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IN THE RECORDS OF
JEFFREY K. BARTON
CLERK CIRCUIT COURT
INDIAN RIVER CO., FLA.

DECLARATION OF PROTECTIVE COVENANTS
AND
RESTRICTIONS FOR OAK CHASE

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DECLARATION OF PROTECTIVE COVENANTS

AND

RESTRICTIONS FOR OAK CHASE

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DECLARATION OF PROTECTIVE
COVENANTS AND RESTRICTIONS FOR OAK CHASE

KNOW ALL MEN BY THESE PRESENTS, that this Declaration of Protective Covenants and Restrictions for OAK CHASE (the "Declaration"), is made and entered into as of the 21st day of December, 1999, by OAK CHASE DEVELOPMENT, L.L.C., a Florida limited liability company, hereinafter referred to as the "DEVELOPER."

RECITALS

A. The DEVELOPER is the owner of the Property (as defined in Article I) and desires to create thereon a residential community with an entrance feature and open spaces, and other common facilities for the benefit of the community.

B. The DEVELOPER desires to provide for the preservation of the values and amenities in the community and for the maintenance of the open spaces and other common facilities; and, to this end, desires to subject the Property to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of the Property and each OWNER (as defined in Article I) thereof.

C. The DEVELOPER has deemed it desirable for the efficient preservation of the values and amenities in the community to create an agency to which should be delegated and assigned the powers of maintaining and administering the community properties and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created.

D. The DEVELOPER has incorporated under the laws of the State of Florida, as a corporation not-for-profit, OAK CHASE PROPERTY OWNERS ASSOCIATION, INC., the purpose of which shall be to exercise the functions aforesaid.

DECLARATION

NOW, THEREFORE, the DEVELOPER declares that the Property shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

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ARTICLE I

DEFINITIONS

Unless prohibited by the context in which they are used, the following words, when used in this Declaration, shall be defined as set out below:

Section 1. Assessment. "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, Transfer Assessment and Special Assessment for Capital Improvements.

Section 2. ASSOCIATION. "ASSOCIATION" shall mean OAK CHASE PROPERTY OWNERS ASSOCIATION, INC., a Florida corporation not-for-profit. Copies of the Articles of Incorporation and Bylaws of the ASSOCIATION are attached to this Declaration as Exhibits "A" and "B", respectively.

Section 3. BOARD. "BOARD" shall mean the Board of Directors of the ASSOCIATION.

Section 4. Common Expenses. "Common Expenses" shall mean and refer to all expenses incurred by the ASSOCIATION in connection with its ownership and/or maintenance of the Common Property and other obligations set forth herein, or as may be otherwise determined by the BOARD.

Section 5. Common Property. "Common Property" shall mean and refer to all street(s) and road right(s)-of-way, utility easement(s), drainage easement(s), retention tract(s), limited access easement(s) and landscape, as well as any other common area dedicated to the OAK CHASE PROPERTY OWNERS ASSOCIATION, INC., a Florida corporation not-for-profit, as per the Plat. The ASSOCIATION has the obligation to maintain the Common Property for the common use, benefit and enjoyment of all OWNERS. The surface water management system within the Property shall also be considered a part of the Common Property and shall be maintained and controlled by the ASSOCIATION.

Section 6. Covenants. "Covenants" shall mean and refer to the covenants, restrictions, reservations, conditions, easements, charges and liens hereinafter set forth. All Covenants constitute "covenants running with the land" and shall run perpetually unless terminated or amended as provided herein, and shall be binding on all OWNERS.

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Section 7. Declaration. "Declaration" shall mean this instrument, DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR OAK CHASE, and all amendments or Supplements made to this instrument.

Section 8. DEVELOPER. "DEVELOPER" shall mean OAK CHASE DEVELOPMENT, L.L.C., and its successors or assigns as designated in writing by the DEVELOPER.

Section 9. Drainage Easements. "Drainage Easements" shall mean and refer to any drainage areas, including, without limitation, Storm Water Management Tracts 1, 2, 3, 4, 5, 6, 7, 8 and 9 as per the Plat. The Drainage Easements shall be used for drainage and for storm water detention and retention to the extent approved by those governmental agencies having jurisdiction over the Drainage Easements. The Drainage Easements are a part of the Common Property and, except as limited herein, shall be for the common use, benefit and enjoyment of all OWNERS. The ASSOCIATION has the obligation to maintain the Drainage Easements.

Section 10. Governing Documents. "Governing Documents" shall mean this Declaration, any Supplement to the Declaration and the Articles of Incorporation and Bylaws of the ASSOCIATION, as the same may be amended from time to time and filed in the Public Records of Indian River County, Florida. In the event of conflict or inconsistency among Governing Documents, to the extent permitted by law, the Declaration and any Supplement to the Declaration, the Articles of Incorporation, and the Bylaws, in that order, shall control. One Governing Document's lack of a provision with respect to a matter for which provision is made in another Governing Document shall not be deemed a conflict or inconsistency between such Governing Documents.

Section 11. Improvements. "Improvements" shall mean and refer to all structures of any kind including, without limitation, any building, fence, wall, sign, paving, grating, parking and building addition, alteration, screen enclosure, sewer, drain, disposal system, decorative building, recreational facility, landscaping, exterior lighting or landscape device or object.

Section 12. Landscape Easement(s). "Landscape Easement(s)" shall mean and refer to the landscape easement areas as per the Plat. The Landscape Easement(s) shall be used for landscape purposes to the extent approved by those governmental agencies having jurisdiction over the Landscape Easement(s). The Landscape Easement(s) is/are a part of the Common Property and, except as limited herein, shall be for the common use, benefit and enjoyment of all OWNERS. The ASSOCIATION has the obligation to maintain the Landscape Easement(s).

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Section 13. Limited Access Easement. "Limited Access Easement" shall mean and refer to the limited access easement area as per the Plat. The Limited Access Easement is dedicated by the Plat to the Board of County Commissioners of Indian River County, Florida for the purposes of control and jurisdiction over access rights. The Limited Access Easement is a part of the Common Property and, except as limited herein, shall be for the common use, benefit and enjoyment of all OWNERS. The ASSOCIATION has the obligation to maintain the Limited Access Easement.

Section 14. Lot. "Lot" shall mean and refer to each portion of the Property under separate ownership, or which is capable of separate ownership, including all Lots shown on the plat, and all Improvements located thereon. Each portion of the Property which is considered a separate parcel for real property tax purposes shall be considered a Lot.

Section 15. MEMBER. "MEMBER" shall mean and refer to all those OWNERS who are MEMBERS of the ASSOCIATION as provided in Article III. The term "MEMBER" shall not mean or refer to any builder or developer who in its normal course of business purchases any Lot for the purpose of constructing an Improvement thereon for resale, but shall mean the DEVELOPER, as long as the DEVELOPER owns Lots and refer to those persons who (i) purchase a Lot to have a residence built for them, or (ii) purchase or occupy a Lot and the Improvements thereon during or after completion of construction.

Section 16. OAK CHASE. "OAK CHASE" shall mean the real estate development located in Indian River County, Florida, developed by the DEVELOPER, which includes the Property and additional real property to be added to the Property upon the recording of an appropriate Supplement(s) in the Public Records of Indian River County, Florida.

Section 17. OWNER. "OWNER" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon the Property but, notwithstanding any applicable theory of mortgage, shall not mean or refer to a mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 18. Person. "Person" shall mean and include an individual, corporation, governmental agency, business trust, estate, trust, partnership, association, sole proprietorship, joint venture, two or more persons having a joint or common interest, or any other legal entity.

Section 19. Plat. "Plat" shall mean the Plat of OAK CHASE, PHASE I as recorded in Plat Book 15, at Page 77, of the Public Records of Indian River County, Florida.

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Section 20. Property. "Property" shall mean and refer to OAK CHASE, PHASE I, as per the Plat, which term may also include any additional real property that may be made subject to this Declaration upon the recording of an appropriate Supplement(s) in the Public Records of Indian River County, Florida.

Section 21. Recreation Tract. "Recreation Tract" shall mean and refer to the recreation tract as per the Plat. The Recreation Tract shall be used for recreational purposes to the extent approved by those governmental agencies having jurisdiction over the Recreation Tract; provided, however, the Recreation Tract shall have a 30' X 20' easement area reserved for the placement of a lift station servicing the Property. The Recreation Tract is a part of the Common Property and, except as limited herein, shall be for the common use, benefit and enjoyment of all OWNERS. The ASSOCIATION has the obligation to maintain the Recreation Tract.

Section 22. Resident. "Resident" shall mean and refer to the legal occupant of any Lot. The term "Resident" shall include the OWNER of the Lot and any tenant, lessee or licensee of the OWNER.

Section 23. Street. "Street" shall mean and refer to any street or other thoroughfare within OAK CHASE, whether same is designated as street, avenue, boulevard, drive, place, court, road, terrace, way, circle, land, walk or other similar designation.

Section 24. Supplement. "Supplement" shall mean a document and the exhibits thereto which when recorded in the Public Records of Indian River County, Florida, shall subject additional real property to the provisions of this Declaration.

Section 25. Surface Water Management System. "Surface Water Management System" shall mean the combination of structures and impoundments which provide drainage, water storage, conveyance or other water management capabilities for the Development.

Section 26. Utility Easement(s). "Utility Easement(s)" shall mean and refer to the utility easement areas as per the Plat. The Utility Easement(s) have been dedicated by the Plat to the Board of County Commissioners of Indian River County, Florida and shall be used for utility purposes to the extent approved by those governmental agencies having jurisdiction over the Utility Easement(s).

Section 27. Water Management District Permit. "Water Management District Permit" shall mean and refer to St. Johns River Water Management District Surface Water Management Permit No. 40-061-0196A-ERP dated October 6, 1999, which is applicable to the Development.

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ARTICLE II

PROPERTY SUBJECT TO THIS
DECLARATION AND ADDITIONS TO THE PROPERTY

Section 1. Property Subject to Declaration. The Property is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration.

Section 2. Other Additions to the Property. The DEVELOPER reserves the right to add, or may cause to be added, other real property not now included within the Plat. Each commitment of additional property to this Declaration shall be made by a recitation to that effect in a Supplement which need be executed only by the DEVELOPER, and the owner of such real property if not the DEVELOPER but joined by the DEVELOPER, and does not require the execution or consent of the ASSOCIATION, or any OWNERS. The Supplement shall describe the real property which is being committed to this Declaration and made subject to the terms of this Declaration and shall contain such other terms and provisions as the DEVELOPER deems proper. Upon the recordation of a Supplement, such real property described therein shall be committed to the Covenants contained in this Declaration and shall be considered "Property" as fully as though originally designated herein as "Property".

Section 3. Mergers. Upon a merger or consolidation of the ASSOCIATION with another association as provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the ASSOCIATION as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the Covenants established by this Declaration within the Property together with the covenants and restrictions established by Supplemental Declaration upon any other properties as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the Covenants within the Property, except as hereinafter provided.

ARTICLE III

MEMBERSHIP AND VOTING
RIGHTS IN THE ASSOCIATION

Section 1. Membership. Except as is set forth in this Section 1, every Person who is a record titleholder of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the ASSOCIATION shall be a MEMBER of the ASSOCIATION,

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provided that any such Person which holds such interest merely as a security for the performance of any obligation shall not be a MEMBER. A builder or developer who in its normal course of business purchases a Lot for the purpose of constructing an Improvement thereon for resale shall not become a MEMBER of the ASSOCIATION so long as such builder or developer does not occupy the Improvement as a residence. Only those Persons who (i) purchase a Lot to have a residence built for them or (ii) purchase or occupy a Lot and the Improvement during or after completion of construction and the DEVELOPER shall be MEMBERS. Notwithstanding the previous sentence, if a builder or developer (or either of their tenants) does occupy an Improvement as his primary personal residence and so notifies the ASSOCIATION in writing, thereafter such builder or developer shall be considered a MEMBER of the ASSOCIATION. The DEVELOPER shall retain the rights of membership including, but not limited to, the Voting Rights, to all Lots owned by Persons not entitled to Membership as herein defined.

Section 2. MEMBER's Voting Rights. The votes of the MEMBERS shall be established and exercised as provided in the Articles and Bylaws.

Section 3. Board of Directors. The ASSOCIATION shall be governed by the BOARD which shall be appointed, designated or elected, as the case may be, as follows:

(a) Appointed by the DEVELOPER. The DEVELOPER shall have the right to appoint all members of the BOARD until the DEVELOPER holds less than twenty-five percent (25%) of the total number of votes of MEMBERS as determined by the Articles.

(b) Election of the BOARD. After the DEVELOPER no longer has the right to appoint all members of the BOARD under subsection 3(a) of this Article III, or earlier if the DEVELOPER so elects, then, and only then, shall any member of the BOARD be elected by the MEMBERS of the ASSOCIATION.

(c) Vacancies. A member of the BOARD may be removed and vacancies on the BOARD shall be filled in the manner provided by the Bylaws. However, any member of the BOARD appointed by the DEVELOPER may only be removed by the DEVELOPER, and any vacancy on the BOARD of a member appointed by the DEVELOPER shall be filled by the DEVELOPER.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTY

Section 1. MEMBERS' Easement of Enjoyment. Subject to the provisions of Section 3 and Section 4 of this Article IV, every

MEMBER shall have a right and easement of enjoyment in and to the Common Property and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Title to Common Property. Title to the Common Areas shall be vested in the Association, which shall hold said property for the benefit and use of the Owners within OAK CHASE. The Developer will execute a Quit Claim Deed to the Common Areas in favor of the Association simultaneous with the recordation of the Plat; provided, however, that any such conveyance shall be subject to the dedications set forth on the Plat. The Association shall be responsible for ensuring the proper management, maintenance and operation of the Common Areas and all improvements thereon, and for the payment of all property taxes and other assessments which are liens against the Common Areas, from and after the date of recordation of this Declaration.

Section 3. Extent of MEMBERS' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) the right of the DEVELOPER and of the ASSOCIATION, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Property and in aid thereof; and

(b) the right of the ASSOCIATION to take such steps as are reasonably necessary to protect the Common Property against foreclosure; and

(c) the right of the ASSOCIATION to charge reasonable admission and other fees for the use of the Common Property;

(d) dedications to any public agency, authority or utility as set forth on the Plat; and

(e) the right of the ASSOCIATION to dedicate or transfer all or any part of the Common Property to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the MEMBERS, provided, however, that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by MEMBERS entitled to cast two-thirds (2/3) of the votes irrespective of class of membership has been recorded, agreeing to such dedication, transfer, purpose or condition, and unless written notice of the proposed agreement and action thereunder is sent to every MEMBER at least ninety (90) days in advance of any action taken.

Section 4. Restriction on Use of Surface Water Management System. The Surface Water Management System is part of the Common Property and shall be the perpetual responsibility of the

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ASSOCIATION. In accordance with the Water Management District Permit issued by the St. Johns River Water Management District, the Surface Water Management System, once constructed by the Developer and accepted by the St. Johns River Water Management District, shall not be altered in any way. Activities which are prohibited within the Surface Water Management System include, but are not limited to, construction or placing of buildings on or above ground; dumping or placing soil or other substances such as trash; removal or destruction of trees, shrubs or other vegetation; excavation, dredging or removal of soil material; diking or fencing; and any other activity detrimental to drainage, flood control, water conservation and erosion control.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each OWNER of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, hereby covenants and agrees to pay to the ASSOCIATION: (1) the Original Assessment; (2) Annual Assessments for Common Expenses; and (3) Special Assessments for Capital Improvements, such Assessments to be fixed, established, and collected from time to time as hereinafter provided. The Original, Annual, Transfer and Special Assessments, together with such interest thereon and costs of collection thereof as are hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, together with such interest thereon and cost of collection thereof as are hereinafter provided, shall also be the personal obligation of the person who was the OWNER of such Lot at the time when the Assessment fell due.

Section 2. Purpose of Assessments. The Assessments levied by the ASSOCIATION shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Property and in particular for the improvement and maintenance of properties, services, and facilities which are devoted to the purpose and related to the use and enjoyment of the Common Property and of the homes situated upon the Property, including, but not limited to:

(a) Payment of operating expenses of the ASSOCIATION; including, without limitation, those incorporation or start-up expenses necessary to form and otherwise organize the ASSOCIATION and to create this Declaration;

(b) Construction and improvement of the Common Property;

(c) Management, maintenance, improvement and beautification of the Common Property;

(d) Garbage collection and trash and rubbish removal but only when and to the extent specifically authorized by the ASSOCIATION;

(e) Repayment of deficits previously incurred by the ASSOCIATION (or the DEVELOPER), if any, in making capital improvements to or upon the Common Property, and/or in furnishing the services and facilities provided herein to or for the OWNERS and the MEMBERS of the ASSOCIATION;

(f) Providing police protection and/or night watchmen, but only when and to the extent specifically authorized by the ASSOCIATION;

(g) Doing any other thing necessary or desirable, in the judgment of the ASSOCIATION, to keep the Property neat and attractive or to preserve or enhance the value of the Property, or to eliminate fire, health or safety hazards, or which, in the judgment of the ASSOCIATION, may be of general benefit to the OWNERS and/or Residents of lands included in the Property;

(h) Repayment of funds and interest thereon, borrowed by the ASSOCIATION;

(i) Maintenance and repair of easements shown on any recorded subdivision plat; and

(j) Repayment of the total sum the DEVELOPER has paid to the ASSOCIATION in accordance with the requirements of the Developer's Agreement.

Without limitation on the generality of the foregoing, and in addition to the other purposes for which assessments shall be used, the Association shall be responsible for and the assessments levied by the Association shall be used for the maintenance, operation and repair of the Surface Water Management System, including all ditches, culverts, drains, pipes, conduits, ponds and other facilities located on or benefitting the Property for the purpose of conveying, transmitting, draining, retaining and storing stormwater runoff from the Property, including without limitation, any and all of such items used or useful in connection with the operation and maintenance of any easements appurtenant thereto. Such maintenance, operation and repair shall include the exercise of practices which allow the Surface Water Management System to collect, convey, channel, hold, inhibit or divert the movement of stormwater as permitted by the St. Johns River Water Management District. The Association shall maintain, operate and repair the Surface Water Management System in accordance with the provisions of all applicable governmental requirements, including, without

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limitation, the terms and conditions set forth in any development order and in the Water Management District Permit, which provides for a 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 at all reasonable times 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.

Section 3. Original and Annual Assessments.

(a) Original Assessment. The Original Assessment shall be One Hundred Fifty and No/100 Dollars (\$150.00) per Lot to be paid at the time of closing on the purchase of the Lot by a person who (i) purchases a Lot to have a residence built for them or (ii) purchases or occupies a Lot and the Improvements thereon during or after completion of construction. The DEVELOPER or the ASSOCIATION may use any part or all of said sum for the purposes set forth in Article V, Section 2.

(b) Annual Assessment. Until changed by the BOARD in accordance with the terms hereof, the Annual Assessment shall be One Hundred Fifty and No/100 Dollars (\$150.00) per Lot, payable annually, in advance, on January 1 of each year. This Annual Assessment shall be in addition to the above mentioned Original Assessment and shall be prorated in the year of initial purchase of the Lot by a person who (i) purchases a Lot to have a residence built for them or (ii) purchases or occupies a Lot and the Improvements thereon during or after completion of construction. The Annual Assessment shall be paid directly to the ASSOCIATION to be held in accordance with the above provisions. The DEVELOPER shall not be required to pay Annual Assessments for Lots owned by the DEVELOPER; provided, however, that, in accordance with Section 617.308, Florida Statutes, DEVELOPER shall be obligated for any operating expenses incurred that exceed the assessments received from the OWNERS and other income of the ASSOCIATION.

(c) Adjustment to Annual Assessment. Prior to the beginning of each fiscal year, the BOARD shall adopt a budget for such fiscal year which shall estimate all of the Common Expenses to be incurred by the ASSOCIATION during the fiscal year. The total Common Expenses shall be divided by the number of Lots to establish the Annual Assessment for Common Expenses per Lot. The ASSOCIATION shall then promptly notify all OWNERS in writing of the amount of the Annual Assessment for Common Expenses for each Lot. From time to time during the fiscal year, the BOARD may revise the budget for the fiscal year. Pursuant to the revised budget the BOARD may, upon written notice to the OWNERS, change the amount, frequency and/or due dates of the Annual Assessments for Common Expenses for each

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Lot. If the expenditure of funds is required by the ASSOCIATION in addition to funds produced by the Annual Assessments for Common Expenses, the BOARD may make Special Assessments for Common Expenses, which shall be levied in the same manner as provided for regular Annual Assessments for Common Expenses and shall be payable in the manner determined by the BOARD as stated in the notice of any Special Assessment for Common Expenses.

Section 4. Special Assessments for Capital Improvements. In addition to the Assessments for Common Expenses authorized by Section 3 hereof, the BOARD may levy in any assessment year a Special Assessment for Capital Improvements, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Property, including the necessary fixtures and personal property related thereto, provided that any such Assessment shall have the assent of two-thirds (2/3) of the votes of the MEMBERS, other than the DEVELOPER and the votes attributable to the DEVELOPER, who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all MEMBERS at least thirty (30) days in advance and shall set forth the purpose of the meeting. The Special Assessment for Capital Improvements shall be levied against all Lots, including Lots owned by the DEVELOPER and Lots owned by OWNERS who are not MEMBERS.

Notwithstanding the above-required approval by two-thirds (2/3) of the votes of the MEMBERS, if the unexpected repair or replacement of a described capital improvement within the Common Property is necessary, in the reasonable judgment of the BOARD, to protect the health, safety or welfare of the OWNERS or is required by any governmental authority having jurisdiction over the Property, the BOARD can levy the Special Assessment of Capital Improvements without approval of the MEMBERS.

Section 5. Certificate of Payment. The ASSOCIATION shall upon demand at any time, furnish to any OWNER liable for any Assessment a certificate in writing signed by an officer of the ASSOCIATION, setting forth whether the Assessment has been paid. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

Section 6. Payment of Assessments for Common Expenses. Each MEMBER shall be required to and shall pay to the ASSOCIATION an amount equal to the Assessment, or installment, for each Lot within the Property then owned by and/or under the jurisdiction of such OWNER on or before the date each Assessment, or installment, is due. In the event any Assessments are made payable in equal periodic payments as provided in the notice from the ASSOCIATION, such periodic payments shall automatically continue to be due and payable in the same amount and frequency as indicated in the notice, unless and/or until: (1) the notice specifically provides

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that the periodic payments will terminate upon the occurrence of a specified event or the payment of a specified amount; or (2) the ASSOCIATION notifies the OWNER in writing of a change in the amount and/or frequency of the periodic payments. Notwithstanding the foregoing, in no event shall any Assessment payable by any OWNER be due less than ten (10) days from the date of the notification of such Assessment.

Section 7. Assessments for Common Expenses For Lots Owned by the DEVELOPER. Notwithstanding anything contained in this Article V to the contrary, the DEVELOPER shall not be required to pay Assessments for any Lots owned by the DEVELOPER; provided, however, that, in accordance with Section 617.308, Florida Statutes, DEVELOPER shall be obligated for any operating expenses incurred that exceed the assessments received from the OWNERS and other income of the ASSOCIATION. DEVELOPER may elect to make a loan to the ASSOCIATION to assist the ASSOCIATION with its financial needs. In such event the ASSOCIATION shall be required to repay the DEVELOPER the full loan amount, plus a reasonable interest rate, within a reasonable period of time.

Section 8. Monetary Defaults and Collection of Assessments.

(a) Interest. If any OWNER is in default in the payment of any Assessment for more than ten (10) days after same is due, or in the payment of any other monies owed to the ASSOCIATION for a period of more than ten (10) days after written demand by the ASSOCIATION, the ASSOCIATION may charge such OWNER interest at the highest rate permitted by the laws of Florida, on the amount owed to the ASSOCIATION. Such interest shall accrue from the due date of the Assessment, or the monies owed.

(b) Acceleration of Assessments. If any OWNER is in default in the payment of any Assessment or any other monies owed to the ASSOCIATION for more than ten (10) days after written demand by the ASSOCIATION, the ASSOCIATION shall have the right to accelerate and require such defaulting OWNER to pay to the ASSOCIATION Assessments for Common Expenses for the next twelve (12) month period, based upon the then existing amount and frequency of Assessments for Common Expenses. In the event of such acceleration, the defaulting OWNER shall continue to be liable for any increases in the regular Assessments for Common Expenses, for all Special Assessments, and/or all other Assessments and monies payable to the ASSOCIATION.

(c) Collection. In the event any OWNER fails to pay any Assessment, Special Assessment or other monies due to the ASSOCIATION within ten (10) days after written demand, the ASSOCIATION may take any action deemed necessary in order to collect such Assessments, Special Assessments or monies including, but not limited to, retaining the services of a collection agency or attorney to collect such Assessments, Special Assessments or monies, initiating legal proceedings for the collection of such

Assessments, Special Assessments or monies, recording a claim of lien as hereinafter provided, and foreclosing same in the same fashion as mortgage liens are foreclosed, or any other appropriate action. The OWNER shall be liable to the ASSOCIATION for all costs and expenses incurred by the ASSOCIATION incident to the collection of any Assessment, Special Assessment or other monies owed to it, and the enforcement and/or foreclosure of any lien for same, including, but not limited to, reasonable attorneys' fees, and attorneys' fees and costs incurred on the appeal of any lower court decision, reasonable administrative fees of the DEVELOPER and/or the ASSOCIATION, and all sums paid by the ASSOCIATION for taxes and on account of any mortgage lien and encumbrance in order to preserve and protect the ASSOCIATION's lien. The ASSOCIATION shall have the right to bid in the foreclosure sale of any lien foreclosed by it for the payment of any Assessments, Special Assessments or monies owed to it; and if the ASSOCIATION becomes the OWNER of any Lot by reason of such foreclosure, it shall offer such Lot for sale within a reasonable time and shall deduct from the proceeds of such sale all Assessments, Special Assessments or monies due it. All payments received by the ASSOCIATION on account of any Assessments, Special Assessments or monies owed to it by any OWNER shall be first applied to payments and expenses incurred by the ASSOCIATION, then to interest, then to any unpaid Assessments, Special Assessments or monies owed to the ASSOCIATION in the inverse order that the same were due.

(d) Lien for Assessment, Special Assessment and Monies Owed to ASSOCIATION. The ASSOCIATION shall have a lien on all property owned by an OWNER for any unpaid Assessments (including any Assessments which are accelerated pursuant to this Declaration), Special Assessments or other monies owed to the ASSOCIATION by such OWNER, and for interest, reasonable attorneys' fees incurred by the ASSOCIATION incident to the collection of the Assessments, Special Assessments and other monies, or enforcement of the lien, for reasonable administrative fees incurred by the DEVELOPER and/or the ASSOCIATION, and for all sums advanced and paid by the ASSOCIATION for taxes and on account of superior mortgages, liens or encumbrances in order to protect and preserve the ASSOCIATION's lien. To give public notice of the unpaid Assessment, Special Assessment or other monies owed, the ASSOCIATION may record a Claim of Lien in the Public Records of Indian River County, Florida, stating the description of the Lot(s), and name of the OWNER, the amount then due, and the due dates. The lien is in effect until all sums secured by it (including sums which became due after the recording of the Claim of Lien) have been fully paid. The Claim of Lien must be signed and acknowledged by an officer or agent of the ASSOCIATION. Upon payment in full of all sums secured by the lien, the person making the payment is entitled to a satisfaction of the lien.

(e) Transfer of a Lot after Assessment. The ASSOCIATION's lien shall not be affected by the sale or transfer of any Lot. In

the event of any such sale or transfer, both the new OWNER and the prior OWNER shall be jointly and severally liable for all Assessments, Special Assessments, interest, and other costs and expenses owed to the ASSOCIATION which are attributable to any Lot purchased by or transferred to such new OWNER.

(f) Subordination of the Lien to Mortgages. The lien of the ASSOCIATION for Assessments or other monies shall be subordinate and inferior to the lien of any first mortgage in favor of an Institutional Lender recorded prior to the recording of a Claim of Lien by the ASSOCIATION. For purposes of this Declaration, "Institutional Lender" shall mean and refer to the DEVELOPER, a bank, savings bank, savings and loan association, insurance company, real estate investment trust, or any other recognized lending institution. If the ASSOCIATION's lien or its rights to any lien for any such Assessments, Special Assessments, interest, expenses or other monies owed to the ASSOCIATION by any OWNER is extinguished by foreclosure of a mortgage held by an Institutional Lender, such sums shall thereafter be Common Expenses, collectible from all OWNERS including such acquirer, and its successors and assigns.

Section 9. Certificate as to Unpaid Assessments or Default. Upon request by any OWNER, or an Institutional Lender holding a mortgage encumbering any Lot, the ASSOCIATION shall execute and deliver a written certificate as to whether or not such OWNER is in default with respect to the payment of any Assessments, Special Assessments or any monies owed in accordance with the terms of this Declaration.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempted from the Assessments, charges and liens created herein: (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all Common Property; and (c) all properties exempted from taxation by the laws of the State of Florida, upon the terms and to the extent of such legal exemption.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from Assessments, charges or liens.

ARTICLE VI

ARCHITECTURAL REVIEW BOARD

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape,

height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Review Board as hereinafter defined.

Section 1. Composition. The DEVELOPER, upon the recording of this Declaration, shall form a committee known as the "Architectural Review Board", hereinafter referred to as the "ARB", which shall initially consist of three (3) persons. The ARB shall maintain this composition until the first meeting of the MEMBERS of the ASSOCIATION after the DEVELOPER is no longer able to appoint all Members of the BOARD. At such meeting, the ARB shall be appointed by the BOARD and shall serve at the pleasure of the BOARD. that in its selection, the Provided, however, BOARD shall be obligated to appoint the DEVELOPER or his designated representative, to the ARB for so long as the DEVELOPER owns any Lots in the Property. The BOARD shall also be obligated to appoint at least one (1) MEMBER of the ASSOCIATION. Neither the ASSOCIATION, the BOARD, nor the MEMBERS of the ASSOCIATION, shall have the authority to amend or alter the number of members of the ARB which is irrevocably herein set forth as three (3). No decision of the ARB shall be binding without at least a 2/3 affirmative approval by the members.

Section 2. Planning Criteria. The DEVELOPER, in order to give guidelines to the OWNERS concerning construction and maintenance of Lots and Improvements, hereby promulgates the ARCHITECTURAL REVIEW BOARD PLANNING CRITERIA ("Planning Criteria") for the Property, set forth in this Article VI. The DEVELOPER declares that the Property, and additions thereto, shall be held, transferred, sold, conveyed and occupied subject to the Planning Criteria, as amended from time to time by the ARB.

Section 3. Duties. The ARB shall have the following duties and powers:

(a) to amend from time to time the Planning Criteria. Any amendments shall be set forth in writing, shall be made known to all MEMBERS and shall be recorded in the Public Records of Orange County, Florida. Any amendment shall include any and all matters considered appropriate by the ARB not inconsistent with the provisions of this Declaration;

(b) to approve all buildings, fences, walls or other structures which shall be commenced, erected or maintained upon the Property and to approve any exterior additions to or changes or alterations therein. For any of the above, the ARB shall be furnished plans and specifications showing the nature, type, shape, height, materials, and location of the same and shall approve in writing as to the harmony of the external design and location in relation to surrounding structures and topography;

(c) to approve any such building plans and specifications and Lot grading and landscaping plans, and the conclusion and opinion of the ARB shall be binding, if in its opinion, for any reason, including purely aesthetic reasons, the ARB should determine that said improvement, alteration, etc. is not consistent with the planned development of the Property;

(d) to require each builder to submit two (2) sets of plans and specifications to the ARB prior to obtaining a building permit, which set of plans and specifications shall become the property of the ARB. The work contemplated must be performed substantially in accordance with the plans and specifications as approved. All approvals of plans or specifications must be evidenced by the signatures of at least two (2) members of the ARB on the plans and on the specifications furnished. The existence of the signatures of at least two (2) members of the ARB on any plans or specifications shall be conclusive proof of the approval by the ARB of such plans and/or specifications.

Section 4. Initial Construction of an Improvement. The OWNER who initially constructs the Improvement must complete such construction in a timely manner and substantially in accordance with all plans and specifications approved by the ARB, including plans for Lot grading, building plans and specifications, landscaping plans, pool plans and any other plans for construction of any Improvement on the Lot (the "Construction").

Should the ARB or the DEVELOPER determine that the Construction has not been completed in accordance with the approved plans and specifications, either the ARB or the DEVELOPER shall notify the OWNER in writing citing deficiencies and the OWNER shall within fifteen (15) days after receipt of notice commence correction of the deficiencies and continue in an expeditious manner until all deficiencies have been corrected.

Should any Construction not be completed in a timely manner as determined by the ARB or the DEVELOPER, or not be completed in accordance with the plans and specifications approved by the ARB, the ARB or the DEVELOPER shall have the right to seek specific performance of the OWNER's obligation to complete the Construction as approved by the ARB; or in the alternative, to enter upon the Lot and complete the Construction as approved at the expense of the OWNER, subject, however, to the following provisions. Prior to commencement of any work on a Lot, the ARB or the DEVELOPER must furnish written notice to the OWNER at the last address listed in the records of the ASSOCIATION for the OWNER, notifying the OWNER that unless the specified deficiencies are corrected within thirty (30) days, the ARB or the DEVELOPER shall correct the deficiencies and charge all cost thereof to the OWNER. Upon the failure of the OWNER to act within said period of time, the ARB or the DEVELOPER shall have the right to enter in or upon the Lot or to hire personnel to do so to complete the Construction as approved by the

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ARB. The cost of the work, including labor and materials, shall be assessed against the Lot upon which the work is performed. ASSOCIATION or the DEVELOPER shall record a The Claim of Lien (upon commencement of the work required or anytime thereafter) against the Lot for the work performed (or to be performed), and it shall be a lien and obligation of the OWNER and shall become due and payable upon the recording of the Claim of Lien and shall be enforced and collected as provided in Article V hereof.

The obligation to complete the Construction as approved and the Claim of Lien provided above shall be binding upon and enforceable against all current and any future OWNERS of the Lot.

Any attorneys' fees or costs and any administrative costs incurred by the ARB, the DEVELOPER and/or the ASSOCIATION in enforcing the provisions hereof, including attorneys' fees and costs on appeal of any lower court decision, shall be payable by the OWNER, and the Claim of Lien shall further secure the payment of such sums.

Section 5. Certificate of Approval. Upon completion of the Construction, or upon correction of deficiencies cited by the ARB or the DEVELOPER, the OWNER shall notify the ARB and the DEVELOPER in writing to inspect the Lot. If the ARB and the DEVELOPER determine that the Construction has been completed in accordance with the approved plans and specifications, the ARB shall issue to the OWNER a "Certificate of Approval" in recordable form, executed by a majority of the members of the ARB with the corporate seal of the ASSOCIATION fixed.

Until such time as a Certificate of Approval is issued, the current OWNER and all future OWNERS of the Lot shall be obligated to complete the Construction as approved by the ARB. The recording of a Certificate of Approval shall be conclusive evidence that the Construction as approved by the ARB has been completed, but shall not excuse the OWNER from the requirement that plans and specifications for subsequent changes to the Improvement be submitted to and approved by the ARB prior to the commencement of any work.

Section 6. Alteration of Existing Improvement. The OWNER who makes exterior additions to, or changes or alterations to, any Improvement or constructs any new Improvements on the Lot after receipt of a Certificate of Approval as described in Section 5 must complete all such work (the "Alterations") in a timely manner and substantially in accordance with all plans and specifications approved by the ARB. The OWNER shall notify the ARB in writing when the Alterations have been completed and the ARB shall, within ten (10) days of receiving such notice, make inspections to verify completion in accordance with the approved plans.

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Should the ARB or the DEVELOPER determine that the Alterations have not been completed in accordance with the approved plans and specifications, either the ARB or the DEVELOPER shall notify the Owner in writing citing deficiencies and the OWNER shall within fifteen (15) days after receipt of notice commence correction of the deficiencies and continue in an expeditious manner until all deficiencies have been corrected.

If correction of the deficiencies is not commenced within fifteen (15) days, or if such correction is not continued thereafter in an expeditious manner, the ARB or the DEVELOPER shall be entitled to record in the Public Records a "Notice of Noncompliance" setting forth that the OWNER has not completed the Alterations in accordance with approved plans and specifications and that the ARB or the DEVELOPER has the right to seek legal action to force the OWNER, or any grantee of the OWNER, to complete the Alterations in accordance with the plans and specifications. Said "Notice of Noncompliance" shall contain the legal description of the Lot. Once recorded, the "Notice of Noncompliance" shall constitute a notice to all potential purchasers from the OWNER that the ARB or the DEVELOPER shall have the right to enforce completion of the Alterations against the OWNER, or any grantee of the OWNER.

Should the Alterations not be completed in a timely manner as determined by the ARB or the DEVELOPER, or should the correction of the deficiencies not be commenced within fifteen (15) days after notice and continued thereafter in an expeditious manner until completion, or should the Alterations not be completed in accordance with the plans and specifications approved by the ARB, the ARB or the DEVELOPER shall have the right to seek specific performance of the OWNER's obligation to complete the Alterations as approved by the ARB; or, in the alternative to enter upon the Lot, make such corrections or modifications as are necessary to cause the Alterations to be completed in accordance with the approved plans and specifications, subject, however, to the following provisions. Prior to commencement of any work on a Lot, the ARB or the DEVELOPER must furnish written notice to the OWNER at the last address listed in the records of the ASSOCIATION for the OWNER, notifying the OWNER that unless the specified deficiencies are corrected within fifteen (15) days, the ARB or the DEVELOPER shall correct the deficiencies and charge all costs thereof to the OWNER. Upon the failure of the OWNER to act within said period of time, the ARB or the DEVELOPER shall have the right to enter in or upon the Lot or to hire personnel to do so to complete the Alterations as approved by the ARB. The cost of the work, including labor and materials, shall be assessed against the Lot upon which the work is performed. The ASSOCIATION or the DEVELOPER shall record a Claim of Lien (upon commencement of the work required or anytime thereafter) against the Lot for the work performed (or to be performed), and it shall be a lien and obligation of the OWNER and shall become due and payable upon the

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recording of the Claim of Lien and shall be enforced and collected as provided in Article V hereof.

Once the ARB and the DEVELOPER determine that the Alterations have been completed in accordance with the approved plans and specifications, the ARB or the DEVELOPER shall issue to the OWNER a Certificate of Approval in recordable form, which shall make reference to the recorded "Notice of Noncompliance", and be executed by a majority of the members of the ARB with the corporate seal of the ASSOCIATION affixed or by the DEVELOPER. The recording of the Certificate of Approval in this instance shall be conclusive evidence that the Alterations as approved by the ARB have been completed, but shall not excuse the OWNER from the requirement that the plans and specifications for subsequent changes, modifications or alterations to the Improvement be submitted to and approved by the ARB prior to commencement of any work.

Section 7. Subordination of Obligation and Lien to Mortgages. The obligations of the OWNER set forth in Section 4 hereof and any Claim of Lien recorded by the ARB as set forth in Section 5 hereof and any "Notice of Noncompliance" recorded by the ARB as set forth in Section 6 hereof shall be absolutely subordinate, junior and inferior to the lien of any first mortgage held by an institutional lender, either at the time of commencement of the Construction or Alterations, or thereafter. This subordination shall not relieve the OWNER or any future OWNERS from the provisions of Sections 4, 5 and 6.

Section 8. Subsequent "Certificate of Approval" Not Necessary Unless "Notice of Noncompliance" Recorded. Notwithstanding anything herein to the contrary, the provisions, of Sections 4 and 5 shall be applicable to initial construction of an Improvement on the Lot. After the initial construction and the recording of a "Certificate of Approval", it will not be necessary for an OWNER to obtain and record a "Certificate of Approval" for any Alterations unless a "Notice of Noncompliance" is recorded in the Public Records in accordance with Section 6. Subsequent purchasers of an Improvement must only determine that one (1) "Certificate of Approval" has been recorded unless a "Notice of Noncompliance" is also recorded.

Section 9. Architectural Review Board Design and Planning Criteria. The specific ARB design and planning criteria relative to, among other things, the approved building type, layout (including set-back requirements), exterior color and materials, roofs, garages, driveway construction, dwelling quality, walls, fences, shelters, lighting, swimming pools, temporary structures, tree removal, landscaping, irrigation, air conditioning and heating equipment, mailboxes, windows and utility connections, is expressly set forth in the OAK CHASE ARB DESIGN AND PLANNING GUIDELINES, a copy of which can be obtained through, and is maintained at, the Association office. Additions, modifications, revisions or alterations to the OAK CHASE ARB DESIGN AND PLANNING GUIDELINES may

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be made by the Developer, at the Developer's sole and absolute discretion, without amending this Declaration; provided, however, that any such addition, modification, revision or alteration is immediately available at the Association office.

ARTICLE VII

ENFORCEMENT OF NONMONETARY DEFAULTS

Section 1. Nonmonetary Defaults. In the event of a violation by any MEMBER or OWNER (other than the nonpayment of any Assessment, Special Assessment or other monies) of any of the provisions of this Declaration (including the Planning Criteria), or the Governing Documents, the ASSOCIATION shall notify the MEMBER or OWNER of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after the receipt of such written notice, or if the violation is not capable of being cured within such seven (7) day period, if the MEMBER or OWNER fails to commence and diligently proceed to completely cure as soon as practical, the ASSOCIATION may, at its option:

(a) Specific Performance. Commence an action to enforce the performance on the part of the MEMBER or OWNER, or for such equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

(b) Damages. Commence an action to recover damages; and/or

(c) Corrective Action. Take any and all action reasonably necessary to correct such violation, which action may include, but is not limited to, removing any building or Improvement for which architectural approval has not been obtained, or performing any maintenance required to be performed by this Declaration, including the right to enter upon the Lot to make such corrections or modifications as are necessary, or remove anything in violation of the provisions of this Declaration or the Planning Criteria.

(d) Expenses. All expenses incurred by the ASSOCIATION in connection with the correction of any violation, or the commencement of any action against any OWNER, including administrative fees and costs and reasonable attorneys' fees and costs, and attorneys' fees and costs incurred on the appeal of any lower court decision, shall be a Special Assessment assessed against the applicable OWNER, and shall be due upon written demand by the ASSOCIATION and collectible as any other Special Assessment under this Article or Article VI.

Section 2. No Waiver. The failure of the ASSOCIATION to enforce any right, provision, covenant or condition which may be granted by this Declaration or the Governing Documents shall not

constitute a waiver of the right of the ASSOCIATION to enforce such right, provisions, covenant or condition in the future.

Section 3. Rights Cumulative. All rights, remedies and privileges granted to the ASSOCIATION pursuant to any terms, provisions, covenants or conditions of this Declaration or the Governing Documents shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude the ASSOCIATION thus exercising the same from executing such additional remedies, rights or privileges as may be granted or as it might have by law.

Section 4. Enforcement By or Against Other Persons. In addition to the foregoing, this Declaration may be enforced by the DEVELOPER, or the ASSOCIATION, by any procedure at law or in equity against any Person violating or attempting to violate any provision herein, to restrain such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein. The expense of any litigation to enforce this Declaration shall be borne by the Person against whom enforcement is sought, provided such proceeding results in a finding that such Person was in violation of this Declaration. In addition to the foregoing, any OWNER shall have the right to bring an action to enforce this Declaration against any Person violating or attempting to violate any provision herein, to restrain such violation or to require compliance with the provisions contained herein, but no OWNER shall be entitled to recover damages or to enforce any lien created herein as a result of a violation or failure to comply with the provisions contained herein by any Person. The prevailing party in any such action shall be entitled to recover its reasonable attorneys' fees and costs, including reasonable attorneys' fees and costs incurred on the appeal of any lower court decision.

Section 5. Certificate as to Default. Upon request by any MEMBER, or OWNER, or an Institutional Lender holding a mortgage encumbering any Lot, the ASSOCIATION shall execute and deliver a written certificate as to whether or not such MEMBER or OWNER is in default with respect to compliance with the terms and provisions of this Declaration.

ARTICLE VIII

INDEMNIFICATION

Section 1. Indemnification of Officers, Members of the BOARD or Agents. The ASSOCIATION shall indemnify any Person 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 member of the BOARD, employee, Officer or agent of the ASSOCIATION, 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 if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the ASSOCIATION; and, with respect to any criminal action or proceeding, if he had no reasonable cause to believe his conduct was unlawful; or matter as to which such Person shall have been adjudged to be liable for gross negligence or willful misfeasance or malfeasance in the performance of his duty to the ASSOCIATION unless and only to the extent that the court in which such action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in view of all the circumstances of the case, such Person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement conviction, or upon a plea of nolo contendere or its equivalent, shall not, in and of itself, create a presumption that the Person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the ASSOCIATION; and with respect to any criminal action or proceeding, that he had no reasonable cause to believe that his conduct was unlawful.

(a) To the extent that a member of the BOARD, Officer, employee or agent of the ASSOCIATION is entitled to indemnification by the ASSOCIATION in accordance with this Article VIII, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.

(b) 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 upon receipt of an undertaking by or on behalf of the member of the BOARD, Officer, employee or agent of the ASSOCIATION to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the ASSOCIATION as authorized in this Article.

(c) The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the laws of the State of Florida, any Bylaw, agreement, vote of MEMBERS or otherwise. As to action taken in an official capacity while holding office, the indemnification provided by this Article shall continue as to a Person who has ceased to be a member of the BOARD, Officer, employee or agent of the ASSOCIATION shall inure to the benefit of the heirs, executors and administrators of such a Person.

(d) The ASSOCIATION shall have the power to purchase and maintain insurance on behalf of any Person who is or was a member of the BOARD, Officer, employee or agent of the ASSOCIATION, or is or was serving at the request of the ASSOCIATION as a member of the

BOARD, 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, as 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.

ARTICLE IX

RESTRICTIVE COVENANTS

The Property shall be subject to the following Restrictions, reservations and conditions, which shall be binding upon the DEVELOPER and upon each and every OWNER who shall acquire hereafter a Lot or any portion of the Property, and shall be binding upon their respective heirs, personal representatives, successors and assigns.

Section 1. Mining or Drilling. There shall be no mining, quarrying or drilling for minerals, oil, gas or otherwise undertaken within any portion of the Property. Excepted from the foregoing shall be activities of the DEVELOPER or the ASSOCIATION, or any assignee of the DEVELOPER or the ASSOCIATION, in dredging the water areas, creating land areas from water areas or creating, excavating or maintaining drainage or other facilities or easements, the installation of wells or pumps in compliance with applicable governmental requirements, or for sprinkler systems for any portions of the Property.

Section 2. Clothes Drying Areas. No portion of the Property shall be used as a drying or hanging area for laundry of any kind unless approved in writing by the DEVELOPER or the ASSOCIATION.

Section 3. Antennas, Aerials, Discs and Flagpoles. No outside antennas, antenna poles, antenna masts, satellite television reception devices, electronic devices, antenna towers or citizen band (CB) or amateur band (ham) antennas shall be permitted except as approved in writing by the ASSOCIATION. A flagpole for display of the American flag or any other flag shall be permitted only if first approved in writing by the ASSOCIATION, both as to its design, height, location and type of flag. No flagpole shall be used as an antenna.

Section 4. Statues/Windmills/Fountains. No statues, windmills, fountains, or similar items will be allowed which are visible from any Street or neighboring Improvement.

Section 5. Games and Play Structures. All basketball backboards shall be affixed to a free standing pole and may not be affixed to any building, garage or building addition. Treehouse or platforms of a like kind or nature shall not be constructed on any

part of the Lot located in front of the rear line of the Improvement constructed thereon or within any setback line.

Section 6. Litter. In order to preserve the beauty of the Property, no garbage, trash, refuse or rubbish shall be deposited, dumped or kept upon any part of the Property except in closed containers, dumpsters or other garbage collection facilities deemed suitable by the ASSOCIATION. All containers, dumpsters and other garbage collection facilities shall be screened, to the extent reasonable under the circumstances, from view from outside the Lot upon which same are located and kept in a clean condition with no noxious or offensive odors emanating therefrom.

Section 7. Subdivision or Partition. No portion of the Property shall be subdivided except with the DEVELOPER's prior written consent. After the DEVELOPER no longer owns any portion of the Property, written consent must be obtained from the ASSOCIATION. No subdivision or partition of any Lot may be made in a manner inconsistent with local law.

Section 8. Casualty Destruction to Improvements. In the event an Improvement is damaged or destroyed by casualty, hazard or other loss, then, within a reasonable period of time after such incident, the OWNER thereof shall either commence to rebuild or repair the damaged Improvement and diligently continue such rebuilding or repairing activities to completion or, upon a determination by the OWNER that the Improvement will not be repaired or replaced promptly, shall clear the damaged Improvement and grass over and landscape such Lot in a slightly manner consistent with the DEVELOPER's plan for beautification of the Property. A destroyed Improvement shall only be replaced with an Improvement of an identical size, type and elevation as that destroyed unless the prior written consent of the ARB is obtained.

Section 9. Common Property. Nothing shall be stored, constructed within or removed from the Common Property other than by the DEVELOPER, except with the prior written approval of the BOARD.

Section 10. Insurance Rates. Nothing shall be done or kept on the Common Property which shall increase the insurance rates of the ASSOCIATION without the prior written consent of the BOARD.

Section 11. Surface Water Management System.

(a) No structure of any kind shall be constructed or erected, nor shall an OWNER in any way change, alter, impede, revise or otherwise interfere with the flow and the volume of water in any portion of the Surface Water Management System. Nothing herein shall prohibit the DEVELOPER from constructing or creating improvements or making changes, alterations or revisions in the Surface Water Management System for the purposes of improving the

flow or increasing the volume of water therein or otherwise complying with the Water Management District Permit.

(b) No OWNER shall deny or prevent ingress and egress by the DEVELOPER or the ASSOCIATION to any portion of the Surface Water Management System for maintenance purposes. The right of ingress and egress, and easements therefor are hereby specifically reserved and created in favor of the DEVELOPER, the ASSOCIATION, or any appropriate governmental or quasi-governmental agency that may reasonably require such ingress and egress.

(c) No Parcel shall be increased in size by filling in any portion of the Surface Water Management System to which it abuts. No OWNER shall fill, dike, rip-rap, block, divert or change any portion of the Surface Water Management System without the prior written consent of the ASSOCIATION or the DEVELOPER.

(d) No wall, fence, paving, planting or other improvement shall be placed by an OWNER within any portion of the Surface Water Management System or any other drainage area or drainage easement including, but not limited to, easements for maintenance or ingress and egress access. The cost of removing any wall improperly placed shall be paid for by such OWNER as a Special Assessment.

Section 12. Pets, Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept within the Property, other than household pets provided they are not kept, bred or maintained for any commercial purpose, and provided that they do not become a nuisance or annoyance to any other OWNER. No pet shall be allowed outside a Lot except on a leash. No pets shall be permitted to place or have excretions on any portion of the Property other than the Lot of the owner of the pet unless the owner of the pet physically removes any such excretions from that portion of the Property. For purposes hereof, "household pets" shall mean dogs, cats, domestic birds and fish. Pets shall also be subject to applicable Rules and Regulations of the ASSOCIATION and their owners shall be held accountable for their actions.

Commercial activities involving pets shall not be allowed. The ASSOCIATION or the DEVELOPER may establish limits on the number and kind of pets that may be kept or permitted to be kept on any Lot.

Section 13. Signs. Except for "For Sale" or "For Rent" signs, no signs, freestanding or otherwise installed, shall be erected or displayed to the public view on any Lot. Notwithstanding the foregoing, the DEVELOPER specifically reserves the right for itself, its successors, nominees and assigns and the ASSOCIATION to place and maintain signs in connection with construction, marketing, sales and rental of Lots and identifying or informational signs anywhere on the Property.

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Section 14. Garbage Containers, Oil and Gas Tanks, Pool Equipment, Outdoor Equipment. All garbage and trash containers, oil tanks, bottled gas tanks, and swimming pool equipment and housing must be underground or placed in fenced-in areas or landscaped areas so that they are not visible from any adjoining Lot or any Street. Adequate landscaping shall be installed and maintained by the OWNER. No Lot shall be used or maintained as a dumping grounds for rubbish, trash or other waste. There shall be no burning of trash or any other waste material, except within the confines of an incinerator, the design and location of which shall be approved by the ARB.

Section 15. Solar Collectors. Solar collectors shall not be permitted without the prior written consent of the ARB. Any approval of the ARB shall require that the solar collectors be so located on the Lot that they are not visible from any Street and that their visibility from surrounding Lots is restricted.

Section 16. Maintenance of the Property. In order to maintain the standards of OAK CHASE, no weeds, underbrush or other unsightly growth shall be permitted to grow or remain upon any portion of the Property, and no refuse or unsightly objects shall be allowed to be placed or permitted to remain anywhere thereon. All Improvements shall be maintained in their original condition as approved by the ARB. All lawns, landscaping and sprinkler systems shall be kept in a good, clean, neat and attractive condition. If an OWNER has failed to maintain a Lot as aforesaid to the satisfaction of the DEVELOPER, the ASSOCIATION, the ARB, the DEVELOPER and/or the ASSOCIATION shall give such OWNER written notice of the defects (which written notice does not have to be given in the case of emergency, in which event, the DEVELOPER and/or the ASSOCIATION may without any prior notice directly remedy the problem). Upon the OWNER's failure to make such improvements or corrections as may be necessary within fifteen (15) days of mailing of written notice, the DEVELOPER or the ASSOCIATION may enter upon such property and make such improvements or correction as may be necessary, the cost of which may be paid initially by the ASSOCIATION. If the OWNER fails to reimburse the ASSOCIATION for any payment advanced, plus administrative and legal costs and fees, plus interest on all such amounts at the highest interest rate allowed by the laws of Florida, within fifteen (15) days after requested to do so by the ASSOCIATION, the ASSOCIATION shall levy a Special Assessment against the Lot as provided in Article V. Such entry by the DEVELOPER or the ASSOCIATION or its agents shall not be a trespass.

Section 17. Vehicles and Recreational Equipment. No commercial vehicle, or mobile home, motor home, house trailer or camper, boat, boat trailer or other recreational vehicle or equipment, horse trailers or horse vans, or the like, including disabled vehicles, shall be permitted to be parked or to be stored at any place on any portion of the Property unless they are parked within a garage, or unless the DEVELOPER has specifically designated certain spaces for

some or all of the above. This prohibition on parking shall not apply to temporary parking of trucks and commercial vehicles used for pick-up, delivery and repair and maintenance of a Lot, nor to any vehicles of the DEVELOPER. No on-street parking shall be permitted unless for special events approved in writing by the DEVELOPER or the ASSOCIATION.

Any such vehicle or recreational equipment parked in violation of these or other regulations contained herein or in the Rules and Regulations adopted by the ASSOCIATION may be towed by the ASSOCIATION at the sole expense of the owner of such vehicle or recreational equipment if (i) it remains in violation for a period of twenty-four (24) consecutive hours or (ii) it remains in violation for a period of forty-eight (48) nonconsecutive hours in any seven (7) day period. The ASSOCIATION shall not be liable to the owner of such vehicle or recreational equipment for trespass, conversion or otherwise, nor guilty of any criminal act by reason of such towing and neither its removal or failure of the owner of such vehicle or recreational equipment to receive any notice of said violation shall be grounds for relief of any kind.

Section 18. Repairs. No maintenance or repairs shall be performed on any vehicles upon any portion of the Property except in an emergency situation. Notwithstanding the foregoing, all repairs to disabled vehicles within the Property must be completed within two (2) hours from its immobilization or the vehicle must be removed.

Section 19. Prohibited Structures. No structure of a temporary character including, but not limited to, trailer, tent, shack, shed, barn, tree house or out building shall be parked or erected on the Property at any time without the express written permission of the ARB.

Section 20. Underground Utility Lines. All electric, telephone, gas and other utility lines must be installed underground.

Section 21. Right-of-Way Prohibition. Except for Tract C, no Lot nor any portion of any Lot may be used for Right-of-Way purposes except with the DEVELOPER'S prior written consent.

Section 22. Nuisances. No obnoxious, unpleasant, unsightly or offensive activity shall be carried on, nor may anything be done, which can be reasonably construed to constitute a nuisance, public or private in nature. Any questions with regard to the interpretation of this section shall be decided by the BOARD, whose decision shall be final.

Section 23. Compliance with Documents. Each OWNER (including each Resident) and his family members, guests, invitees; lessees and their family members, guests, and invitees; and his or its

tenants, licensees, guests, invitees and sub-tenants shall be bound and abide by this Declaration. The conduct of the foregoing parties shall be considered to be the conduct of the OWNER responsible for, or connected in any manner with, such individual's presence within OAK CHASE. Such OWNER shall be liable to the ASSOCIATION for the cost of any maintenance, repair or replacement of any real or personal property rendered necessary by his act, neglect or carelessness, or by that of any other of the foregoing parties (but only to the extent that such expense is not met by the proceeds of insurance carried by the ASSOCIATION) which shall be paid for by the OWNER as a Special Assessment as provided in Article VI. Failure of an OWNER to notify any Person of the existence of the covenants, conditions, restrictions, and other provisions of this Declaration shall not in any way act to limit or divest the right to enforcement of these provisions against the OWNER or such other Person.

Section 24. Exculpation of the DEVELOPER, the BOARD and the ASSOCIATION. The DEVELOPER, the BOARD and the ASSOCIATION may grant, withhold or deny its permission or approval in any instance where its permission or approval is permitted or required without liability of any nature to the OWNER or any other Person for any reason whatsoever, and any permission or approval granted shall be binding upon all Persons.

Section 25. Other Restrictions. The ARB shall have the authority, as hereinabove expressed, from time to time to include within its promulgated residential planning criteria other restrictions as it shall deem appropriate. Said restrictions shall be governed in accordance with the criteria hereinabove set forth for residential planning criteria promulgated by the ARB. However, once the ARB promulgates certain restrictions, same shall become as binding and shall be given the same force and effect as the restrictions set forth herein until the ARB modifies, changes or promulgates new restrictions or the ASSOCIATION modifies or changes restrictions set forth by the ARB.

Section 26. No Implied Waiver. The failure of the ASSOCIATION or the DEVELOPER to object to an OWNER's or other party's failure to comply with these Covenants or any other Governing Documents (including any Rules and Regulations promulgated) shall in no event be deemed a waiver by the DEVELOPER or the ASSOCIATION, or any other Person having an interest therein, of that OWNER's or other party's requirement and obligation to abide by these Covenants.

Section 27. Imposition of Fines for Violations. It is acknowledged and agreed among all OWNERS that a violation of any of the provisions of this Article XI by an OWNER or Resident may impose irreparable harm to the other OWNERS or Residents. All OWNERS agree that a fine not to exceed One Hundred and No/100 Dollars (\$100.00) per day may be imposed by the DEVELOPER or ASSOCIATION for each day a violation continues after notification

by the DEVELOPER or the ASSOCIATION. All fines collected shall be used for the benefit of the ASSOCIATION. Any fine levied shall be paid within fifteen (15) days after mailing of notice of the fine. If not paid within said fifteen (15) days the amount of such fine shall accrue interest at the highest interest rate allowed by the laws of Florida, and shall be treated as a Special Assessment as provided in Article VI.

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 1. All Purpose Easement Reservation. In addition to the easements (drainage, utility, etc.) shown on the Plat of OAK CHASE, the Developer does hereby reserve a five (5) foot easement along all boundary Lot lines for drainage and utility purposes together with an easement for ingress and egress to enter upon such easement area to install, maintain, repair and/or replace any drainage and/or utility facilities within such easement area.

Section 2. Assignment of Rights and Duties to ASSOCIATION. The DEVELOPER may at any time assign and delegate to the ASSOCIATION all or any portion of the DEVELOPER's rights, title, interest, duties or obligations created by this Declaration. It is understood that the ASSOCIATION has been formed as a property owners association in order to effectuate the intent of the DEVELOPER for the proper development, operation and management of the Property. Wherever herein the DEVELOPER or the ASSOCIATION, or both, are given the right, the duty or the obligation to approve, enforce, waive, collect, sue, demand, give notice or take any other action or grant any relief or perform any task, such action may be taken by the DEVELOPER or the ASSOCIATION until such time as the DEVELOPER has recorded a Certificate of Termination of Interest in the Property. Thereafter, all rights, duties and obligations of the DEVELOPER shall be administered solely by the ASSOCIATION in accordance with procedures set forth herein and in the Governing Documents.

Section 3. Certificate of Termination of Interest in OAK CHASE. Notwithstanding anything in this Declaration, the Articles of Incorporation or the Bylaws to the contrary, the DEVELOPER may, in its sole discretion and at any time hereafter, elect to give up and terminate any and all rights reserved to the DEVELOPER in this Declaration, the Articles of Incorporation and the Bylaws. The rights relinquished shall include, but not be limited to, (1) the right to appoint any member of the BOARD; (2) the right to amend this Declaration, the Articles of Incorporation or the Bylaws; (3) the right to require its approval of any proposed amendment to this Declaration, the Articles of Incorporation or the Bylaws; and (4) all veto powers set forth in this Declaration. Such election shall be evidenced by the execution by the DEVELOPER and the recording in

the Public Records of Indian River County, Florida, of an instrument entitled Certificate of Termination of Interest in OAK CHASE. Immediately upon the recording of such Certificate, and so long as the DEVELOPER does own at least one (1) Lot, the DEVELOPER shall become a MEMBER with no more rights or obligations in regards to OAK CHASE than those of any other OWNER of a Lot. The number of votes attributable to the DEVELOPER shall be calculated in accordance with the Governing Documents in the same manner as the number of votes would be calculated for any other OWNER.

Section 4. Waiver. The failure of the DEVELOPER or the ASSOCIATION to insist upon the strict performance of any provision of this Declaration shall not be deemed to be a waiver of such provision unless the DEVELOPER or the ASSOCIATION has executed a written waiver of the provision. Any such written waiver of any provision of this Declaration by the DEVELOPER or the ASSOCIATION may be canceled or withdrawn at any time by the party giving the waiver.

Section 5. Covenants to Run with the Title to the Land.

This Declaration and the Covenants, as amended and supplemented from time to time as herein provided, shall be deemed to run with the title to the land, and shall remain in full force and effect until terminated in accordance with the provisions set out herein.

Section 6. Term of this Declaration. All of the foregoing covenants, conditions, reservations and restrictions shall run with the land and continue and remain in full force and effect at all times as against all OWNERS, their successors, heirs or assigns, regardless of how the OWNERS acquire title, for a period of fifty (50) years from the date of this Declaration, unless within such time, one hundred percent (100%) of the MEMBERS of the ASSOCIATION execute a written instrument declaring a termination of this Declaration and the MEMBERS establish a method of taking care of the Common Property which is acceptable to the City of Indian River County, Florida and/or its successors and/or assigns, and the Southwest Florida Water Management District. After such fifty (50) year period, unless sooner terminated as provided above, these covenants, conditions, reservations and restrictions shall be automatically extended for successive periods of ten (10) years each, until a majority of the votes of the entire membership of the ASSOCIATION execute a written instrument declaring a termination of this Declaration and such termination is approved by Indian River County. Any termination of this Declaration shall be effective on the date the instrument of termination is recorded in the Public Records of Indian River County, Florida, provided, however, that any such instrument, in order to be effective, must be approved in

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writing and signed by the DEVELOPER so long as the DEVELOPER owns any portion of the Property.

Section 7. Amendments of this Declaration. This Declaration may be amended at any time upon the approval of at least two-thirds (2/3) of the MEMBERS as evidenced by the recordation of an amendatory instrument executed by the President and Secretary of the ASSOCIATION.

Notwithstanding the above rights to amend this Declaration, no amendment to this Declaration which affects the Surface Water Management System or any portion of the balance of the Common Property used for surface water management shall be effective unless such amendment has the prior written approval of the St. Johns River Water Management District.

Section 8. Disputes. In the event there is any dispute as to the interpretation of this Declaration or whether the use of the Property or any portion thereof complies with this Declaration, such dispute shall be referred to the BOARD. A determination by the BOARD with respect to any dispute shall be final and binding on all parties concerned. However, any use by the DEVELOPER and its successors, nominees and assigns of the Property shall be deemed a use which complies with this Declaration and shall not be subject to a determination to the contrary by the BOARD.

Section 9. Governing Law. The construction, validity and enforcement of this Declaration shall be determined according to the laws of the State of Florida. The venue of any action or suit brought in connection with this Declaration shall be in Indian River County, Florida.

Section 10. Invalidation. The invalidation of any provision or provisions of this Declaration by lawful court order shall not affect or modify any of the other provisions of this Declaration, which other provisions shall remain in full force and effect.

Section 11. Usage. Whenever used herein, the singular number shall include the plural and the plural the singular, and the use of any gender shall include all genders.

Section 12. Conflict. This Declaration shall take precedence over conflicting provisions in the Articles of Incorporation and Bylaws of the ASSOCIATION and the Articles of Incorporation shall take precedence over the Bylaws.

Section 13. Notice. Any notice required to be sent to any MEMBER or OWNER under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as MEMBER or OWNER on the records of the ASSOCIATION at the time of such mailing.

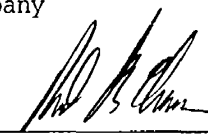
Section 14. FHA/VA Approval. Notwithstanding anything to the contrary herein, as long as there is a Class B Membership, the following actions will require the approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties; provided, however, that Phase II as contemplated and described in the master site plan approval on file with Indian River County, Florida, may be annexed or added without the approval of the Federal Housing Administration or the Veterans Administration; mergers and consolidations; mortgaging of Common Area; dissolution and amendment of the Articles.

IN WITNESS WHEREOF, the DEVELOPER, OAK CHASE DEVELOPMENT, L.L.C., a Florida limited liability company, has caused this instrument to be executed in its name as of the day and year first above written.

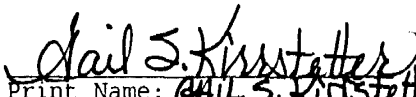
Signed, sealed and delivered
in the presence of:

OAK CHASE DEVELOPMENT, L.L.C.,
a Florida Limited Liability
Company


Print Name: THOMAS R. SAWYER

By: 

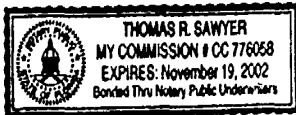
DAVID B. CHASE
Its: Managing Member



Print Name: CHAIL S. KISTETTER

STATE OF FLORIDA
COUNTY OF MARTIN

The foregoing instrument was acknowledged before me this 20th day of December, 1999 by DAVID B. CHASE, as a managing member of OAK CHASE DEVELOPMENT, L.L.C., a Florida limited liability company, on behalf of the company, who: [] is personally known to me, or [] has produced N/A as identification, and who did not take an oath.

(NOTARY SEAL)




Name: THOMAS R. SAWYER
Typed, printed or stamped
I am a Notary Public of the State
of Florida having a commission
number of CC-776058 and my
commission expires: 11/19/2002

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JOINDER AND CONSENT OF MORTGAGEE

Gray Wolf Corp., a New York corporation, the holder of that certain Mortgage and Security Agreement encumbering the Property, which instrument is dated November 1, 1999, and is recorded in Official Records Book 1302, Page 1498, Public Records of Indian River County, Florida, by execution hereof consents to the placing of these covenants and restrictions on the Property and further covenants and agrees that the lien of the Mortgage shall be and stand subordinate to such covenants and restrictions as if said covenants and restrictions had been executed and recorded prior to the recording of the Mortgage.

Signed, sealed and delivered in the presence of:

Gray Wolf Corp., a New York corporation

[Signature]
Print Name: Sylvia Formi

By: [Signature]
Michael D. Mercier
Its: President

[Signature]
Print Name: Sonja Chamides

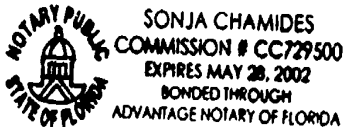
STATE OF Florida

COUNTY OF Palm Beach

The foregoing instrument was acknowledged before me this 20th day of December, 1999 by Michael D. Mercier, as President of Gray Wolf Corp., a New York corporation, on behalf of the corporation, who: is personally known to me, or has produced NY Driver license 582925507 as identification, and who did not take an oath.

(NOTARY SEAL)

[Signature]
Name: Sonja Chamides
Typed, printed or stamped
I am a Notary Public of the State of Florida having a commission number of CC739500 and my commission expires: 5-28-2002



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