

covenants, conditions and restrictions established by an applicable Plat. Except in the case of emergencies (in which event the following request for entry shall not be required) the foregoing right of entry and inspection contained in this Section 8.2.5.7 shall be exercised by the ADR Committee only after the ADR Committee has been unable to obtain entry to a portion of the House Lot from the Owner thereof, within three (3) days of the date of a written request for such entry sent by the ADR Committee to such Owner. If any Improvement shall be constructed or altered or made without the ADR Committee's prior approval, the Owner shall, upon demand by the ADR Committee, cause such Improvement to be removed or restored in order to comply with the plans and specifications originally approved by the ADR Committee. The Owner shall be liable for the payment of all costs of such removal or restoration, including all Legal Fees incurred by the Corporation. The Board is specifically empowered to enforce the provisions of this Master Declaration by any legal or equitable remedy, and in the event that it becomes necessary to resort to litigation to determine the propriety of any Improvement, or to remove any unapproved Improvement, the Corporation shall be entitled to recovery of Legal Fees in connection therewith. In the event that any Owner fails to comply with the provisions contained herein, the Corporation Rules or other rules and regulations promulgated by the Board, the Board may, in addition to all other remedies contained herein, record against that Owner's property a certificate of disapproval stating that the Improvements on the property fail to meet the various requirements of the ADR Committee.

8.2.5.8. The ADR Committee is empowered to publish or modify from time to time design and development standards for House Lots, including but not limited to the following: (i) roof and roof design; (ii) fences, walls and similar structures; (iii) exterior building materials and colors; (iv) exterior landscaping; (v) building setbacks, side setbacks, and related height, bulk and design criteria; and (vi) sidewalks.

8.2.5.9. Unless otherwise approved by the ADR Committee, construction of approved Improvements shall commence within ninety (90) days from the date of written approval by the ADR Committee and shall proceed continuously and be completed within a reasonable time, but in no event longer than twelve (12) months from the date of approval.

8.2.6. Variances. The ADR Committee may grant variances from the requirements contained herein or as elsewhere promulgated by the ADR Committee, on a case-by-case basis provided, however, that the variance sought is reasonable. The granting of such a variance by the ADR Committee shall not nullify or otherwise affect the ADR Committee's right on any other occasion to require strict compliance with the requirements set forth herein.

8.2.7. Inapplicable to Developer. Notwithstanding anything contained in this Section 8 to the contrary, no Improvements of any nature made or to be made by Developer shall be subject to the restrictions contained in this Section 8 or be subject to the review of the ADR Committee.

8.2.8. Exculpation. Neither Developer, the Board, the members of the ADR Committee, or any person acting on behalf of any of them, shall be liable for any costs or damages incurred by an Owner or any other party whatsoever, due to any mistakes in judgment, negligence or any action in connection with the approval or disapproval of any Improvements or proposed Improvements. Each Owner agrees, as do their successors and assigns by acquiring title to or interest in a House Lot, or by assuming possession of a House Lot, that they shall not bring any action or suit against Developer, the Board, the members of the ADR Committee, or their respective agents, in order to recover any damage caused by the actions under this Section 8. The Corporation shall indemnify, defend and hold harmless the

ADR Committee and each of its members from all costs, expenses and liabilities, including Legal Fees, of any nature resulting by virtue of the acts of the ADR Committee or its members except as a result of gross negligence or willful misconduct of the ADR Committee. Neither Developer, the Board, the members of the ADR Committee, or any person acting on behalf of any of them, shall be responsible for any defects in any plans or specifications, nor for any defects in any Improvements constructed thereto. Each party submitting plans and specifications for approval shall be solely responsible for the sufficiency thereof and for the quality of construction performed pursuant thereto.

8.2.9. Board's Rule-Making Power. The provisions in this Section 8 shall not be deemed to be all-inclusive nor restrict the Corporation's right to adopt such further reasonable rules and regulations governing the use of House Lots and the Community as the Board may determine from time to time; provided that such rules and regulations: (i) are not in conflict with the provisions hereof; (ii) apply equally to all House Lot Owners and lawful Community residents without discriminating on the basis of whether a Dwelling Unit is occupied by an Owner or his lessee; and (iii) have Developer's prior written approval for so long as Developer owns any Dwelling Unit, House Lot, or Uncommitted Property. Developer has the right to approve any such amendment that may adversely affect sales of Dwelling Units. The determination of whether a regulation is detrimental to sales shall be within Developer's sole discretion.

8.3 House Lots' Restrictions and Protective Covenants. In order to preserve the values and amenities of House Lots, the occupancy and use restrictions, the protective covenants, standards, provisions and prohibited uses set forth in this Section 8.3 shall be applicable to House Lots.

8.3.1. Single-Family Use. House Lots shall be for single-family use only. A family is defined to mean any number of persons related by blood, marriage or adoption or not more than two (2) unrelated persons living as a single housekeeping unit. No commercial occupation or activity may be carried on in House Lots, except: (i) as such occupation or activity is permitted to be carried on by Developer under this Master Declaration, (ii) any business which qualifies as a home occupation under applicable zoning code, and (iii) leasing of a House Lot.

8.3.2. Antennae and Aerial. No antennae, satellite dishes, aerials or the like shall be placed within the House Lots, without the ADR Committee's prior written consent (unless wholly contained within, and not visible from outside, a House Lot).

8.3.3. Garbage and Trash. Each Owner shall regularly pick up all garbage, trash, refuse or rubbish around his House Lot, and no Owner or resident shall place any garbage, trash, or other materials on any portions of the Community or any property contiguous to the Community.

8.3.4. Animals and Pets. Only common household pets (i.e., dogs, cats, birds and fish) may be kept in any House Lots, but in no event shall said common household pets be kept for the purpose of breeding or for any commercial purpose whatsoever. No other animals, livestock or poultry of any kind shall be kept or maintained within the House Lots. Any pet must be carried or kept on a leash when outside of the pet owner's House Lot. Pets must not cause an unreasonable nuisance or annoyance to other Owners in the Community. All Owners shall immediately pick up and remove any solid animal waste deposited by his pet. Each Owner who keeps a pet agrees to indemnify the Corporation and Developer and hold them harmless

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against any loss or liability of any kind or character whatsoever arising from or concerning his having such pet in the Community.

8.3.5. Temporary Buildings. No tents, trailers, shacks or other temporary buildings or structures shall be constructed or otherwise placed within the House Lot except in connection with construction, development, leasing or sales activities permitted under this Master Declaration or with the ARD Committee's prior written consent. No temporary structure may be used as a residence.

8.3.6. Boats, Recreational Vehicles and Commercial Vehicles. No trailer, boat, camper or truck, other than passenger pick-up trucks and sport-utility vehicles and other four (4)-wheel passenger vehicles determined acceptable by the Board, shall be permitted on any portion of the House Lots unless within an enclosed garage, except for trucks furnishing goods and services during the daylight hours and except as the Board may designate for such use by appropriate rules and regulations. In addition, the Board may adopt rules and regulations from time to time regulating and limiting the size, weight, type and place and manner of operation of vehicles in the House Lots.

8.3.7. Standards and Prohibited Uses. House Lots shall be subject to the following minimum standards and prohibited uses:

8.3.7.1. No residences shall be erected, placed or maintained nearer than twenty-five (25) feet from the front line of any House Lot.

8.3.7.2. No residences shall be erected, placed or maintained nearer than twenty-five (25) feet from the rear line of any House Lot.

8.3.7.3. No open carports shall be constructed.

8.3.7.4. All garbage cans, recycle containers and trash containers shall be kept, stored and placed within underground containers, garages, or otherwise out of sight. All garbage placed in such containers shall be sealed in standard trash bags made of material of sufficient strength to contain garbage placed therein without ripping or tearing.

8.3.7.5. All House Lots shall be fully landscaped contemporaneously with the completion of construction of a residence. All yards must be fully sodded from street to the rear property line of the House Lot. An automatic, electric, underground lawn sprinkling system shall be installed of sufficient size and capacity to fully water all landscaping throughout the entire House Lot. The ADR Committee must approve all landscaping materials. Installation of the irrigation system shall be contemporaneous with the completion of construction of a residence or shall be completed within twelve (12) months after the date an Owner other than Developer takes title, whichever date first occurs. If an Owner other than Developer fails to commence construction of a residence within twelve (12) months after taking title to a House Lot, the Owner shall install the required irrigation system and shall landscape the perimeters of the House Lot expending for the irrigation system and landscaping a minimum of FOUR THOUSAND DOLLARS (\$4,000). All wells installed for irrigation shall be deep enough to provide water with little or no iron content or other mineral content which will stain sidewalks, driveways or exterior surfaces of improvements (as defined in Section 8.2.3) constructed on or adjacent to the House Lot. If the iron or mineral content of water produced from any well stains any sidewalk, driveway, or exterior surface or any improvements, upon notice given to any House Lot Owner that such circumstance exists, the House Lot Owner will within fifteen (15) days of receipt of such notice correct any deficiency in the well or irrigation system. If the

House Lot Owner fails to correct such deficiency during said fifteen (15)-day period, the Corporation shall have the right, but not the obligation, to correct the deficiency. In the event the Corporation corrects the deficiency, the costs of correction will be assessed against the House Lot Owner and the Corporation shall have a lien for such costs. The terms of this Section 8.3.7.5 are not applicable to Corporate Easements.

8.3.7.6. All roofs, except as hereafter set forth, shall have a minimum pitch of 4-1/2 to 12. Flat roofs may be employed only on porches located to the rear of a residence and that are not visible from the street in front of the residence. All roofing materials shall be approved by the ADR Committee.

8.3.7.7. All public utility wires, lines, cables and pipes, including without limitation, all telephone, electrical and cable television wires shall be installed underground through PVC conduit from the House Lot to the street or utility easement. If required by the Board, all House Lots shall have installed therein an intruder alarm and smoke detection system, tied into the Corporation's security office.

8.3.7.8. No air-conditioning, heating or other appliances of any kind shall be constructed or placed upon any roof of any building or any part thereof, except solar heating units approved in writing by the ADR Committee.

8.3.7.9. The color of all exterior portions of any building shall consist of such textures, materials and colors as the ADR Committee shall approve in writing.

8.3.7.10. No basement, garage, trailer or partially completed Improvement shall be used for human occupancy prior to the completion of the entire approved buildings or Improvements.

8.3.7.11. No natural vegetation and no trees may be removed from any House Lot, unless approved in writing by the ADR Committee, unless such natural vegetation or trees are located within the perimeter of the foundation of an approved structure.

8.3.7.12. All House Lots shall be kept in a clean and sanitary manner and no rubbish, refuse or garbage shall accumulate or any fire hazard be allowed to exist. Weed and grass growth shall be kept to a maximum height of four (4) inches above the ground and grass growth shall be edged; all trees and shrubs shall be appropriately trimmed.

8.2.7.13. No House Lot shall be re-subdivided except with the Board's prior written approval. After first obtaining the Board's prior written approval, the Owner of one (1) House Lot may purchase all or any portion of one (1) or more contiguous, House Lots and may utilize such contiguous House Lots as a site for one (1) single-family residence. Upon the Board's written approval, said continuous House Lots shall thereafter be treated as one (1) House Lot, subject to the following:

8.3.7.13.1. For purposes of voting: (i) if two (2) or more House Lots (in total) are combined, there shall be no change in the total number of votes allocated to said House Lots and the Owner thereof shall be entitled to as many votes as the number of House Lots actually owned; (ii) if, however, only a portion of one (1) House Lot is combined with another House Lot then the Board shall fairly determine the allocation of the one (1) vote applicable to said subdivided House Lot between the Owners of each portion of that subdivided House Lot.

8.3.7.13.2. For the purposes of the allocation and payment of assessments: (i) if two (2) or more House Lots (in total) are combined, the Owner thereof shall be responsible for the assessments due and payable for each House Lot owned; (ii) if, however, only a portion of one (1) House Lot is combined with another House Lot then the Board shall fairly determine the allocation and payment of the assessments applicable to said subdivided House Lot between the Owners of each portion of that subdivided House Lot.

8.2.7.14. Whenever the Corporation is permitted or required by the Master Declaration to enter any House Lot for the purpose of correction, repair, cleaning, clearing, mowing or any other required or permitted activity, such entry shall not be deemed a trespass. If an Owner fails to maintain his House Lot, the Corporation shall have the right (but not the obligation) in the Corporation's sole discretion, to mow and clean any weeds, grass or unsightly debris and/or growth from any portion of the House Lot deemed by the ADR Committee to be a health menace, fire hazard or to detract from the aesthetic appearance of the Community, as long as the ADR Committee gives the House Lot Owner at least ten (10)-days' prior written notice before such work is performed on behalf of the Corporation. If the Corporation, after such notice, causes the subject work to be done, then the cost of such work and the expense of collection including but not limited to Legal Fees, together with interest thereon at the lesser of twelve percent (12%) per annum or the maximum rate permitted by the usury laws of the State of Florida, shall be charged to the Owner and shall become a lien on such Owner's House Lot, which lien shall be effective, have priority and be enforced pursuant to the procedures set forth in this Master Declaration. If any Owner shall fail to properly maintain the improvements on such Owner's House Lot in continuous good and attractive condition and repair, properly painted, and consistent with the condition, repair and quality of the balance of the Community, or such improvements in such a fashion so as to detract from the aesthetic appearance of the Community, and in the event of any failure to do so which continues for ten (10) days after written notice thereof from the ADR Committee to such Owner, the Corporation shall have the right at any time and from time to time, without any liability to such Owner for trespass or otherwise, to enter upon such House Lot, and the improvements thereon, to effect such maintenance and repair as shall be necessary to bring the same into compliance with the requirements of this Section 8. The Owner responsible for said failure shall reimburse the Corporation for all expenses incurred in connection therewith, together with interest thereon at the lesser of twelve percent (12%) per annum or the maximum rate permitted by the usury laws of the State of Florida. Such charges shall become a lien on such House Lot, and shall be effective, have priority and be enforced pursuant to this Master Declaration. The reasonable judgment of the ADR Committee shall conclusively establish for purposes of this Master Declaration whether any such portion of the House Lot, and the improvements thereon, have been maintained in good and attractive condition and repair, consistent with the balance of the Community or in such a manner so as to detract from the aesthetic appearance of the Community.

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9. MAINTENANCE AND REPAIR PROVISIONS

9.1 Maintenance and Repair By Owners

9.1.1. Condominium Dwelling Units. As to Dwelling Units within a Condominium in the Community, Owners shall maintain in good condition, and repair and replace at the Owner's expense, all portions of his Dwelling Unit, including any screening on any veranda or balcony, all window panes and all interior surfaces within or surrounding his Dwelling Unit (such as the surfaces of the walls, ceilings and floors); and maintain and repair the fixtures therein, including the air conditioning equipment serving only his Dwelling Unit whether or not located within the Dwelling Unit; and to pay for any utilities which are separately metered to his Dwelling Unit, except to the extent such obligation is imposed on that Dwelling Unit's Condominium Association. Every Owner must promptly perform all maintenance and repair work within his Dwelling Unit, as aforesaid, which if not performed would affect any other portion of the Community or a Dwelling Unit belonging to another Owner. Each Owner shall be expressly responsible for the damages and liabilities that his failure to perform his above-mentioned responsibilities may engender. Said Dwelling Unit shall be maintained and repaired in accordance with the building plans and specifications utilized by Developer, copies of which are to be on file in the Corporation's office, except for changes or alterations approved by the Board as provided in this Master Declaration.

9.1.2. House Lots. Owners of House Lots or a governing non-condominium Association shall maintain in good condition and at their own expense all exterior portions of their Dwelling Units, including but not limited to painting exterior walls and replacement of damaged windows and screens.

9.1.3. Alterations. Without first obtaining the Board's prior written consent, Owners shall not: (i) make any alterations to any improvement or landscaping within the Corporation Property or any property which is to be maintained by the Corporation or applicable Neighborhood Association; (ii) remove any portion of the Corporation Property; (iii) make any additions to the Corporation Property; or (iv) do anything which would or might jeopardize or impair the safety or soundness of such Corporation Property or which, in the Board's sole opinion, would detrimentally affect the architectural design of a building within the Community.

9.1.4. Painting and Board Approval. Without first obtaining the Board's prior written consent: (i) Owners shall not paint, refurbish, stain, alter, decorate, repair, replace or change the improvements within a Building Area or the Corporation Property or any outside or exterior portion of any building maintained by the Corporation or an applicable Neighborhood Association, including but not limited to any verandas, doors or window frames (except for replacing window panes or screening); and (ii) Owners shall not have any exterior lighting fixtures, mailboxes, window screens, screen doors, enclosures, awnings, hurricane shutters, hardware or similar items installed which are not consistent with the general architecture of the applicable building(s) as determined by the Board. The Board shall not grant approval if, in the Board's opinion, the effect of any of the items mentioned herein will be unsightly.

9.1.5. Maintenance of Yards. Yards located on House Lots shall be maintained as follows: (i) each Owner of a House Lot shall maintain the lawn and landscaping within fenced or enclosed areas of said House Lot; (ii) each Owner of a House Lot shall maintain the irrigation system located on and servicing said House Lot; and (iii) an applicable Neighborhood, non-condominium or Community Association shall maintain the lawn and landscaping located outside of fenced or enclosed areas of each House Lot. Unless a written direction is received from the Corporation to the contrary, no House Lot Owner, nor any applicable Neighborhood,

non-condominium or Community Associations, if any, shall have the right to maintain any Corporate Easements or Corporate Easement Improvements located on House Lots. All Corporate Easements and Corporate Easement Improvements shall be maintained by the Corporation.

9.1.6. Casualty Insurance. Owners of House Lots shall maintain physical damage insurance for the residence and all improvements located on a House Lot in an amount equal to the replacement value of the residence and all improvements located on said House Lot. The Corporation may require that each such Owner provide proof of insurance. Should any such Owner fail to provide proof of insurance upon request, the Corporation may purchase the required insurance and the costs of such insurance may be levied as a Special Assessment against such Dwelling Unit.

9.1.7. Duty to Report. Owners shall promptly report to the Corporation or its agents any defect or need for repairs, the responsibility for the remedying of which lies with the Corporation.

9.1.8. Liability for Actions. An Owner shall be liable for expense incurred by the Corporation for any maintenance, repair or replacement of any real or personal property within the Community and rendered necessary by such Owner's act, neglect or carelessness, or by that of his lessee or any member of their families, or their guests, employees or agents (normal wear and tear excepted), but only to the extent that such expense is not met by the proceeds of insurance carried by the Corporation. An Owner shall also be liable for any personal injuries caused by such Owner's negligent acts or those of his lessee or any member of their families, or their guests, employees or agents. However, nothing herein contained shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

9.2 Maintenance and Repair By the Corporation. Except as stated otherwise in this Master Declaration, the Corporation's responsibility is to repair, maintain and replace any and all improvements and facilities located upon the Corporation Property, including Recreation Areas solely for the benefit of non-condominium Corporation Owners, as otherwise provided herein, including but not limited to the maintenance of the sanitary sewer service laterals leading to a Building Area, but excluding therefrom appliances and plumbing fixtures within a Building Area. Maintenance includes but is not limited to the following: (i) cleanup; (ii) landscape care and replacement; (iii) lawn care; (iv) painting; (v) structural upkeep; (vi) maintenance of drainage areas, roads, sidewalks, parking areas, driveways, and Recreation Areas, whether or not solely for the benefit of non-condominium Corporation Owners. In the event that an Association or an Owner fails to maintain such portions of the Community as the Association or an Owner is required to maintain in accordance with a Condominium Declaration or Community Declaration, the Corporation shall have the right, but not the obligation, upon thirty (30)-days' written notice to said respective Association or Owner, to enter upon the respective property for the purpose of performing the maintenance and/or repairs described in such notice to said Association or Owner. The cost of performing such maintenance and/or repairs and the expense of collection (including but not limited to Legal Fees) together with interest thereon at the lesser of twelve per cent (12%) per annum or the maximum rate permitted by the usury laws of the State of Florida, shall be assessed by the Corporation against said Association or Owner as if same were a Special Assessment or Neighborhood Assessment and shall be assessed, levied, collected and enforced by the Corporation, with the Corporation having all rights necessary to so assess, levy, collect and enforce the same.

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10. INSURANCE

10.1 Insurance Requirements. The Corporation shall purchase and maintain, or, alternatively, in the event Developer so elects, the Corporation shall be covered under Developer's insurance with respect to the insurance coverage described below, subject to the following provisions, and the cost of the premiums therefore shall be a part of the Operating Expenses. Notwithstanding the foregoing, in the event the Corporation determines that the cost of insurance is economically unwarranted or is not obtainable, the Corporation may determine to either reduce the amount of such insurance, increase the deductible amount or discontinue coverage.

10.1.1. Public Liability Insurance. A comprehensive policy or policies of general liability insurance naming the Corporation and, until the Transfer Date, Developer as named insured thereof and including Owners as insured thereunder insuring against any and all claims or demands made by any person or persons whomsoever for injuries received in connection with, or arising from, the operation, maintenance and use of the Corporation Property and any improvements and buildings located thereon and for any other risks insured against by such policies with limits of not less than: (i) One Million Dollars (\$1,000,000) for damages incurred or claimed by any one (1) person for any one (1) occurrence; (ii) not less than Five Million Dollars (\$5,000,000) for damages incurred or claimed by more than one (1) person for any one (1) occurrence; and (iii) One Hundred Thousand Dollars (\$100,000) for property damage for any one (1) occurrence. Such coverage shall include as appropriate, without limitation: (a) protection against any legal liability that results from lawsuits related to employment contracts in which the Corporation is a party; (b) bodily injury and property damage liability that results from the operation, maintenance or use of Corporation Property; (c) liability for non-owned and hired automobiles; (d) liability for property of others; and (e) such other risks as are customarily covered with respect to areas similar to the Corporation Property in developments similar to the Community in construction, location and use. The insurance purchased shall contain a "Severability of Interest Endorsement," or equivalent coverage, which would preclude the insurer from denying an Owner's claim because of the negligent acts of either the Corporation, Developer or any other Owners or deny the claim of either Developer or the Corporation because of negligent acts of the other or of that of an Owner.

10.1.2. Casualty Insurance. Insurance for all buildings and fixtures, equipment and other personal property which comprise a portion of the Corporation Property in an amount equal to one hundred percent (100%) of the "Replacement Value" thereof with an "Agreed Amount and Inflation Guard Endorsement" (including a "Demolition Cost Endorsement," "Contingent Liability from Operation of Building Laws Endorsement" and an "Increased Cost of Construction Endorsement") or its equivalent, if necessary. The term "Replacement Value" shall mean one hundred percent (100%) of the current replacement costs exclusive of land, foundation, excavation, and other items normally excluded from coverage. The Board may determine the kinds of coverage and proper and adequate amount of insurance including but not limited to: (i) loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage; and (ii) such other risks that shall customarily be covered with respect to areas similar to the Corporation Property and in developments similar to the Community in construction, location and use.

10.1.3. Flood Insurance. If determined appropriate by the Board or if required by any Institutional Mortgagee, a master or blanket policy of flood insurance covering the Corporation Property, if available, under the National Flood Insurance Program, which flood insurance shall be in the form of a standard policy issued by a member of the National Flood

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Insurers Association, and the amount of the coverage of such insurance shall be the lesser of the maximum amount of flood insurance available under such program, or one hundred percent (100%) of the current replacement cost of all buildings and other property located in the flood hazard area.

10.2 Conditions of Insurance. All insurance purchased by the Corporation pursuant to this Section shall be subject to the following provisions:

10.2.1. Insurance Trustee. The Board shall have the right to designate an insurance trustee ("Insurance Trustee") to act in the manner provided in this Master Declaration, which Insurance Trustee (if required) shall be a commercial bank or trust company authorized to do business in the State of Florida, and thereafter, at any time and from time to time, the Board shall have the right to change the Insurance Trustee to another such bank or trust company; provided, however, for so long as Developer owns or is under contract to purchase any Dwelling Unit(s) or Uncommitted Property, Developer shall have the right, but not the obligation, to require the Corporation to designate an Insurance Trustee other than the Board. Notwithstanding anything in this Master Declaration to the contrary, the Board may act as the Insurance Trustee hereunder unless otherwise required by written request of an Institutional Mortgagee or the Developer. If no Insurance Trustee is required, the Board shall receive, hold and expend insurance proceeds in the manner hereinafter provided as if the Board were the Insurance Trustee.

10.2.2. Deposits with Insurance Trustee. If an Insurance Trustee other than the Board is required, pursuant to the request of either an Institutional Mortgagee or the Developer, then, in that event, all policies of insurance purchased by the Corporation shall be deposited with the Insurance Trustee upon written acknowledgement by the Insurance Trustee that the policies and any proceeds thereof will be held in accordance with the terms hereof. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee, and the Insurance Trustee may deduct from the insurance proceeds collected a reasonable fee for services as Insurance Trustee. The Board is hereby irrevocably appointed agent for each Owner to adjust all claims arising under insurance policies purchased by the Corporation in which Owners have or may have an interest. The Insurance Trustee shall not be liable in any manner for the payment of any premium on policies, the renewal of policies, the sufficiency of the coverage of any such policies or any failure to collect any insurance proceeds under any policies.

10.2.3. Duties of Insurance Trustee. The duty of the Insurance Trustee shall be to receive any and all proceeds from the insurance policies held by the Insurance Trustee as Insurance Trustee and to hold such proceeds in trust for the Corporation, Owners and mortgagees under the following terms:

10.2.3.1. In the event that a loss of One Hundred Thousand Dollars (\$100,000) or less, as determined by detailed estimates or bids for repair and reconstruction obtained by the Board, occurs to any portion of the Corporation Property, the Insurance Trustee shall pay the proceeds received as a result of such loss to the Corporation. Upon receipt of such proceeds, the Corporation shall promptly cause the necessary repairs to be made to the Corporation Property. In the event the insurance proceeds are insufficient to pay for the cost of repair of the Corporation Property, the Board shall hold a special meeting to determine the amount of a Special Assessment against all of the Dwelling Units to obtain any necessary funds to repair and restore the damaged Corporation Property. Upon the determination by the Board of the amount of such Special Assessment the Board shall immediately levy such Special

Assessment against the respective Dwelling Units setting forth the date or dates for payment of same.

10.2.3.2. In the event the Insurance Trustee receives proceeds in excess of One Hundred Thousand Dollars (\$100,000) as a result of damages to the Corporation Property, then the Insurance Trustee shall hold in trust all insurance proceeds received with respect to such damages, together with any and all other monies paid to the Insurance Trustee as provided below and shall distribute such funds in the following manner:

10.2.3.2.1. The Board shall obtain detailed estimates or bids for the cost of rebuilding and reconstruction of such damaged property for the purpose of determining whether such insurance proceeds are sufficient to pay for the same.

10.2.3.2.2. In the event the insurance proceeds are sufficient to rebuild and reconstruct all of such damaged improvements or if the insurance proceeds, together with the funds as described below are sufficient for such purpose, then such damaged improvements shall be completely repaired and restored. The Board shall negotiate for the repair and restoration of such damaged Corporation Property and the Corporation shall negotiate and enter into construction contract(s) with a contractor or contractors to do the work on a fixed-price basis or on any other reasonable terms acceptable to the Board, which contractor(s) shall post a performance and payment bond with respect to such work. The Insurance Trustee shall disburse the insurance proceeds and other applicable funds held in trust in accordance with provisions for progress payments to be contained in such construction contract(s); provided, however, prior to any payment of such funds, the payees of such funds shall deliver to the Insurance Trustee any paid bills, waivers of liens under any lien laws and executed affidavits required by law, the Corporation or any respective Institutional Mortgagees.

10.2.3.2.3. In the event the insurance proceeds are insufficient to repair and replace all of the damaged improvements, the Board shall hold a special meeting to determine a Special Assessment against the Dwelling Units to obtain any necessary funds to repair and to restore such damaged improvements. Upon the determination by the Board of the amount of such Special Assessment, the Board shall immediately levy such Special Assessment against the respective Dwelling Units setting forth the date or dates of payment of the same, and any and all funds received from Owners pursuant to such Special Assessment shall be delivered to the Insurance Trustee and disbursed as provided in the Section immediately preceding.

10.2.3.2.4. In the event that: (i) the deficiency between the estimated cost of the repair and replacement of the damaged improvements and the insurance proceeds exceeds the sum of One Hundred Thousand Dollars (\$100,000); and (ii) prior to the date the Insurance Trustee disburses the net insurance proceeds to the Corporation, three-fourths (3/4) of the Owners subject to such Special Assessment advise the Board in writing that they do not approve of such Special Assessment, then the Corporation shall disburse the proceeds to the Owners and their respective Institutional Mortgagees. In making such insurance proceeds distribution to Owners and their respective Institutional Mortgagees, the Insurance Trustee may rely upon a certificate of an abstract company as to the names of the then Owners involved and their respective Institutional Mortgagees.

10.2.3.3. In the event that, after the completion of and payment of the repair and reconstruction of the damage to the Corporation Property and after the payment of the Insurance Trustee's fee with respect thereto, any excess insurance proceeds remain in the hands of the Insurance Trustee, such excess shall be disbursed to Owners in proportion to their contributions. In the event, however, that such repairs and replacements were paid for

pursuant by a Special Assessment as well as by the insurance proceeds, it shall be presumed that the monies disbursed from insurance proceeds and any remaining funds held by the Insurance Trustee shall be distributed to Owners in proportion to their contributions pursuant to such Special Assessment.

10.2.3.4. In the event the Insurance Trustee has on hand, within ninety (90) days after any casualty or loss, insurance proceeds and, if necessary, funds from any Special Assessment sufficient to pay fully for any required restoration and repair with respect to such casualty or loss, then no mortgagee shall have the right to require the application of any insurance proceeds or Special Assessment to the payment of its loan. Any provision contained herein for the benefit of any Institutional Mortgagee may be enforced by an Institutional Mortgagee.

10.2.3.5. Any repair, rebuilding or reconstruction of damaged improvement(s) upon the Corporation Property shall be substantially in accordance with the architectural plans and specifications for: (i) the originally constructed improvements; (ii) the improvements as such were previously reconstructed; or (iii) new plans and specifications approved by the Board; provided, however, any material or substantial change in new plans and specifications approved by the Board from the plans and specifications of the previously-constructed buildings and/or improvements (except such as are required by applicable law or building codes) shall require approval by the Institutional Mortgagee holding mortgages thereon. Neither the Board nor its members shall incur any liability with regard to the approval of any plans and specifications. In addition, until the Transfer Date, any such material or substantial change in new plans and specifications approved by the Board from the plans and specifications of the previously-constructed building or improvements (except such changes as are required by applicable law or building codes) shall also require the consent of fifty percent (50%) of the Members, which consent may be evidenced by a writing signed by the required number of Members or by the affirmative vote of the required number of Members at any regular or special meeting of the Corporation called and held in accordance with the Bylaws evidenced by a certificate of the Secretary or an assistant Secretary of the Corporation.

10.3 Form of Policies

10.3.1. Master Coverage. Nothing herein contained shall prohibit the Corporation from obtaining a "master" or "blanket" form of insurance for all of the Community or portions thereof, provided that the coverage required hereunder is satisfied.

10.3.2. Minimum Coverage. Notwithstanding anything in this Section 10 to the contrary, the amounts set forth for the purchase of insurance hereunder are the minimum amounts to be purchased. Therefore, Owners or the Corporation, as the case may be, may purchase insurance in excess of the amounts set forth herein. The amounts set forth do not constitute a representation or warranty of any kind by Developer or the Corporation as to the proper amount or kinds of insurance required.

10.3.3. Additional Terms of Policies. Policies insuring the Corporation Property purchased pursuant to the requirements of this Section 10 shall provide that: (i) any insurance trust agreement shall be recognized; (ii) the right of subrogation against Owners will be waived; (iii) the insurance will not be prejudiced by any acts or omission of individual Owners who are not under the control of the Corporation; and (iv) the policy will be primary, even if an Owner has other insurance that covers the same loss.

10.4 Fidelity Coverage

10.4.1. Amount of Fidelity Coverage. Adequate fidelity coverage shall be maintained to protect against dishonest acts of the officers and employees of the Corporation and the Directors and all others who handle and are responsible for handling funds of the Corporation (whether or not they receive compensation). Such coverage shall be in the form of fidelity bonds which meet the following requirements: (i) such bonds shall name the Corporation as an obligee and premiums therefore shall be paid by the Corporation; (ii) such bonds shall be written in an amount equal to at least three (3)-month's aggregate assessments for all Dwelling Units plus reserve funds, but in no event, less than Ten Thousand Dollars (\$10,000) for each such person; and (iii) such bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

10.4.2. Cost of Fidelity Coverage. Notwithstanding the foregoing, in the event the Corporation determines that the cost of such insurance is economically unwarranted or is not obtainable, the Corporation may determine to: (i) reduce the amount of such insurance; (ii) increase the deductible amount; or (iii) discontinue coverage.

10.5 Cancellation or Modification. All insurance policies purchased by the Corporation shall provide that they may not be canceled (including for nonpayment of premiums) or substantially modified without at least ten (10)-days' prior written notice to the Corporation and to each first mortgage holder named in the mortgagee clause.

11. PROVISIONS RELATING TO CONDEMNATION OR EMINENT DOMAIN PROCEEDING

11.1 Deposit of Awards With Insurance Trustee. The taking of any portion of the Corporation Property by condemnation shall be deemed to be a casualty, and the awards for that taking shall be: (i) deemed to be proceeds from insurance resulting from the casualty; and (ii) deposited with the Insurance Trustee.

11.2 Corporation Property. In the event the Corporation receives any award or payment arising from the taking of the Corporation Property or any part thereof as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of such taken areas and improvements thereon to the extent deemed advisable by the Corporation and approved by Owners owning at least two-thirds (2/3) of the Dwelling Units and the remaining balance thereof, if any, shall then be held by the Corporation.

12. PROVISIONS SETTING FORTH CERTAIN RIGHTS FOR DEVELOPER

12.1 Developer Reservations. Developer reserves and shall have the right to: (i) enter into and transact within the Community any business necessary to consummate the construction, sale, lease or encumbrance of Dwelling Units being developed and sold by Developer in other portions of the Community, in the Total Property, and in other communities developed by Developer, including the right to maintain models and sales and/or leasing offices, place signs, employ sales and leasing personnel and show Dwelling Units; and (ii) carry on construction activities of all types necessary to construct all buildings in the Total Property. Any such models, sales offices, signs and any other items pertaining to such sales efforts shall not be considered a part of the Community and shall remain the property of Developer. This Section 12 may not be suspended, superseded or modified in any manner by any amendment

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to this Master Declaration for so long as Developer owns or is under contract to purchase a Dwelling Unit or any portion of the Total Property, unless such amendment is consented to in writing by Developer. This right of use and transaction of business by Developer as set forth herein may be assigned in writing by Developer in whole or in part.

13. GENERAL PROVISIONS

13.1 Duration. All of the covenants, agreements and restrictions covering the Committed Property, including the land use covenants and the affirmative covenants to pay Operating Expenses (the "Covenants"), shall run with and bind the Committed Property and shall inure to the benefit of and be binding upon Developer, the Corporation and all Owners, their respective legal representatives, heirs, successors and assigns for a term of seventy-five (75) years from the date this Master Declaration is recorded, after which time said Covenants shall be automatically extended for successive periods of ten (10) years, unless at least one (1) year prior to the expiration date of the seventy-five (75)-year term or any ten (10)-year extension thereof an instrument terminating said Covenants is signed by the persons or entities then owning two-thirds (2/3) of all Dwelling Units Subject to Assessment and is recorded thereafter amongst the Public Records.

13.2 Plan of Development. Developer, the Corporation and all Owners and their respective grantees, successors or assigns, by acceptance of their instrument of conveyance for a Dwelling Unit, acknowledge that the Community is being developed under a common plan as set forth in Section 2 herein and in the other Community Documents. Such parties further acknowledge that the easement rights, use covenants and obligations to pay Operating Expenses are an integral part of the common plan of development and are required to provide access to and from the various portions of the Community and publicly dedicated rights-of-way as well as the operation and maintenance of the Community. Accordingly, such parties hereby covenant that no amendment or termination of any Condominium Declaration, Community Declaration or other Community Document shall be made which will interfere with such common plan or the rights and obligations constituting an integral part of such common plan without the approval of the Corporation and, for so long as Developer owns or is under contract to purchase a Dwelling Unit or a portion of the Total Property, without the approval of Developer.

13.3 Compliance With Regulations of Public Bodies. The Corporation shall perform such acts and do such things as shall be lawfully required in the Corporation Property by any public body having jurisdiction over the Corporation Property, including Recreation Areas in order to comply with sanitary requirements, fire hazard requirements, zoning requirements, setback requirements, drainage requirements and other similar requirements designed to protect the public. The cost of the foregoing shall be an Operating Expense.

13.4 Lawful Use of Land. The Corporation covenants and agrees that the Corporation will conform to and observe all ordinances, rules, laws and regulations of the Town of Indian River Shores, Florida, the County, the State of Florida, and the United States of America, and all public authorities and boards of officers relating to the Corporation Property and improvements upon the same, including Recreation Areas, or use thereof, and will not during such time permit the same to be used for any illegal or immoral purpose, business or occupation.

13.5 Amendment and Modification. The process of amending or modifying this Master Declaration shall be completed as follows:

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13.5.1. Prior to the Transfer Date. Until the Transfer Date, all amendments or modifications shall only be made by Developer without the requirement of the consent of the Corporation or Owners; provided, however, that the Corporation shall, forthwith upon request of Developer, join in any such amendments or modifications and execute such instruments to evidence its joinder and consent.

13.5.2. After the Transfer Date. After the Transfer Date, this Master Declaration may be amended by the approval of three-quarters (3/4) of the Members provided there are at least twenty-eight (28) Members. If, however, there are fewer than twenty-eight (28) Members, *Developer shall be entitled to one (1) vote for each Dwelling Unit owned by Developer and one (1) vote for each undeveloped Dwelling Unit in the Total Property. Notwithstanding the foregoing, for so long as Developer owns or is under contract to purchase a Dwelling Unit or a portion of the Total Property, no Amendments to this Master Declaration shall be passed in this manner without Developer's written consent.

13.5.3. Scrivener's Error. Notwithstanding anything to the contrary herein contained, Developer reserves the right to amend this Master Declaration and any exhibits thereto so as to correct any scrivener's or other errors or omissions not affecting the rights of Owners, lienors, or mortgagees. Such amendment needs to be executed and acknowledged only by Developer; no approval is required from the Corporation, Owners, lienors, or mortgagees, whether or not elsewhere required for such an amendment. The right to correct scrivener's errors and/or other errors or omissions established hereunder shall pass to the Board after the Transfer Date.

13.5.4. No Impairment or Prejudice. Notwithstanding anything to the contrary herein contained, no amendment to this Master Declaration which shall impair or prejudice the rights or priorities of Developer, the Corporation, or any Institutional Mortgagee under this Master Declaration or any other Community Document shall be effective without the specific written approval of the respective Developer, the Corporation, or such Institutional Mortgagee(s) affected thereby. In addition, for as long as Developer owns or is under contract to purchase any Dwelling Units or Uncommitted Property in the Community, no amendment shall be passed that will grant the Corporation or any Association, the right to approve or in any manner screen tenants or lessees of any Owner without the specific written approval of Developer.

13.5.5. Amendments Required by Secondary Mortgage Market Institutions. Notwithstanding anything contained herein to the contrary, Developer may, without the consent of Owners, file any amendment which is required by an Institutional Mortgagee for the purpose of satisfying its Planned Unit Development criteria or such criteria as may be established by such mortgagee's secondary mortgage-market purchasers, including, without limitation, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; provided, however, that any such Developer-filed amendments must be in accordance with any applicable rules, regulations and other requirements promulgated by the United States Department of Housing and Urban Development.

13.6 Subordination. Developer and the Corporation agree that their respective interests in this Master Declaration shall be subordinated to: (i) the lien and encumbrance of any existing mortgages; (ii) additional or subsequent mortgages obtained by Developer for the purpose of the financing the construction of improvements to take place in whole or in part upon the Community; and (iii) any replacement mortgages. While the provisions of this Section are self-operative, the Developer and the Corporation nevertheless agree to execute such instruments as may be necessary to evidence the subordination of each of their interests to such mortgages.

13.7 Severability. Invalidation of any one (1) of these covenants or restrictions or of any of the terms and conditions herein contained, or the reduction in time by reason of any rule of law known as the "rule against perpetuities" shall in no way affect any other provision which shall remain in full force and effect for such period of time as may be permitted by law. In the event any court should hereafter determine any provisions as originally drafted herein to be in violation of the rule of law known as the "rule against perpetuities" or any other rule of law because of the duration of the period involved, the period specified in this Master Declaration shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rule of law, and for such purpose, "measuring lives" shall be those of the incorporators of the Corporation.

13.8 Delegation. The Corporation, pursuant to a resolution duly adopted by the Board, shall have the continuing authority to delegate all or any portion of the Corporation's responsibilities for maintenance, operation and administration, as provided herein, to any managing agency or entity selected by the Board from time to time, whether or not related to Developer.

13.9 Rights of Mortgagees

13.9.1. Rights to Notice. The Corporation shall make available for inspection upon request, during normal business hours or under reasonable circumstances, the Community Documents and the books, records and financial statements of the Corporation to Owners and the holders, insurers or guarantors of any first mortgages encumbering Dwelling Units. In addition, evidence of insurance shall be issued to each Owner and mortgagee holding a mortgage encumbering a Dwelling Unit upon written request to the Corporation.

13.9.2. Rights of Listed Mortgagee. Upon written request to the Corporation, identifying the name and address of the holder, insurer, guarantor (such holder, insurer or guarantor is herein referred to as a "Listed Mortgagee") of a mortgage encumbering a Dwelling Unit and the Legal description of such Dwelling Unit, the Corporation shall provide such Listed Mortgagee with timely written notice of the following: (i) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Corporation; or (ii) any failure by an Owner owning a Dwelling Unit encumbered by a mortgage held, insured or guaranteed by such Listed Mortgagee to perform his obligations under the Community Documents, including but not limited to any delinquency in the payment of Assessments or any other charge owed to the Corporation by said Owner where such failure or delinquency has continued for a period of sixty (60) days.

13.9.3. Right of Listed Mortgagee to Receive Financial Statement. Any Listed Mortgagee shall, upon written request made to the Corporation, be entitled to financial statements of the Corporation for the prior fiscal year free of charge and the same shall be furnished within a reasonable time following such request.

13.10 Owner Approval of Corporation Action. Notwithstanding anything contained herein to the contrary, the Corporation shall be required to obtain the approval of: (i) the Owners of three-fourths (3/4) of all Dwelling Units (at a duly called meeting called by the Members on behalf of the Corporation at which a quorum is present); and (ii) Developer, for so long as Developer owns or is under contract to purchase a Dwelling Unit or a portion of the Total Property (unless Developer is an adverse party in the lawsuit), prior to the payment of or contracting for legal or other fees to persons or entities engaged by the Corporation for the purpose of suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit

other than for the following purposes: (a) the collection of Assessments; (b) the collection of other charges which Owners are obligated to pay pursuant to the Community Documents; (c) the enforcement of the use and occupancy restrictions contained in the Community Documents; (d) the enforcement of the restrictions on the sale and other transfer of Dwelling Units contained in the Community Documents; (e) in an emergency when waiting to obtain the approval of the Owners creates a substantial risk of irreparable injury to the Corporation Property or to Owner(s) (the imminent expiration of a statute of limitations shall not be deemed an emergency obviating the need for the requisite vote of three-fourths (3/4) of the Owners); or (f) filing a compulsory counterclaim. Notwithstanding other provisions in this Master Declaration, Section 13.10 shall not be amended except by the affirmative vote of a majority of the entire Board of Directors and seventy-five percent (75%) of the voting interests of the Members and Developer, for so long as Developer owns or is under contract to purchase a Dwelling Unit or a portion of the Total Property.

13.11 Developer Approval of Corporation Actions. If Developer owns or is under contract to purchase a Dwelling Unit or Uncommitted Property, none of the following actions may be taken without approval in writing by Developer: (i) assessment of Developer as an Owner for capital improvements; and (ii) any action by the Corporation that would be detrimental to the sales of Dwelling Units by Developer. The determination as to what actions would be detrimental to sales shall be made in the sole discretion of Developer; provided, however, that an increase in assessments for Operating Expenses without discrimination against Developer shall not be deemed to be detrimental to the sales of Dwelling Units.

13.12 Security. The Corporation may, but shall not be obligated to, maintain or support certain activities within the Committed Property designed to make the Committed Property safer than it otherwise might be. Developer shall not in any way or manner be held liable or responsible for any violation of this Master Declaration by any person other than Developer. In addition, NEITHER DEVELOPER NOR THE CORPORATION MAKES ANY REPRESENTATIONS WHATSOEVER AS TO THE SECURITY OF THE PREMISES OR THE EFFECTIVENESS OF ANY MONITORING SYSTEM OR SECURITY SERVICE. ALL OWNERS AGREE TO HOLD DEVELOPER AND THE CORPORATION HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE CORPORATION, DEVELOPER, NOR ANY SUCCESSOR DEVELOPER SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE COMMITTED PROPERTY. NEITHER THE CORPORATION, DEVELOPER, NOR ANY SUCCESSOR DEVELOPER SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY. ALL OWNERS AND OCCUPANTS OF ANY DWELLING UNIT, AND TENANTS, GUESTS AND INVITEES OF AN OWNER, ACKNOWLEDGE THAT THE CORPORATION AND ITS BOARD, DEVELOPER, OR ANY SUCCESSOR DEVELOPER DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM, IF ANY, DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DEVELOPER OR THE CORPORATION MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH EACH SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY DWELLING UNIT AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, ACKNOWLEDGES AND UNDERSTANDS THAT THE CORPORATION, ITS BOARD, DEVELOPER, OR ANY SUCCESSOR DEVELOPER ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY DWELLING UNIT AND EACH TENANT, GUEST AND INVITEE OF AN OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO

PERSONS, TO DWELLING UNITS AND TO CONTENTS OF DWELLING UNITS AND FURTHER ACKNOWLEDGES THAT THE CORPORATION, ITS BOARD, DEVELOPER, OR ANY SUCCESSOR DEVELOPER HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER OR OCCUPANT OF ANY DWELLING UNIT, OR ANY TENANT, GUEST OR INVITEE OF AN OWNER RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED, IF ANY, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE COMMITTED PROPERTY, IF ANY.

13.13 Notices. Any notice or other communication required or permitted to be given or delivered hereunder shall be deemed properly given and delivered upon the mailing thereof by United States mail, postage prepaid, to: (i) any Owner, at the address of the person whose name appears as the Owner on the records of the Corporation at the time of such mailing and, in the absence of any specific address, at the address of the Dwelling Unit owned by such Owner; (ii) the Corporation, certified mail, return receipt requested, at 8200 North A-1-A, Vero Beach, Florida 32963, or such other address as the Corporation shall hereinafter notify Developer and Owners of in writing; and (iii) Developer, certified mail, return receipt requested, at 8200 North A-1-A, Vero Beach, Florida 32963, or such other address or addresses as Developer shall hereinafter notify the Corporation of in writing, any such notice to the Corporation of a change in Developer's address being deemed notice to Owners. Upon request of an Owner, the Corporation shall furnish to such Owner the then current address for Developer as reflected by the Corporation records.

13.14 Enforcement. Each Community Condominium, non-condominium community, Dwelling Unit, and all Owners shall be governed by and shall comply with the applicable Community Documents. The covenants and restrictions herein contained may be enforced by Developer, the Corporation, any Association, any Owner or any Institutional Mortgagee holding a mortgage on any portion of the Committed Property in any judicial proceeding 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. The Corporation shall have the right to enter any premises in the Community to remove and abate any violation. The failure by any party to enforce any such covenant, restriction or provision herein contained shall in no event be deemed a waiver of such covenant, restriction or provision or of the right of such party to thereafter enforce such covenant, restriction or provision. The prevailing party in any such litigation shall be entitled to its Legal Fees. The failure of the Board to object to Owners or other parties failure to comply with covenants or restrictions contained herein or in any other of the Community Documents now or hereafter promulgated shall in no event be deemed to be a waiver by the Board or of any other party having an interest herein of its rights to obtain to same and to seek compliance therewith in accordance with the provisions of the Community Documents.

13.15 Captions, Headings and Titles. Section captions, headings and titles inserted throughout this Master Declaration are intended as a matter of convenience only and in no way shall such captions, headings or titles define, limit or in any way affect the subject matter or any of the terms and provisions set forth thereunder or the terms and provisions of this Master Declaration.

13.16 Context. Whenever the context so requires or admits, any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof, and the singular form of any nouns and pronouns herein may be deemed to mean the corresponding

plural form thereof and vice versa. Whenever reference is made to this Master Declaration, any Condominium Declaration, any Community Declaration, Articles, Bylaws and Corporation Rules, Articles and Bylaws of an Association or any other document pertaining to the Community, such reference shall include any and all amendments and supplements thereto.

13.17 Disputes as to Use. In the event there is any dispute as to whether the use of the Committed Property or any portion thereof complies with the covenants, restrictions, easements or other provisions contained in this Master Declaration, such dispute shall be referred to the Board, and a determination rendered by the Board with respect to such dispute shall be final and binding on all parties concerned therewith. Notwithstanding anything to the contrary herein contained, any use by Developer of the Community or any parts thereof in accordance with Section 2.2.4.1. hereof shall be deemed a use which complies with this Master Declaration and shall not be subject to a contrary determination by the Board.

13.18 Assignment of Developer's Rights. Developer shall have the right to assign, in whole or in part, any rights granted to Developer under this Master Declaration.

13.19 Developer as Sole Beneficiary of Community Documents. Notwithstanding any provision or language in the Community Documents to the contrary, the legal counsel of Developer prepared the Community Documents solely for the benefit of the Developer and the terms, covenants and conditions established by the Community Documents were intended to benefit Developer only. None of the provisions or language contained in the Community Documents was intended for the benefit of any party other than Developer. Accordingly, no third party may claim that such party was an intended, third-party beneficiary of the services of Developer's legal counsel.

IN WITNESS WHEREOF, this Master Declaration has been signed by Developer and the Corporation on the respective dates set forth below.

WITNESSES:

SEA COLONY DEVELOPMENT
COMPANY, a Florida corporation

Barbara J. Buhr
Print Name: BARBARA J. BUHR

Richard D. Pierce
Print Name: RICHARD D. PIERCE

By: M. Mason Simpson, Pres
R. MASON SIMPSON
Its President

Address: 8200 North A-1-A
Vero Beach, Florida 32963

Dated: April 9, 2001

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SEA COLONY AT VERO BEACH
COMMUNITY ASSOCIATION, INC., a
Florida corporation not for profit

Barbara J. Buhr
Print Name: BARBARA J. BUHR

Richard A. Percil
Print Name: RICHARD A. PERCIL

By: R. Mason Simpson
R. MASON SIMPSON
Its President

Address: 8200 North A-1-A
Vero Beach, Florida 32963

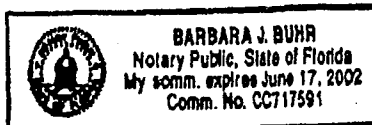
Dated: April 9, 2001

(SEAL)

STATE OF FLORIDA)
)
COUNTY OF INDIAN RIVER) SS:

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by R. MASON SIMPSON, the President of Sea Colony Development Company, a Florida corporation, freely and voluntarily under authority duly vested in him by said corporation and that the seal affixed thereto is the true corporate seal of said corporation. He is personally known to me personally known as identification and who DID NOT take an oath.

WITNESS my hand and official seal in the County and State last aforesaid this 9th day of April, 2001.



Barbara J. Buhr
Notary Public, State of Florida
Print name: BARBARA J. BUHR
Commission No.: CC 717 591
My Commission Expires:
June 17, 2002

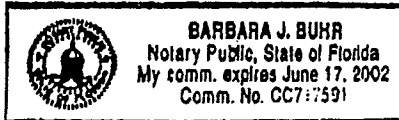
OR 1393PG0210

STATE OF FLORIDA)
)
COUNTY OF INDIAN RIVER)

SS:

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by R. MASON SIMPSON, the President of Sea Colony at Vero Beach Community Association, Inc., a Florida not-for-profit corporation, freely and voluntarily under authority duly vested in him by said corporation and that the seal affixed thereto is the true corporate seal of said corporation. He is personally known to me or personally known as identification and who DID NOT take an oath.

WITNESS my hand and official seal in the County and State last aforesaid this 9th day of April, 2001.



Barbara J. Buhr
Notary Public, State of Florida
Print name: Barbara J. Buhr
Commission No.: CC717591
My Commission Expires: June 17, 2002

OR 1393PG0211

**JOINDER OF MORTGAGEE TO DECLARATION
OF COVENANTS AND RESTRICTIONS
FOR
SEA COLONY AT VERO BEACH COMMUNITY**

BeachCo, LLC, a Florida limited liability company, the owner and holder of a mortgage encumbering the land described in Exhibit "A" attached to the Declaration of Covenants and Restrictions for the Sea Colony at Vero Beach Community, according to the Declaration thereof to which this Joinder is attached, hereby consents to and joins in the Declaration. The undersigned also agrees that the lien of its mortgage on the land described on Exhibit "A" attached to the Declaration, shall encumber all of the Dwelling Units and other land within the Sea Colony at Vero Beach Community, according to the Declaration thereof, together with all of the appurtenances, including but not limited to any Common Elements appurtenant to the Condominium Parcels so encumbered and to the undivided shares of the Common Elements, and shall be subordinate to the terms and conditions of the Declaration.

EXECUTED this 5th day of April, 2001.

WITNESSES:

BeachCo, LLC, a Florida limited liability company

Philippe Teck
Name: Philippe Teck
[legibly printed name of witness]

By: *R. Mason Simpson*
R. MASON SIMPSON
Its: Managing Member

Theresa L. Krister
Name: Theresa L. Krister
[legibly printed name of witness]

Current Address:

7777 North A-1-A
Vero Beach, FL 32963

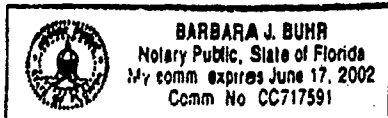
STATE OF FLORIDA)
): ss
COUNTY OF INDIAN RIVER)

I HEREBY CERTIFY that on this 5th day of April, 2001, before me personally appeared R. MASON SIMPSON, as Managing Member of BeachCo, LLC., a Florida limited liability company, who is personally known to me or who has produced a _____ as identification and who did not take an oath.

WITNESS my signature and official seal at Indian River Shores, in the County of Indian River, State of Florida, the day and year last aforesaid.

(SEAL)

Barbara J. Buhr
Print Name: Barbara J. Buhr
Notary Public, State of Florida
My Commission Expires:



OR 1393PG0213

**DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS
FOR
SEA COLONY AT VERO BEACH COMMUNITY**

TABLE OF EXHIBITS

- EXHIBIT "A" - Legal Description of Total Property
- EXHIBIT "B" - Legal Description of Initial Committed Property and Site Plans
- EXHIBIT "C" - Articles of Incorporation of the Corporation
- EXHIBIT "D" - Bylaws of the Corporation

OR 1393PG0214

**BOUNDARY SURVEY OF SEA COLONY AT VERO BEACH
TOTAL PROPERTY OF THE SEA COLONY
AT VERO BEACH COMMUNITY**

Report of Survey:

* TYPE OF SURVEY: BOUNDARY

* THIS SURVEY PERFORMED BY:

HOUSTON & PRICE, INC. L.B. #6905
9436 U.S. HIGHWAY 1
SEBASTIAN, FLORIDA
32958

* PROFESSIONAL SURVEYOR & MAPPER IN RESPONSIBLE CHARGE:

STUART A. HOUSTON, P.L.S. #4490

* THE EXPECTED USE OF THE LAND, AS CLASSIFIED IN THE MINIMUM TECHNICAL STANDARDS (61G17-6, FAC) IS URBAN/HIGH RISK. THE MINIMUM RELATIVE ACCURACY FOR THIS TYPE OF BOUNDARY SURVEY IS 1 FOOT IN 10,000. THE MEASUREMENT AND CALCULATION OF A CLOSED GEOMETRIC FIGURE WAS FOUND TO BE IN EXCESS OF THIS ACCURACY REQUIREMENT.

* ELEVATIONS AND DIMENSIONS SHOWN HEREON ARE MEASURED IN FEET AND DECIMAL PARTS THEREOF.

* THE LAST DATE OF FIELD WORK WAS: 10/03/00

* THE BEARING BASE FOR THIS SURVEY IS: S24°47'29"E, ASSUMED ALONG THE C. OF STATE ROAD A-1-A.

* THIS SURVEY DOES NOT CERTIFY TO THE EXISTENCE OR LOCATION OF ANY UNDERGROUND IMPROVEMENTS, UTILITIES, FOUNDATIONS, OR ENCROACHMENTS EXCEPT AS SHOWN.

* NO INSTRUMENTS OF RECORD REGARDING EASEMENTS, RIGHT-OF-WAYS, OR OWNERSHIP WERE SUPPLIED TO THIS SURVEYOR, EXCEPT AS SHOWN.

* NO TITLE OPINION OR GUARANTEE IS EXPRESSED OR IMPLIED.

* UNLESS A COMPARISON IS SHOWN, PLAT VALUES AND MEASURED VALUES ARE THE SAME.

* LEGAL DESCRIPTION IS AS PROVIDED BY THE CLIENT.

* THE PARCEL OF LAND SHOWN HEREON APPEARS TO BE IN FLOOD ZONES 'X' & 'VE' PER FLOOD INSURANCE RATE MAP #12061C0091, DATED MAY 4th., 1989

* THE ELEVATION OF MEAN HIGH WATER (1.97) SHOWN HEREON IS BASED ON THE NATIONAL GEODETIC VERTICAL DATUM (NGVD) OF 1929. THE BENCHMARK IS D.N.R. MASSIVE MONUMENT 88-78-A15. ELEVATION = 11.171

Legend & Abbreviations:

PLS - PROFESSIONAL LAND SURVEYOR
PSM - PROFESSIONAL SURVEYOR & MAPPER
LB - LAND SURVEYING BUSINESS
C - CENTERLINE
R - RADIUS
L - LENGTH
Δ - DELTA ANGLE
● - PERMANENT CONTROL POINT (PCP)
○ - PERMANENT REFERENCE MONUMENT (PRM)
● - IRON PIPE (IP)
● - IRON ROD & CAP (IRC)
□ - CONCRETE MONUMENT (CM)
FD - FOUND
CCCL - COASTAL CONSTRUCTION CONTROL LINE
MHWL - MEAN HIGH WATER LINE

Legal Description:

SEA COLONY AT VERO BEACH SUBDIVISION,
AS SHOWN ON THE PLAT THEREOF,
RECORDED IN PLAT BOOK 16, PAGE 20,
OF THE PUBLIC RECORDS OF INDIAN
COUNTY, FLORIDA.

HOUSTON & PRICE, INC.
Professional Land Surveying-Certificate No. LB6905
9436 U.S. Highway 1
Sebastian, Florida 32958-8395
Tel (888)388-8603 Fax (888)388-8604

PROJECT #99-III CD
MASTER DECLARATION
EXHIBIT 'A'
SHEET 1 10/14/00
REVISED 3/19/01
MDAI(R)

OR 1393PG0215

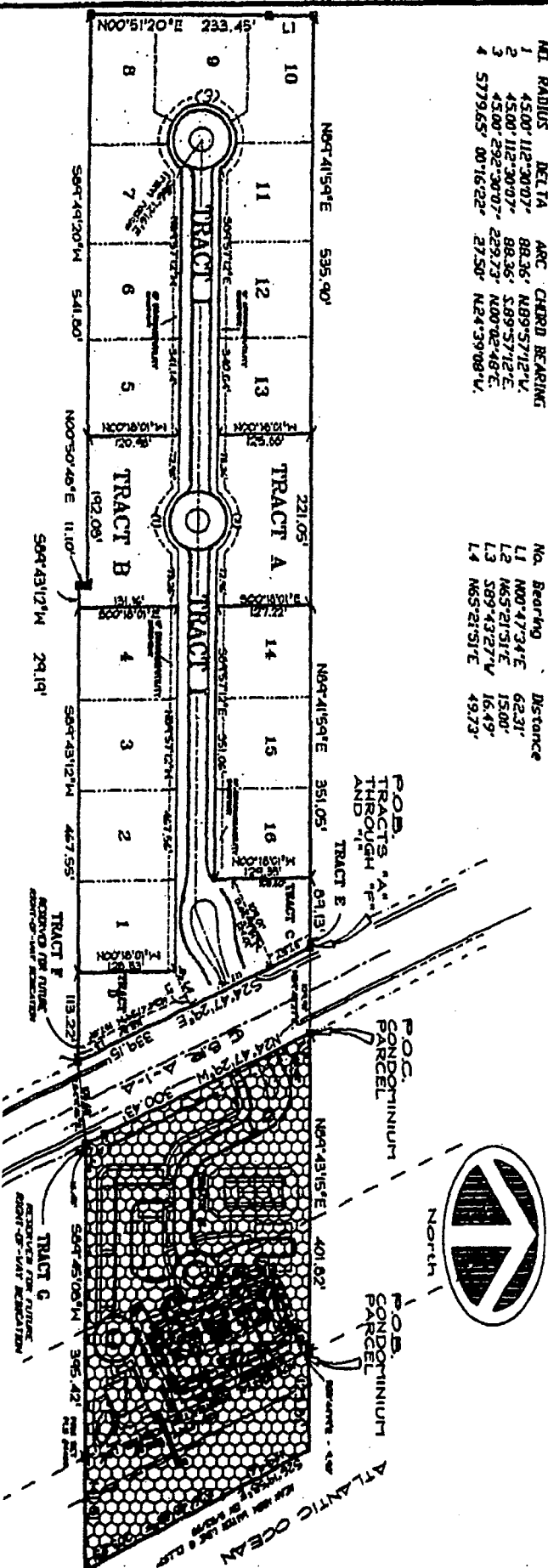
TOTAL PROPERTY OF THE SEA COLONY AT VERO BEACH COMMUNITY COMMITTED PROPERTY

	DELTA	ARC	CHORD	BEARING
1	45.00° 112.30' 07"	88.36°	N89°57'12"E	
2	45.00° 112.30' 07"	88.36°	S89°57'12"E	
3	45.00° 29° 30' 07"	229.73°	N00°02'48"E	
4	5779.65' 00'16.22"	27.50°	N42°43'08"E	

	DELTA	ARC	CHORD	BEARING
1	45.00° 112.30' 07"	88.36°	N89°57'12"E	
2	45.00° 112.30' 07"	88.36°	S89°57'12"E	
3	45.00° 29° 30' 07"	229.73°	N00°02'48"E	
4	5779.65' 00'16.22"	27.50°	N42°43'08"E	

No.	Bearing	Distance
L1	N00°47'34"E	62.31'
L2	N65°21'51"E	15.00'
L3	S89°43'27"W	16.49'
L4	N65°21'51"E	49.73'

No.	Bearing	Distance
L1	N00°47'34"E	62.31'
L2	N65°21'51"E	15.00'
L3	S89°43'27"W	16.49'
L4	N65°21'51"E	49.73'



1 inch = 200 ft.

1 inch = 200 ft.

HOUSTON & PRICE, INC.

Professional Land Surveying-Certificate No. LB86905
9436 U.S. Highway 1
Sebastian, Florida 32958-6395
Tel. (361)388-8603 Fax (361)388-8604

☐ SEA COLONY AT VERO BEACH
COMMITTED PROPERTY

☒ SEA COLONY AT VERO BEACH
UNCOMMITTED PROPERTY

☐ SEA COLONY AT VERO BEACH
A CONDOMINIUM

PROJECT #99-111 CD

MASTER DECLARATION

EXHIBIT 'B' SHEET 1

REVISED 4/04/01

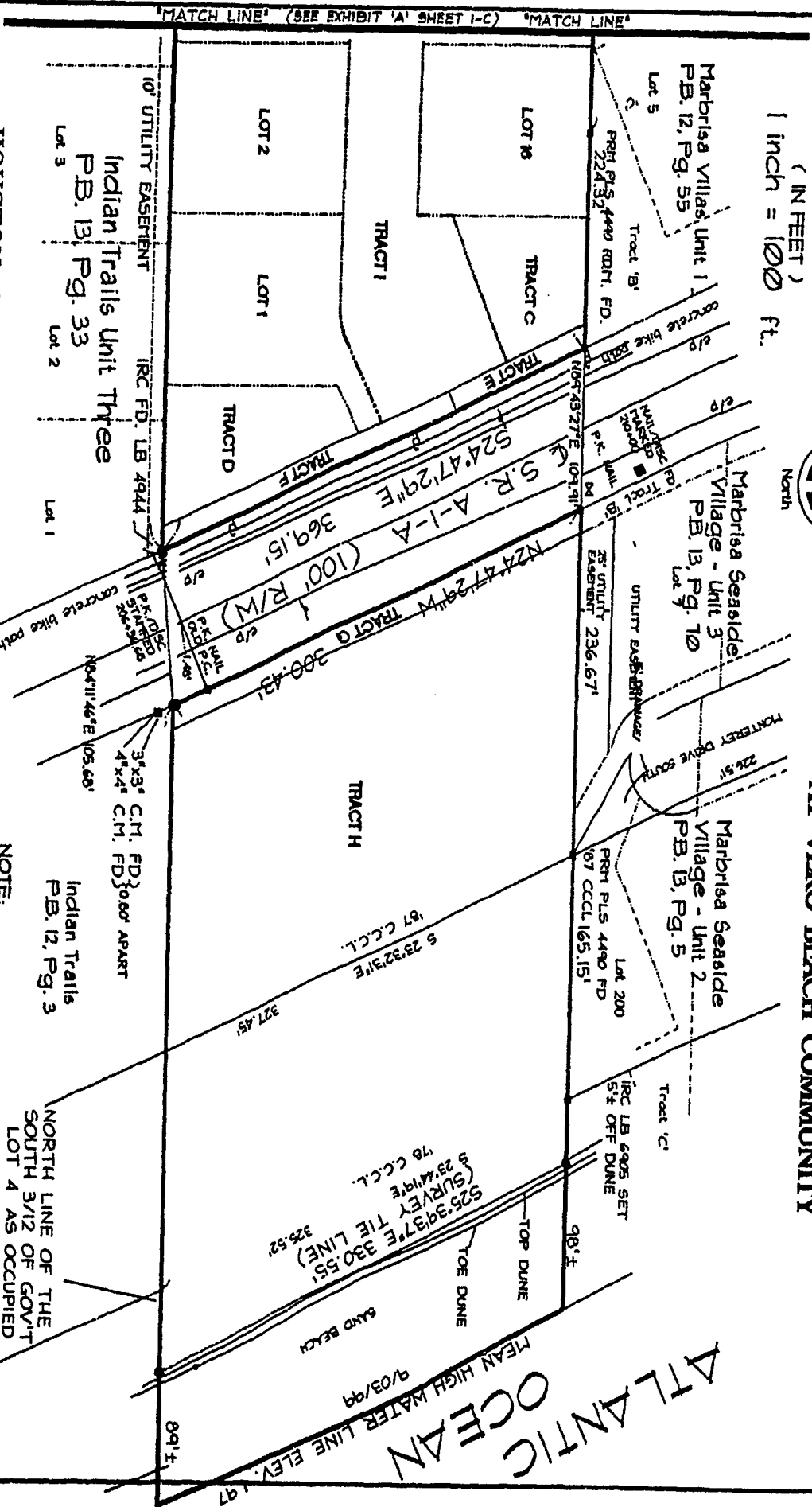
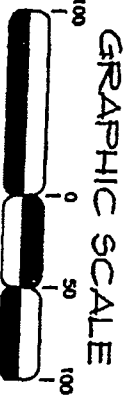
(MDBIR)

Legend & Abbreviations:	
PO	POSTOPERATIVE LUNG SURGERY
PE	PERITONEAL EFFUSION
LB	LEFT BRONCHOPULMONARY BLOOD VESSEL
C	CONTINUOUS
E	EXPOSURE
A	ANTERIOR
4	DELT 75 ANGLE
1	PERMANENT CONTRAST (POST) (PO)
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10/15/00

OR 1393PG0217

BOUNDARY SURVEY OF SEA COLONY AT VERO BEACH TOTAL PROPERTY OF THE SEA COLONY AT VERO BEACH COMMUNITY



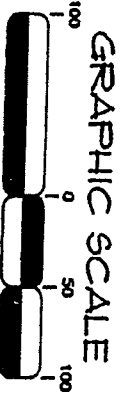
HOUSTON & PRICE, INC.
Professional Land Surveying - Certificate No. 128805
9436 U.S. Highway 1
Sebastian, Florida 32958-6395
Tel. (888)386-8803 Fax (888)386-8804

MASTER DECLARATION
EXHIBIT 'A'
SHEET 1-B
REVISED
10/14/00
4/04/01

NOTE:
SEE EXHIBIT 'A' SHEET 1 FOR REPORT OF SURVEY, LEGEND,
LEGAL DESCRIPTION AND ADDITIONAL NOTES.
(MDAIBR)

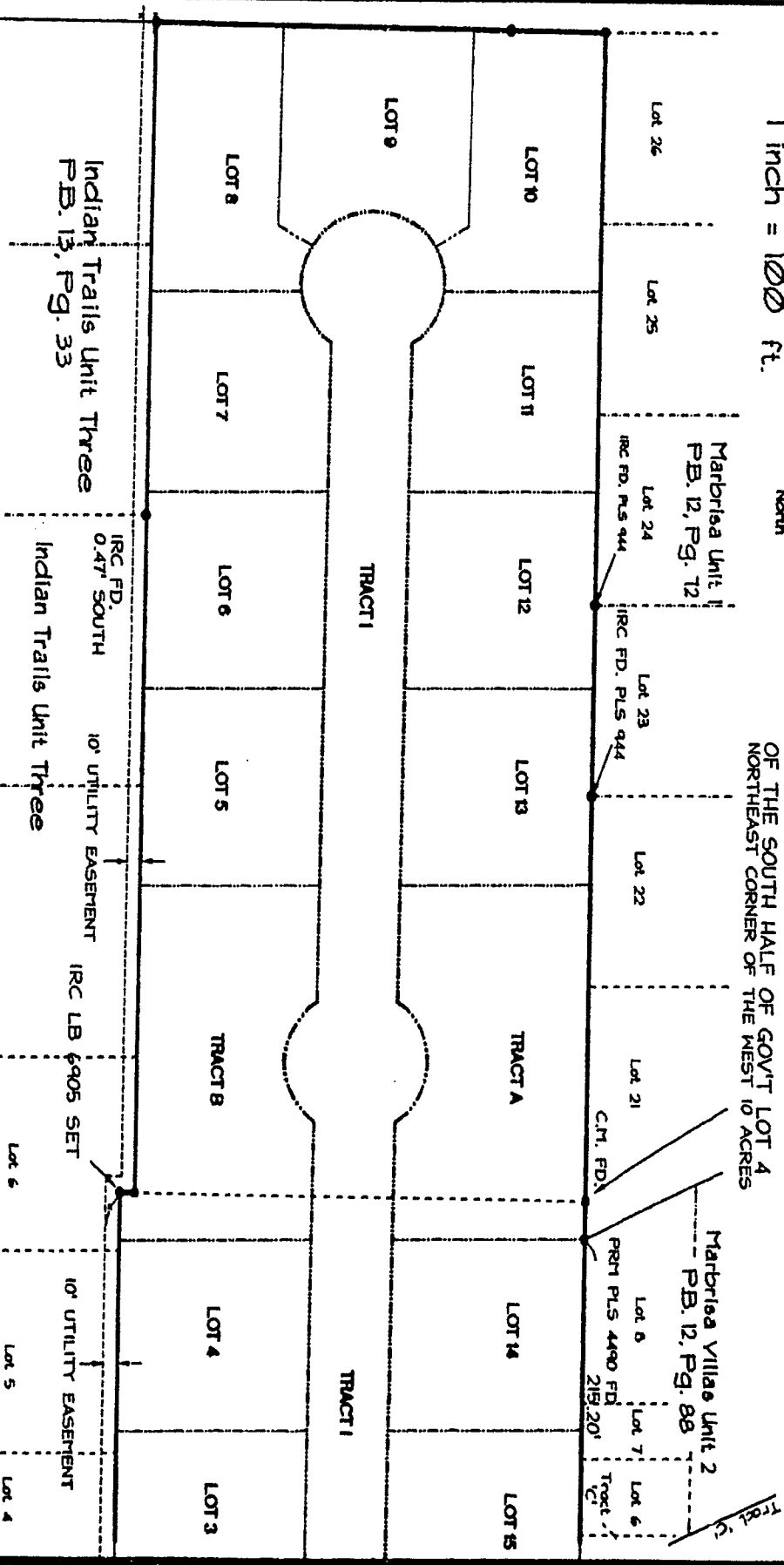
PROJECT #99-III

OR 1393PG0218



**BOUNDARY SURVEY OF SEA COLONY AT VERO BEACH
TOTAL PROPERTY OF THE SEA COLONY
AT VERO BEACH COMMUNITY**

OF THE SOUTH HALF OF GOV'T LOT 4
NORTHEAST CORNER OF THE WEST 10 ACRES



Indian Trails Unit Three
P.B. 13, Pg. 33

P.B. 13, Pg. 33

NOTE:
SEE EXHIBIT 'A' SHEET 1 FOR REPORT OF SURVEY, LEGEND,
LEGAL DESCRIPTION AND ADDITIONAL NOTES.

HOUSTON & PRICE, INC.
Professional Land Surveying-Certificate No. 128905
9436 U.S. Highway 1
Sebastian, Florida 32958-6395
Tel (888)388-8603 Fax (888)388-8604

MASTER DECLARATION
EXHIBIT 'A'
SHEET 1-C
REVISED 10/14/00
4/04/01

(MDAICR)

PROJECT #99-III CD

"MATCH LINE" (SEE EXHIBIT 'A' SHEET 1-B) "MATCH LINE"

**ARTICLES OF INCORPORATION
OF
SEA COLONY AT VERO BEACH COMMUNITY ASSOCIATION, INC.
(A Florida Corporation Not For Profit)**

In order to form a corporation not for profit under and in accordance with the provisions of Chapter 617 of the Florida Statutes, the undersigned hereby incorporates the corporation not for profit for the purposes and with the powers hereinafter set forth and, to that end, the undersigned, by these Articles of Incorporation, certifies as follows:

**ARTICLE I
DEFINITIONS**

The terms contained in these "Articles" with initial capital letters not herein defined have the meaning defined in the Declaration of Protective Covenants and Restrictions for Sea Colony at Vero Beach Community to be recorded amongst the Public Records along with these Articles.

The following words and phrases when used in these Articles of Incorporation (unless the context clearly reflects another meaning) shall have the following meanings:

- A. "Director" means a member of the Board.

**ARTICLE II
NAME**

The name of this Corporation shall be Sea Colony at Vero Beach Community Association, Inc., a Florida not-for-profit corporation, whose present address is 8200 North A-1-A, Vero Beach, Florida 32963.

**ARTICLE III
PURPOSES**

The purpose for which the Corporation is organized is to take title to, operate, and maintain the Corporation Property in accordance with the terms, provisions, and conditions contained in the Master Declaration and to carry out the covenants and to enforce the provisions relative to the Corporation as set forth in the Community Documents and to operate, lease, trade, sell and otherwise deal with the personal and real property of the Corporation.

**ARTICLE IV
POWERS**

The powers of the Corporation shall include and be governed by the following provisions:

- A. The Corporation shall have all of the common law and statutory powers of a corporation not for profit, which are not in conflict with the terms of the Community Documents.

- B. The Corporation shall have all of the powers to be granted to the Corporation in the Master Declaration.

C. The Corporation shall have all of the powers reasonably necessary to implement the Corporation's purposes, including, but not limited to, the following:

1. To do any acts required or contemplated by the Corporation under the Master Declaration or any other of the Community Documents;
2. To make, establish and enforce reasonable rules and regulations governing the Community or any portions thereof including, without limitation, the Corporation Property;
3. To make, levy and collect assessments for the purpose of obtaining funds for the payment of Operating Expenses in the manner provided in the Master Declaration, and to use and expend the proceeds of such assessments in the exercise of the Corporation's powers and duties hereunder;
4. To administer, manage and operate the Community in accordance with the Sea Colony at Vero Beach Community Documents and to maintain, repair, replace, and operate the Corporation Property in accordance with the Community Documents;
5. To enforce by legal means the obligations of the membership of the Corporation and the provisions of the Community Documents;
6. To employ personnel, retain independent contractors and professional personnel;
7. To enter into service and management contracts to provide for the maintenance, operation, management, and administration of the Corporation Property;
8. To enter into any other agreements consistent with the purposes of the Corporation, including, but not limited to, agreements for: (i) the installation, maintenance, and operation of a master television antenna and cable television system, if any; (ii) the installation, maintenance and operation of the security and communications systems, if any; (iii) pest control services; and (iv) street lighting;
9. To enter into the Master Declaration and any amendments, supplements, and modifications thereto and instruments referred to therein as well as any Community Declaration and Condominium Declaration that may be created;
10. To deal with other corporations and the Associations or representatives thereof on matters of mutual interest; and
11. To provide, to the extent deemed necessary by the Board, any and all services and do any and all things which are incidental to or in furtherance of things listed above or to carry out the Corporation mandate to keep and maintain the Community in a proper and aesthetically-pleasing condition and to provide the Owners with services, amenities, controls, and enforcement which will enhance the quality of life in the Community.

**ARTICLE V
MEMBERS**

The qualification of Members, the manner of their admission to membership, the termination of such membership and voting by Members shall be as follows:

A. Until such time as the first deed of conveyance of a Dwelling Unit from Developer to an Owner is recorded amongst the Public Records, the membership of the Corporation shall be comprised solely of Developer.

B. After conveyance of the first Dwelling Unit, the membership of the Corporation shall be comprised of "Members" (as hereinafter set forth).

C. The manner of their admission to membership, the manner of the termination of such Membership, and the manner of voting by Members shall be as follows:

1. Once any Dwelling Unit has been conveyed to an Owner other than Developer, the Owners, which include Developer, shall be entitled to exercise all of the rights and privileges of Members. Membership in the Corporation, other than by Developer, shall be established by the acquisition of ownership of fee title to a Dwelling Unit as evidenced by the recording of a deed or other instrument of conveyance amongst the Public Records whereupon the membership of the prior Owner shall terminate as to that Dwelling Unit. Where title to a Dwelling Unit is acquired from a party other than Developer, the person, persons, corporation, or other legal entity thereby acquiring such Dwelling Unit shall not be a Member unless and until such acquisition is in compliance with the provisions of the applicable Declaration. New Members shall deliver to the Corporation a certified copy of the deed of conveyance, letter of approval, or other instrument of acquisition of title to the Dwelling Unit.

2. No Member may assign, hypothecate or transfer in any manner his membership or his share in the funds and assets of the Corporation except as an appurtenance to his Dwelling Unit.

3. With respect to voting, the following provisions shall apply:

i. Each Member, other than Developer, shall be entitled to only one (1) vote, which vote shall be exercised and cast in accordance with the Master Declaration. In the event there is more than one (1) Owner with respect to a Dwelling Unit as a result of the fee interest in such Dwelling Unit being held by more than one (1) person or entity, such Owners collectively shall be entitled to only one (1) vote.

ii. Developer shall be entitled to votes as follow:

a. Before the Transfer Date, Developer shall have the number of votes equal to the number of Dwelling Units Developer owns, plus the number of proposed Dwelling Units on Uncommitted Property Developer owns or is under contract to purchase, plus the number of votes necessary to maintain seventy-five percent (75%) of all votes of Members.

b. After the Transfer Date, Developer shall have the number of votes equal to the number of Dwelling Units Developer owns, plus the number of proposed Dwelling Units on Uncommitted Property Developer owns or is under contract to purchase.

iii. In matters that require a vote, matters shall be voted on by the Members and shall be determined by a vote of the majority of the Membership in attendance at any meeting having a quorum, unless otherwise required by law or by the Community Documents. A quorum of the Members shall consist of thirty percent (30%) of the number of Members entitled to cast a vote.

iv. The membership shall be entitled to elect the Board as provided in Article IX of these Articles.

D. Developer shall be a Member of the Corporation so long as Developer owns a Dwelling Unit or any portion of the Community.

E. Each and every Member shall be entitled to the benefits of membership, and shall be bound to abide by the provisions of the Community Documents. All decisions of the Corporation shall be made by the Board as hereinafter provided.

ARTICLE VI TERM

The term for which the Corporation is to exist shall be perpetual. In the event of dissolution of the Corporation (unless same is reinstated), other than incident to a merger or consolidation, all of the assets of the Corporation shall be conveyed to a similar homeowners' association or a public agency having a similar purpose, or any Member may petition the applicable Circuit Court of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Corporation and its properties in the place and stead of the dissolved Corporation and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Corporation and its properties.

ARTICLE VII OFFICERS

A. The affairs of the Corporation shall be managed by the President of the Corporation, assisted by the Secretary and the Treasurer, and, if any, by one (1) or more Vice President(s), one (1) or more Assistant Secretary(ies) and one (1) or more Assistant Treasurer(s), subject to the directions of the Board.

B. The Board shall elect the President, Secretary, and Treasurer, and as many Vice Presidents, Assistant Secretaries, and Assistant Treasurers as the Board shall, from time to time, determine. The President shall be elected from amongst the Directors, but no other officer need be a Director. The same person may hold two (2) offices, the duties of which are not incompatible; provided, however, the offices of President and a Vice President shall not be held by the same person, nor shall the offices of President and Secretary or President and Assistant Secretary be held by the same person.

DR1393PG0222

ARTICLE VIII
FIRST OFFICERS

The names of the officers who are to serve until the first election of officers by the Board are as follows:

President	R. Mason Simpson
Secretary	Robert F. Nagel
Treasurer	R. Mason Simpson

ARTICLE IX
BOARD OF DIRECTORS

A. There shall be three (3) members on the first Board ("First Board") who are to serve until the "Transfer Date" as described herein. The number of members of the Board subsequent to the First Board shall be as provided in Paragraph C of this Article. Except for Developer-appointed Directors, Directors must be selected from amongst the Members or the spouses, parents or children of such Members.

B. The names and street addresses of the persons who are to serve as the First Board are as follows:

<u>NAME</u>	<u>ADDRESS</u>
R. Mason Simpson	8200 North A-1-A, Vero Beach, Florida 32963
Robert F. Nagel	8200 North A-1-A, Vero Beach, Florida 32963
Barbara Buhr	8200 North A-1-A, Vero Beach, Florida 32963

Developer reserves the right to remove members of the First Board and to appoint replacements in the event a vacancy is created on the First Board.

C. The First Board shall be the Board of the Corporation until the Transfer Date. Upon the Transfer Date, Developer shall cause all but one of the members of the First Board to resign, whereupon the Members shall select two (2) Directors. So long as Developer continues to hold for sale in the ordinary course of business at least five percent (5%) of the proposed Dwelling Units of the Total Property within the Sea Colony at Vero Beach Community, Developer shall be entitled (but not required) to appoint at least one (1) Director. The Board so selected pursuant to this Paragraph C (including the one (1) Director selected by Developer, if any) shall serve until the next annual meeting of the Board as set forth in the Bylaws of the Corporation whereupon a new Board shall be selected in the manner provided herein and as set forth in the Bylaws of the Corporation. Vacancies on the Board shall be filled in accordance with the Bylaws.

D. The "Transfer Date" shall be the sooner to occur of the following:

1. Three (3) months after the conveyance by Developer of ninety percent (90%) of the Dwelling Units planned to be contained in the Sea Colony at Vero Beach Community; or

2. When Developer elects to turn over control of the Board to the Members.

E. The Board shall control the operation of the Corporation and shall possess all of the powers of the Corporation. All decisions of the Board, except the amendment of these Articles, shall be by a majority vote of the Directors present at a meeting of the Board at which a quorum is present and each Director shall be entitled to one (1) vote.

ARTICLE X INDEMNIFICATION

Every Director and every officer of the Corporation (and the Directors and/or officers as a group) (hereinafter individually as "Indemnitee" and collectively as "Indemnitees") shall be indemnified by the Corporation against all costs, expenses and liabilities, including Legal Fees reasonably incurred by or imposed upon by Indemnitees in connection with any proceeding, litigation or settlement in which Indemnitees may be a party, or in which Indemnitees may be involved, by reason of Indemnitees being or having been a Director and/or officer of the Corporation, whether or not Indemnitee is a Director and/or officer at the time such cost, expense or liability is incurred, except in such cases wherein the Indemnitee is adjudged to have engaged in willful misfeasance or malfeasance in the performance of Indemnitee's duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of any and all rights to which such Indemnitee may be entitled by common or statutory law.

ARTICLE XI BYLAWS

The Bylaws of the Corporation shall be adopted by the First Board and thereafter may be altered, amended or rescinded as set forth herein. In the event of any conflict between the provisions of these Articles and the provisions of the Bylaws, the provisions of these Articles shall control.

ARTICLE XII AMENDMENTS

A. Prior to the conveyance by Developer of a Dwelling Unit to an Owner, these Articles may be amended only by a written instrument signed by Developer and filed in the Office of the Secretary of State of the State of Florida.

B. After the conveyance by Developer of a Dwelling Unit to an Owner, these Articles may be amended in the following manners:

1. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting of the Board at which such proposed amendment is considered and the Board must approve such proposed amendment by a vote of two-thirds (2/3) of all Directors; or

2. By all of the Directors signing an instrument amending these Articles and filing such instrument in the office of the Secretary of State of the State of Florida.

C. No amendment may be made to the Articles which shall in any manner reduce, amend, affect or modify the provisions and obligations set forth in the Master Declaration or any amendments or supplements thereto. For so long as Developer owns or is under contract to purchase a Dwelling Unit or a portion of the Total Property, the Articles shall not be amended without the consent of Developer.

D. A copy of each amendment shall be certified by the Secretary of State of the State of Florida and recorded in the Public Records.

E. Notwithstanding the foregoing provisions of this Article XII, there shall be no amendment to these Articles which shall abridge, amend or alter the rights of: (i) Developer, including the right to designate and select members of the Board as provided in Article IX hereof, without the prior written consent thereto by Developer; or (ii) any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee.

ARTICLE XIII
REGISTERED OFFICE AND REGISTERED AGENT & INCORPORATOR

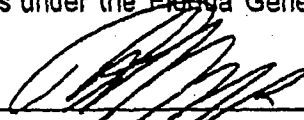
The street address of the Corporation is 8200 North A-1-A, Vero Beach, Florida 32963 and the Incorporator shall be R. Mason Simpson, and the street address for the initial registered agent for the Corporation is 1061 East Indiantown Road, Suite 400, Jupiter, Florida 33477 and the initial registered agent shall be Philippe C. Jeck.

IN WITNESS WHEREOF, the Incorporator has hereunto affixed his signature, this
17th day of January, 2001.



R. Mason Simpson

The undersigned hereby accepts the designation of Registered Agent as set forth in Article XIII of these Articles of Incorporation, and acknowledges that he is familiar with, and accepts the obligations imposed upon registered agents under the Florida General Corporate Act.



Philippe C. Jeck

Dated: 1/12/01