurred together with the costs of the action, through all applicable appellate levels.

In the case of an acceleration of the next twelve (12) months' of installments, each installment so accelerated shall be deemed initially, equal to the amount of the then most current delinquent installment, provided that if any such installment so accelerated would have been greater in amount by reason of a subsequent increase in the applicable budget, the Owner of the Lot whose installments were so accelerated shall continue to be liable for the balance due by reason of such increase and special assessments against such Lot shall be levied by the Association for such purpose.

In addition to the rights of collection of assessments stated in this Section, any and all persons acquiring title to or an interest in a Lot as to which the assessment is delinquent, including, without limitation, persons acquiring title by operation of law and by judicial sales, shall not be entitled to the occupancy of such Lot or the enjoyment of the Common Property until such time as all unpaid and delinquent assessments due and owing from the selling Owner have been fully paid; provided; however, that the provisions of this sentence shall not be applicable to the mortgagees and purchasers contemplated by this Article.

All assessments, late charges, interest, penalties, fines, attorney's fees and other sums provided for herein shall accrue to the benefit of the Association.

ARTICLE VIII

COMPLIANCE AND DEFAULT

Section 1. Violations. Violation and Enforcement of Restriction and Covenants.

(a) The Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenant, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In any action for enforcement brought hereunder, the prevailing party shall be entitled to reasonable attorney's fees including attorney's fees through appellate proceedings.

(b) The Association may suspend, for a reasonable period of time, the right of members (excluding the Developer) or a members tenants, guests, or invitees, or both, to use Common Property and facilities and may levy reasonable fines against any member or any tenant, guest, or invitee in accordance with Florida Statutes §720.305 as amended from time to time.

(c) Upon learning of a violation, the Association shall issue the Owner a written notice either by certified return receipt mail or posting on the property requesting the Owner to cure the violation and advising the Owner that a fine or suspension will be imposed if the violation is not cured within fourteen (14) days of receipt of the notice.

(d) No fine or suspension will be imposed without an opportunity for a hearing before a committee of at least three (3) members appointed by the Board who are not officers, directors, or employees of the Association or the parent, spouse, child, brother, or sister of an officer, director or employee. A majority vote of the committee must be obtained within thirty (30) days of the original notice for a fine or suspension to be imposed. The requirements of this subsection do not apply to the imposition of suspension or fines upon any member because of the balance of the members to pay assessments or other charges when due.

(e) Should the violation not be cured within said fourteen (14) days of receipt of said written violation, a fine shall automatically be imposed subject to subsection (d). The amount of the fine at the time of filing this Declaration is up to one thousand dollars (\$1,000.00), but said amount may be increased from time to time by the Board of Directors without vote of the Association or amendment of this Declaration, if authorized by law. A fine of less than one thousand dollars (\$1,000.00) may not become a lien against a Lot; except, however, any fines greater than one thousand dollars (\$1,000.00) shall be deemed to a lien against a Lot. In any action to recover a fine, the prevailing party is entitled to reasonable attorney fees and costs from non-prevailing party as determined by the Court.

(f) The Association shall have the authority but is not obligated to cure any violation through whatever action it deems reasonable and the expenses thereof shall be chargeable to the Owner of the Lot or Lots on which or in connection with the violation has occurred. Said expense shall be payable forthwith and upon demand. In the event the Association has expended funds in connection with curing such violation, then and in such event the funds so expended shall become an assessment upon the Lot or Lots enforceable as provided herein for unpaid assessments.

(g) Violation or breach of any conditions, covenant, or restriction herein contained shall give the Developer and the Association in addition to other remedies, the right to proceed at law or equity to compel a compliance with the terms of said condition, covenant, and restriction, and to prevent the violation or breach of any of them and the expense of such litigation shall be borne by the then Owner of the subject property. Expenses of litigation shall include reasonable attorney's fees incurred by the Developer or the Association seeking such enforcement.

(h) Suspension of Common Property use rights shall not impair the right of an owner or tenant of a Lot to have vehicular or pedestrian ingress to and egress from the Lot, including, but not limited to, the right to park.

(i) The failure of the Association or of a Owner to enforce any right, provision, covenant or condition which may be granted by the plat or by any other valid restrictive covenant shall not constitute a waiver of the right of the Association or Owner to enforce such right, provision, covenant or condition in the future.

ARTICLE IX

AMENDMENTS TO THE BYLAWS

These Bylaws may be altered, amended or added to at any duly called meeting of the members; provided:

(a) Notice of the meeting shall contain a statement of the proposed amendment.

(b) The amendment, if not inconsistent with Florida Statutes, the Articles of Incorporation and the Declaration of Covenants, Conditions and Restrictions, shall be approved by the affirmative vote of not less than two-thirds (2/3) of the total membership of the Board of Directors.

ARTICLE X

LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Association shall not relieve or release any former Owner or member from any liability or obligation incurred under or in any way connected to said Owner's ownership and membership or impair any rights or remedies which the Association may

have against such former Owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

ARTICLE XI

RULES AND REGULATIONS

The Board of Directors may, from time to time, adopt or amend previously adopted administrative Rules and Regulations governing the details of the use and maintenance of properties within the area in order to insure compliance with the Design Criteria as established pursuant to the Declaration of Covenants, Conditions and Restrictions. A copy of the Rules and Regulations adopted from time to time, as herein provided, shall be kept at the office of the Association and be made available for review by the members of the Association.

If any irreconcilable conflict should arise or exist with respect to the interpretation of these Bylaws, the Articles of Incorporation, or Declaration, the Articles of Incorporation and the Declaration of Covenants, Conditions and Restrictions shall prevail.

ARTICLE XII

GENDER OR NUMBER

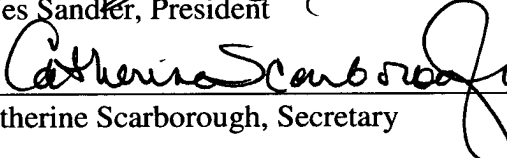
Reference herein made to gender or number shall be taken to mean masculine or feminine, singular or plural, whenever the context or circumstances so require.

The foregoing were adopted as the By-laws of LILY'S CAY AT VERO BEACH HOMEOWNERS ASSOCIATION, INC., a corporation not-for-profit under the laws of the State of Florida, at a meeting of the Board of Directors of that Association held on the 17 day of June, 2015.

APPROVED:



Wes Sandler, President

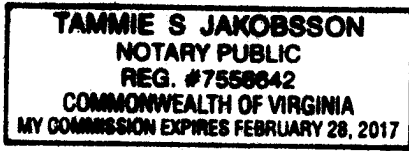


Catherine Scarborough, Secretary

STATE OF Virginia
COUNTY OF Virginia Beach

The foregoing instrument was acknowledged before me this 17 day of June, 2015, by Wes Sandler, President of LILY'S CAY AT VERO BEACH HOMEOWNERS ASSOCIATION, INC., a Florida Corporation, on behalf of the Corporation, who ~~(X)~~ is

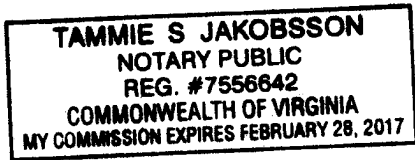
personally known to me, or () has produced _____ as identification and did (did not) take an oath.



Tammie S Jakobsson
Notary Public
Name: *Tammie S Jakobsson*
Commission Number: *7556642*
Commission Expiration: *2/28/17*

STATE OF *Virginia*
COUNTY OF *Virginia Beach*

The foregoing instrument was acknowledged before me this 17 day of June, 2015, by Catherine Scarborough, Secretary of LILY'S CAY AT VERO BEACH HOMEOWNERS ASSOCIATION, INC., a Florida Corporation, on behalf of the Corporation, who () is personally known to me, or () has produced _____ as identification and did (did not) take an oath.



Tammie S Jakobsson
Notary Public
Name: *Tammie S Jakobsson*
Commission Number: *7556642*