

Prepared by and Return to: mm
Philippe C. Jeck, Esq.
Jeck, Harris & Jones, LLP
Reynolds Plaza, Suite 400
1061 East Indiantown Road
Jupiter, Florida 33477

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

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

THIS DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR SEA COLONY AT VERO BEACH COMMUNITY ("Master Declaration") is made this 9th day of April, 2001, by Sea Colony Development Company, a Florida corporation, its successors and assigns ("Developer"), whose principal place of business is 8200 North A-1-A, Vero Beach, Florida 32963, and joined in by Sea Colony at Vero Beach Community Association, Inc., a Florida Corporation not for profit ("Corporation"), whose principal place of business is 8200 North A-1-A, Vero Beach, Florida 32963.

WHEREAS, Developer is the owner in fee simple of the real property described on Exhibit "A" attached hereto and made a part hereof ("Total Property") located in the Town of Indian River Shores, Florida, and intends to develop all or portions thereof, once committed to land use hereunder, as part of the planned Community (defined below) to be known as "Sea Colony at Vero Beach Community"; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities of the Community as are hereby or as may be hereafter established and to impose upon the Properties (defined herein) mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the Properties, and establish a flexible and reasonable procedure for the overall development, administration, maintenance, and preservation of the Properties; and

WHEREAS, Developer desires to provide a method whereby portions of the Total Property may become "Committed Property" subject to the provisions of this Master Declaration upon the recording of a "Supplement" (as such terms are defined below); and

WHEREAS, the execution and recordation of this Master Declaration shall not be construed to require Developer to subject any portions of the Total Property other than the Committed Property to specific land use covenants under this Master Declaration or any other recorded instrument; and

WHEREAS, Developer also desires at this time to provide that the Committed Property shall become committed to the provisions of this Master Declaration; and

WHEREAS, Developer intends to develop the Total Property with condominiums and non-condominium single-family homes and lots and therefore the Community is NOT A CONDOMINIUM, the Master Declaration is not a declaration of condominium, and the Corporation is not a condominium association under Florida Statutes Chapter 718, but is a homeowners' association under Florida Statutes Chapter 720; and

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WHEREAS, Developer has deemed it desirable for the efficient preservation of the values and amenities established to create a corporation known as Sea Colony at Vero Beach Community Association, Inc., a Florida corporation not for profit, which corporation has joined in the execution of this Master Declaration and to which there have been and will be delegated and assigned: (i) certain powers and duties of ownership, operation, administration, maintenance and repair of portions of the Committed Property, including but not limited to the "Corporation Property" (defined below); (ii) the enforcement of the covenants and restrictions contained herein; and (iii) the collection and disbursement of the "Operating Expenses" (defined below);

NOW, THEREFORE, in consideration of the premises and covenants herein contained, Developer hereby declares that such portions of the Total Property, as herein provided, which become Committed Property shall be owned, held, used, transferred, sold, conveyed, demised and occupied subject to the covenants, restrictions, easements, reservations, regulations, burdens and liens hereinafter set forth, which shall run with the Committed Property and be binding on all parties having any right, title, or interest in the Committed Property or any portion thereof, and their heirs, successors and assigns.

1. DEFINITIONS

The following words and phrases used in this Master Declaration (unless the context should clearly reflect another meaning) shall have the following meanings:

1.1 "Amendment(s)" means any and all amendments to this Master Declaration, all of which shall be consecutively numbered beginning with the "First Amendment to the Declaration of Protective Covenants and Restrictions for Sea Colony at Vero Beach Community" and each of which shall be properly adopted pursuant to the terms of the Sea Colony at Vero Beach Community Documents and recorded in the Public Records; provided, however, the failure to so consecutively number such amendments shall not impair their validity hereunder and such amendments to the extent not otherwise numbered will be deemed to have been numbered in chronological order of their appearance in the Public Records.

1.2 "Articles" mean the Corporation's Articles of Incorporation, which are attached as Exhibit "C".

1.3 "Assessments" mean the assessment for which Owners are obligated to the Corporation and include:

1.3.1. "Annual Assessments" levied by the Corporation for payment of Operating Expenses, as more particularly described in Section 6.1 hereof;

1.3.2. "Special Assessments" levied by the Corporation for such purposes as are described in Section 6.2 hereof; and

1.3.3. "Neighborhood Assessments" levied by the Corporation for the benefit of Dwelling Units within a specific Neighborhood, and to maintain properties within a specific Neighborhood.

1.4 "Association" means a Florida corporation not for profit responsible for operating one (1) or more condominium or non-condominium sub-communities, including a Neighborhood

Association and the Sea Colony at Vero Beach Condominium Association, Inc., which may be created in the Community, but specifically not including the Corporation as defined below.

1.5 "Board" means the Board of Directors of the Corporation.

1.6 "Building Area" means that portion of the Committed Property which is the subject of a Condominium Declaration, the entire area of single-family lots, and any other area of land in the Committed Property not Corporation Property.

1.7 "Bylaws" means the Corporation's Bylaws, which are attached as Exhibit "D".

1.8 "Committed Property" means the portions of Total Property which are committed to the provisions of this Master Declaration, which are legally described and attached as Exhibit "B", and those portions of Total Property, if any, which may hereafter become Committed Property pursuant to the recordation of one (1) or more Supplements.

1.9 "Community" means the planned residential development known as Sea Colony at Vero Beach which may be developed in stages by Developer on the Committed Property, in accordance with the "Plan for Development" set forth in Section 2.1 hereof. The Community shall initially consist of the land set forth on Exhibit "B" attached hereto and made a part hereof and may be expanded by the recording of a Supplement committing additional land.

1.10 "Community-Wide Standard" means the standard of conduct, maintenance, or other activity generally prevailing throughout the Community. Such standard may be reasonably and more specifically determined by the Board.

1.11 "Community Declaration" means a document containing a declaration of covenants, restrictions and conditions, and any supplements or amendments thereto, and may include the Master Declaration as to the entire area of any lots on which Dwelling Units may be constructed which may be recorded amongst the Public Records and either executed by Developer or consented to by Developer by written instrument recorded amongst the Public Records with respect and applicable to a portion of the Community which is part of the Committed Property, which portion does not contain any condominium Dwelling Units.

1.12 "Community Documents" mean in the aggregate this Master Declaration, each Condominium Declaration, each Community Declaration, the Articles, Bylaws and the Corporation Rules (as defined below), the Articles of Incorporation, Bylaws and rules and regulations of all Associations, and all of the instruments and documents referred to therein and executed in connection with a Community condominium or non-condominium community within the Community.

1.13 "Condominium Declaration" means a declaration of condominium, and any amendments thereto, by which a condominium is submitted by Developer to the condominium form of ownership on the Committed Property.

1.14 "Corporate Easements" means any easement either established for the benefit of the Corporation or in which the Corporation has an interest, including, but not limited to 10-foot wide drainage easements along the rear of all single-family lots and any other easements or other areas now or in the future established by: (i) any applicable Plat; (ii) this Master Declaration, a Community Declaration, a Condominium Declaration, or any supplement or amendment thereto; (iii) governmental or quasi-governmental code, ordinance, or other

provision; (iv) specific agreement; or (v) specific grant. Corporate Easements shall be easements located in Building Areas or on other property not owned by the Corporation.

1.15 "Corporate Easement Improvements" means any landscaping, masonry walls, fences or other improvements or ground cover owned and/or maintained by the Corporation, located in, on or about a Corporate Easement.

1.16 "Corporation" means Sea Colony at Vero Beach Community Association, Inc., a Florida corporation not for profit, which is NOT a condominium association and is not intended to be governed by Chapter 718, the Condominium Act, Florida Statutes, but is governed by Chapter 720, Florida Statutes (the "Act").

1.17 "Corporation Property" means that portion of the Committed Property, as more particularly set forth on Exhibit "B", which is owned by the Corporation and those Corporate Easements and Corporate Easement Improvements established for the benefit of the Corporation or in which the Corporation has an interest.

1.18 "Corporation Rules" means those rules, terms, regulations, and requirements promulgated by the Board with respect to the use, operation, and enjoyment of the Corporation Property and any improvements located thereon, including without limitation the Recreation Areas. Corporation Rules shall include Use Terms (defined below).

1.19 "County" means Indian River County, Florida.

1.20 "Developer" means Sea Colony Development Company, a Florida corporation, its successors, grantees, and assigns. An Owner shall not, solely by the purchase of a Dwelling Unit, be deemed a successor or assign of Developer or of Developer's rights under the Community Documents unless such Owner is specifically so designated as a successor or assign of such rights in the instrument of conveyance or other instrument executed by Developer.

1.21 "Dwelling Unit" means: (i) a House Lot on which an abode for one (1) family is intended to be constructed; (ii) a residential condominium unit intended as an abode for one (1) family; (iii) a zero-lot-line single-family home; (iv) a detached single-family home; (v) a townhouse, attached home, villa or multi-story building; constructed on a portion of the Community which is Committed Property, whether such Dwelling Unit is owned in fee simple, condominium, cooperative, rental or other form of ownership or possession.

1.22 "House Lots" means those single-family lots within the Sea Colony at Vero Beach Community which are or, after the date of recording this Master Declaration, may be subject to this Master Declaration, whether or not a Dwelling Unit has been constructed on such House Lot.

1.23 "Institutional Mortgagee" means: (i) any lending institution having a first mortgage lien upon a Dwelling Unit, including, but not limited to, any of the following institutions or entities: (a) a federal or state savings and loan association or bank or a life insurance company, or bank or real estate investment trust, or a mortgage banking company or any subsidiary thereof, or a national banking association chartered under the laws of the United States of America; or (b) any pension or profit sharing funds qualified under the Internal Revenue Code; or (c) the Veterans Administration or the Federal Housing Administration or the Department of Urban Development or other lenders generally recognized in the community as an institutional lender; or (d) such other lenders as the Board shall hereafter designate as such

in writing which have acquired a mortgage upon a Dwelling Unit, or (e) any "Secondary Mortgage Market Institution" including Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and such other Secondary Mortgage Market Institution as the Board shall hereafter designate as such in writing which has acquired a mortgage upon a Dwelling Unit; or (ii) Developer, Developer's successors and assigns having a mortgage lien upon a Dwelling Unit. or (iii) any lender which has loaned money to Developer in order to enable Developer to acquire, or construct improvements upon, any portion of the Community and which holds a mortgage upon such portion of the Community as security for such loan.

1.24 "Interest" means the maximum nonusurious interest rate allowed by law on the subject debt or obligation and if no such rate be designated by law, then eighteen percent (18%) per annum.

1.25 "Legal Fees" mean: (i) reasonable fees for attorney and paralegal services incurred in negotiation and preparation for litigation, whether or not an action is actually begun, through and including all trial and appellate levels and post-judgment proceedings; and (ii) court costs through and including all trial and appellate levels and post-judgment proceedings.

1.26 "Master Declaration" means this document as the same may be supplemented and/or amended from time to time.

1.27 "Members" means all Owners who are members of the Corporation as provided in Section 4 hereof.

1.28 "Neighborhood" means each separately developed and denominated residential area comprised of one (1) or more housing types subject to this Master Declaration, whether or not governed by an Association other than the Corporation, in which owners of Dwelling Units in that area may have common interests other than those common to all Owners, such as a common theme, entry feature, development name, and common areas or facilities which are not available for use by all Owners. For example, and by way of illustration and not limitation, a single-family home development may constitute a separate Neighborhood. In addition, each property developed as a Neighborhood may be subject to division into more than one (1) Neighborhood upon development. Where the context allows, the term Neighborhood shall also refer to the Neighborhood Association (defined below) having jurisdiction over the property within the Neighborhood. Neighborhoods may be combined or divided as provided in this Master Declaration.

1.29 "Neighborhood Assessment" means Assessments for expenses provided for in this Master Declaration or by any Subsequent Amendment (defined below) which shall be used for the benefit of the Owners and occupants of the Dwelling Units against which the specific Neighborhood Assessment is levied, and to maintain the properties within a specific Neighborhood.

1.30 "Neighborhood Association" means the entity created for the benefit of Owners of Dwelling Units located within a specific Neighborhood. A Neighborhood Association includes the Sea Colony at Vero Beach Condominium Association, Inc., and may also include the Corporation.

1.31 "Neighborhood Committee" means the committee that is part of the Corporation that may be created for the benefit of Owners of Dwelling Units within a specific Neighborhood that does not have a Neighborhood Association.

1.32 "Operating Expenses" mean the expenses for which all Owners are liable to the Corporation as described in this Master Declaration and include, but are not limited to, those expenses incurred by the Corporation in administering, operating, reconstructing, maintaining, repairing, and replacing all portions of the Corporation Property, and any and all improvements thereon as well as all personal property for which the Corporation has such obligation to purchase and maintain as set forth in this Master Declaration, including the costs of administration of the Corporation; and those expenses similarly incurred by the Corporation in regard to the Recreation Area.

1.33 "Owner" means the owner or owners of fee simple title to a Dwelling Unit and includes Developer for so long as Developer is the owner of fee simple title to a Dwelling Unit. An Owner shall not mean nor refer to a holder of a mortgage or security deed, its successors or assigns, unless and until such holder has acquired title pursuant to foreclosure proceedings or by deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

1.34 "Plat" means the Plat of Sea Colony at Vero Beach Subdivision recorded in Plat Book 16, Pages 20 and 20A, of the Public Records or any other plat of the Committed Property or any portion thereof as may be amended or replatted.

1.35 "Public Records" means the Public Records of the County.

1.36 "Recreation Area(s)" means the portion or portions of the Community which may contain a beach club, fitness center, clubhouse, pool, tennis court, park, or other recreational amenities, if any, which, if constructed at Developer's sole and absolute discretion, shall be within the Corporation Property and used for recreational and social purposes.

1.37 "Recreation Members" means those persons living outside of the Community, if any, who, in accordance with the provisions of this Master Declaration, may be permitted to use certain Recreation Areas in accordance with Use Terms and in return for payment of a Use Fees. Recreation Members shall not be Owners or Members and shall not possess the rights, obligations, and responsibilities of Members. Any reference herein to "Recreation Members" shall only be applicable if said Use Terms and Use Fees are finally accepted by the Recreation Members. If the Use Terms and Use Fees are not finally accepted by the Recreation Members, then all references herein to "Recreation Members" shall be of no effect.

1.38 "Sea Colony at Vero Beach Condominium" means a particular condominium in the Community that is the subject of a particular Condominium Declaration.

1.39 "Site Plan" means the proposed site plan for the Community contained within Exhibit "B" hereto as may be amended.

1.40 "Supplement" means a document and the exhibits thereto, which, when recorded in the Public Records with respect to a portion of the Uncommitted Property, shall commit such property to the provisions of this Master Declaration, and shall be the only method of committing such property to the provisions of this Master Declaration. The Supplement can also add restrictions not set forth in the Master Declaration or, conversely, remove certain restrictions originally set forth in the Master Declaration.

1.41 "Surface Water or Stormwater Management System" means a system, if any, which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, and which incorporates methods to collect, convey, store,

absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges.

1.42 "Total Property" means the real property described on Exhibit "A" attached hereto.

1.43 "Transfer Date" means three (3) months after Developer relinquishes control of the Corporation, as more particularly described in the Articles.

1.44 "Uncommitted Property:" means the portions of the Total Property other than the Committed Property.

1.45 "Use Fees" mean those fees established by the Board and charged by the Corporation in accordance with the Corporation's Use Terms.

1.46 "Use Terms" mean those terms promulgated by the Board as part of the Corporation Rules which establish, without limitation, reasonable fees charged Recreation Members for the use of one (1) or more Recreation Areas, the rules and regulations applicable to Recreation Members and Owners, which may include different rights and obligations between Recreation Members and Owners, reasonable fees charged for the lease or use of Corporation facilities, hours and manner of operation of Corporation facilities, and requirements as to dress and decorum while using Corporate facilities.

1.47 "Voting Group" shall mean one (1) or more Neighborhoods whose Members vote together on all matters before the Board affecting only such Neighborhoods, excepting only the election of directors to the Board, as more particularly described in Section 4 hereof, or, if the context indicates, the group of Owners whose Dwelling Units comprise such Neighborhoods.

2. PLAN FOR DEVELOPMENT; LAND USE COVENANTS; CONVEYANCE OF THE CORPORATION PROPERTY

2.1 Plan for Development

2.1.1. Commitment of Property. Developer may cause portions of the Total Property to be developed as part of the residential community to be known as Sea Colony at Vero Beach Community. The building lines and dimensions shown on the Site Plan have been drawn for illustrative purposes only and are not to be relied upon for the actual uses, contents, development plans, dimensions and legal descriptions of each phase. The actual uses, contents, development plans, dimensions, and legal descriptions for each phase of the Community other than the property being committed herewith will be set forth and determined only by Developer upon the filing of a Supplement for such phase amongst the Public Records. The commitment to use of the land areas within the Community shall occur only upon the filing of a Supplement, as more particularly described below in Section 2.1.3.

2.1.2. Committed and Uncommitted Property

2.1.2.1. Committed Property. By this Master Declaration, Developer declares that the lands comprising the Committed Property, including the Building Areas and the Corporation Property therein, are hereby committed to the plan of development of the Community and shall be used in accordance with the provisions of this Master Declaration.

2.1.2.2. Uncommitted Property. Uncommitted Property, if any, includes those portions of the Total Property that are reserved for future development by Developer. As of the date hereof, the land that comprises the property exclusive of the Committed Property, as shown on the Site Plan, is Uncommitted Property reserved for future development.

2.1.2.3. Developer's Reservations of Rights. Notwithstanding the depiction on the Site Plan or any statement in this Master Declaration, Developer reserves the right not to incorporate all or any part of the Uncommitted Property, if any, as part of the Community and/or to make such use of all or any part of the Uncommitted Property as shall be permitted by the applicable zoning regulations of the County. Hence, notwithstanding anything to the contrary in this Master Declaration or in any of the Community Documents, only Committed Property shall be subject to the Community Documents. Developer reserves the right to alter the Site Plan as to the Uncommitted Property as shown thereon, if any, without specifically amending this Master Declaration. The manner in which Uncommitted Property shall become part of the Committed Property is described in Section 2.1.3. In addition, Developer reserves the right to add, but in no way shall be obligated to add, additional lands to the Total Property by an amendment to this Master Declaration describing the additional lands, signed by Developer alone and recorded in the Public Records. Upon recording an amendment in the Public Records adding additional lands, the additional lands described shall be deemed part of the Total Property and subject to the terms of this Master Declaration and under the control of the Corporation as herein provided.

2.1.3. Supplement. Developer may, from time to time, determine to commit all or any portion of Uncommitted Property to the land use provisions and other benefits, burdens, restrictions, covenants and provisions contained in this Master Declaration. Such determination shall be made in the sole discretion of Developer. Each commitment of a portion of Uncommitted Property to this Master Declaration shall be made by a recitation to that effect in a document to be known as a "Supplement" that shall serve as an amendment to this Master Declaration and shall include: (i) a legal description of the portion of the Uncommitted Property then becoming Committed Property; (ii) the land use; and (iii) Building Area and Corporate Property. Each Supplement shall be executed by Developer only (no joinder by the Corporation nor any Owner is required for the Supplement to be effective). Upon the recording of each Supplement in the Public Records, a portion of the Uncommitted Property in question shall thereupon be Committed Property as fully as though originally designated herein as Committed Property.

2.1.4. Withdrawal. Should Developer determine at any time that all or any part of Uncommitted Property should not become part of the Committed Property, Developer may issue a withdrawal statement to that effect (a "Withdrawal"), containing such property's legal description. Upon recording of a Withdrawal in the Public Records, the property described therein shall no longer be part of the Uncommitted Property and may be developed and/or used by Developer for any purpose consistent with the applicable zoning regulations. Each Withdrawal shall be executed by Developer only (no joinder by the Corporation or any Owner is required for the Withdrawal to be effective).

2.1.5. Uses of Committed Property. All portions of the Committed Property shall be subject to the use, limitations, restrictions and other provisions imposed thereon as may be set forth in this Master Declaration, a Community Declaration, a Condominium Declaration, a Supplement or a Plat. In addition to any other provisions thereof, provisions of this Master Declaration, a Supplement, a Community Declaration, a Condominium Declaration or a Plat may restrict certain portions of the Committed Property to specified uses, including but not

limited to property to be maintained as beautification areas, recreation areas in a natural state, easements or for parking and roadways.

2.2 Land Use Covenants. In consideration of the benefits contained herein and the payment of the various expenses referred to herein, Developer hereby declares and the Corporation agrees that portions of the Total Property, if and when committed to the plan of development of the Community in accordance with Section 2.1, shall be committed to land use as Building Area and Corporation Property, as follows:

2.2.1. Building Area. Portions of the Community depicted as "Building Area" on the Committed Property shall be for residential uses and Corporate Easements. The Building Area shall be subject to the land use covenants impressed upon the Building Area as contained in a Condominium Declaration, a Community Declaration, a Supplement or a Plat. Each Building Area shall be reflected on a survey attached as an exhibit to the applicable Condominium Declaration or Community Declaration. Each Building Area may include House Lots and/or the real property upon which a proposed condominium building containing Dwelling Units is to be constructed and, if applicable, certain surrounding real property which comprise a portion of the "Common Elements" (as defined in a Condominium Declaration), "Common Areas" (as defined in a Community Declaration), or property of that particular Association and may include Corporate Easements.

2.2.2. Corporation Property. The portions of the Corporation Property described in this Section 2.2.2. shall be maintained, administered and ultimately owned by the Corporation and, with regard to Corporate Easements and Corporate Easement Improvements, the Corporation shall have a vested interest in and the right to use and administer said Corporate Easements and Corporate Easement Improvements. The Corporation Property shall be used in accordance with the covenants impressed upon the Corporation Property as follows:

2.2.2.1. Parking Areas. The parking areas are those portions of the Committed Property used for parking vehicles and include individually designated parking spaces ("Parking Spaces").

2.2.2.2. Roads. Those portions of the Committed Property designated as roads are private roads for use by Developer, the Corporation, and Owners in the Community, their family members, guests, lessees and invitees in accordance with the provisions of the Master Declaration.

2.2.2.3. Landscaped Areas, Lakes, Ponds and Open Spaces. Those portions of the Committed Property used for landscaping, lakes, ponds, drainage and open spaces, whether located on Corporation Property or in Corporation Easements, shall be established for use by Developer and the Corporation in accordance with the provisions of this Master Declaration. Landscaped Areas, lakes, ponds, drainage and open spaces may also be used for drainage of and irrigation for the Total Property, whether Committed or Uncommitted Property.

2.2.2.4. Recreation Areas. Portions of the Community used for recreation purposes, which may include without limitation a beach club, fitness center, clubhouse, pool, tennis court area, or park, shall be part of the Corporation Property and shall be used for recreational purposes by the Developer, the Corporation and Owners and their family members, guests, invitees and lessees, and may be used by Recreation Members, except to the extent portions of the Recreation Areas are within a specific Neighborhood and maintained solely for the use of Owners within that Neighborhood. The portions, if any, of the Recreation Areas upon

which Developer has constructed, or hereinafter constructs improvements shall be kept and maintained for use in a manner consistent with the nature of such improvements located or to be located thereon. Notwithstanding the foregoing, any building located in the Recreation Areas may be utilized as Developer's construction and sales office, guest quarters, concierge apartment, and as a social and recreational center and meeting area and such proper ancillary uses, including a food and beverage facility, as may be determined by Developer until Developer no longer owns any Dwelling Units for sale or owns any Uncommitted Property. During such time, Developer may use, without rent or other charge, a room or rooms in any building in a Recreation Area as Developer's construction and sales office or Developer may make any other accommodations in such building or elsewhere in the Recreation Areas for Developer's construction and sales office and temporarily displace any other use intended. The Corporation and Associations shall be entitled to use a room or rooms in a building in a Recreation Area as office space for Corporation and Association business, respectively. Developer shall initially designate, in Developer's sole discretion, such room or rooms, and, after the Transfer Date, the Corporation may designate the room or rooms. Subject to the foregoing, all remaining portions of Recreation Areas shall always be kept and maintained by the Corporation, or by a specific Neighborhood Association, if the Recreation Area is within and solely for the use of a specific Neighborhood, for recreational uses or beautification and attendant uses and shall be used for such purposes and not for residential, commercial or industrial construction of any kind.

2.2.2.5. Street Lights. All streetlights that may be placed within the Corporation Property.

2.2.2.6. Masonry Walls and Fences. The masonry walls and fences that may be placed within the Corporation Property or located in Corporate Easements.

2.2.2.7. Entranceways. The entranceways on Corporation Property by which persons enter the Community and all improvements thereon including but not limited to a guardhouses, landscaping, signs, street lights, walkways, electric gates and telephone entrance systems.

2.2.2.8. Buffers. Any buffers that may be placed within the Corporation Property or within a Building Area (if established as Corporate Easements by applicable Plats or by dedication by the Developer or the Corporation in a recorded instrument).

2.2.2.9. Other. All other Committed Property not designated as Building Area, which may be for such use as Developer may direct for so long as Developer owns a Dwelling Unit.

2.2.3. Costs. Payment of all costs associated with operating and maintaining the Corporation Property, and if agreed upon by the Corporation, the Corporate Easements and the Corporate Easement Improvements, shall be the obligation of the Corporation.

2.2.4. Private Use. For the term of this Master Declaration, the Corporation Property is not for the use and enjoyment of the public, but is expressly reserved for the private use and enjoyment of Developer, the Corporation, Neighborhood Associations, Members, Owners, their family members, guests, invitees, and lessees, and may include Recreation Members in accordance with the Use Terms, but only in accordance with this Master Declaration.

2.2.4.1. Notwithstanding anything in this Master Declaration to the contrary, however, Developer hereby expressly reserves the right (i) to use the Corporation

Property and Building Area in connection with the construction, sale and marketing by Developer of Dwelling Units or the Uncommitted Property and other communities developed by Developer, including but not limited to the holding of construction, sales or marketing meetings, sales promotions and related activities, which use rights shall continue for so long as Developer owns any Dwelling Unit; and (ii) for so long as Developer has not fully developed the Total Property, at any time in Developer's sole discretion, to construct, demolish, alter, add, or remove the improvements on the Corporation Property and Building Areas Developer owns as Developer shall determine in the development of the Community and its amenities, including without limitation, lakes or other bodies of water, utilities, infrastructure, roads, walls, sidewalks, fences, landscaping, recreational amenities, etc.

2.2.4.2. The right is hereby reserved to the Corporation to lease, rent, or assign licenses to use all or such portions of the Corporation Property, including portions of Recreation Areas, or facilities now or hereafter constructed thereon ("Leased Property") as the Corporation shall from time to time determine to: (i) lessees ("Operators") who shall operate the Leased Property for the purposes herein established and as may be established in any applicable Supplement and the Community Documents; (ii) Members for their use; or (iii) Recreation Members, if Recreation Members finally agree to the Use Terms and Use Fees. Accordingly, individual rooms or other facilities contained in buildings now or hereafter constructed on any portion of the Corporation Property, the various facilities or improvements now or hereafter located on a portion of the Corporation Property may be reserved, rented, or licensed for the exclusive use of the party or parties reserving or renting same and their guests if the Corporation permits and then only on such terms and conditions as the Corporation deems appropriate as established by the Corporation Rules, except that only Members, and Recreation Members in accordance with the Use Terms, are eligible to reserve, rent, or obtain a license to use such Corporation Property. The Board shall determine the Use Terms by which such uses, leases, or licenses are made available to the Members and Recreation Members, the duration of such Use Terms, and conditions that are associated with the Use Terms. The Use Terms, however, may not unfairly or unreasonably favor Owners or Members over Recreation Members; this provision is not subject to any amendment which would alter the provision in such a way that Recreation Members could be subject to Use Terms which unfairly or unreasonably favor Owners or Members. The interest conveyed by the Use Terms shall not be transferable by a Member or Recreation Member and, upon the expiration of a term established in any Use Term, the interest conveyed shall revert to the Corporation.

2.2.4.3. The administration, management, operation, and maintenance of the Corporation Property shall be the responsibility of the Corporation and, if and to the extent applicable, any Operator, as provided herein and in the Community Documents. Maintenance of the Corporate Easements and the Corporate Easement Improvements may be completed by the Corporation, at the discretion of the Board.

2.2.4.4. The right to use the Corporation Property shall be subject to any such lease, rental, or license of any portion of the Corporation Property or facilities thereon as set forth herein and subject to the Corporation Rules.

2.2.5. Corporation Rules. The Board shall have the right to promulgate and impose the Corporation Rules and thereafter to modify, alter, amend, rescind and augment any of the same with respect to the use, operation, and enjoyment of the Corporation Property and any improvements located thereon (including but not limited to establishing Use Terms and Use Fees, subject to Section 2.2.4.2), and each Operator shall have the right to adopt rules with respect to the Leased Property leased to such Operator provided same have been approved in writing by the Board and Developer, as long as Developer owns Uncommitted Property or a

Dwelling Unit, and are not in violation of the lease in question. Such rules and the Corporation Rules and Use Terms shall in all respects be consistent with the use covenants set forth in this Master Declaration and with the architectural and beautification plan for the Community as may be established by Developer. The Board may modify, alter, amend, and rescind such Corporation Rules and Use Terms provided such modifications, alterations, amendments, and rescissions are consistent with the use covenants set forth herein and, for as long as Developer owns Uncommitted Property or a Dwelling Unit, such is consented to by Developer.

2.3 Conveyance of the Corporation Property. Developer agrees that Developer shall convey to the Corporation by quit-claim deed, and the Corporation is obligated to accept, fee simple title to the Corporation Property subject to: (i) the terms and provisions of this Master Declaration; (ii) all applicable Community Documents; (iii) real estate taxes for the year of such conveyance; (iv) all applicable zoning ordinances; (v) such facts as an accurate survey would show; and (vi) all covenants, easements, restrictions and reservations agreed to by Developer, of record or common to the Community. While Developer shall have the right to convey all or such portions of the Corporation Property as Developer shall from time to time determine, the conveyance of the Corporation Property shall be effectuated no later than the Transfer Date; provided, however, that those portions of the Community, if any, which become Corporation Property subsequent to the Transfer Date shall be conveyed by Developer within thirty (30) days after the property in question becomes Corporation Property.

3. EASEMENTS

3.1 Developer's Right to Grant Easements. Developer reserves the right for itself to reserve or grant such easements over, under, in and upon the Committed Property in favor of: (i) Developer; (ii) Developer's construction contractors or salespersons; (iii) the Corporation; (iv) Associations; (v) appropriate utility and other service corporations or companies; (vi) the respective designees, successors and assigns of (i) through (v) above; (vii) Owners, and their lessees and their family members, guests and invitees; (viii) Recreation Members; (ix) any of (i) through (vii) above with a relationship to the Uncommitted Property; (x) any Owners and their lessees and their family members, guests and invitees of dwelling units in Uncommitted Property; and (xi) any other third parties as Developer shall deem appropriate or useful in Developer's sole discretion, for the purposes of: (a) Developer's construction, marketing and sales of the Total Property; (b) ingress and egress for persons and vehicles; (c) providing power, electric, sewer, water and other utility services and lighting facilities, drainage, irrigation, television transmission and distribution facilities (including but not limited to the installation, maintenance, repair and replacement of a "master" television antenna), cable television facilities, telecommunications, security service and facilities in connection therewith, and access to publicly-dedicated streets, and the like; and (d) any other purpose as Developer shall deem appropriate or useful in Developer's sole discretion. For as long as Developer owns a Dwelling Unit or any of the Total Property, Developer (and, at Developer's request, the Corporation) shall execute, deliver and impose, from time to time, such easements and cross-easements for any of the foregoing purposes and at such location or locations as determined by Developer. No such easements shall be granted hereunder with respect to any portion of the Committed Property which shall create a right, nor shall any such easement holder have the right, to cause any buildings or other permanent facilities constructed within the Community in accordance with this Master Declaration and the other Community Documents to be altered or detrimentally affected by any construction or installation pursuant thereto or any of the facilities, equipment or parts thereof. No easement holder shall have the right to construct or install improvements or any parts thereof under any then-existing structures or buildings so built in accordance with the Community Documents. The foregoing shall not preclude Developer or Developer's successors or assigns or any other easement holder from making minor alterations to then-existing

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improvements other than building (such as, but not limited to, alterations or temporary removal of a fence or road or a portion thereof) provided that such improvements are repaired and/or restored as the case may be by Developer or Developer's successors or assigns or any other easement holder at their expense within a reasonable time thereafter.

3.2 Perpetual, Nonexclusive Easement to Public Ways

3.2.1. The walks, streets and other rights-of-way located upon the Corporation Property now or hereinafter located within the Community shall be, and the same are hereby declared to be, subject to a perpetual, non-exclusive easement for ingress and egress and access to, over and across the same to public ways, including dedicated streets, which easement is hereby created in favor of all Owners in the Community now or hereafter existing, for the use of Owners, and for the use of their family members, guests, invitees or lessees for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended. A perpetual, non-exclusive easement shall also exist in favor of Recreation Members to the extent required to allow the Recreation Members full access to and from the Recreation Area(s) the Recreation Members are entitled to use.

3.2.2. Notwithstanding anything to the contrary contained herein, the easements and assignments described and set forth in this Section 3.2 are intended, if, as and when submitted to condominium ownership as a portion of the condominium property of the Community Condominium, to comply with Section 718.104(4)(n) of the Act with regard to all such Community Condominiums.

3.3 Easements for Encroachments. All of the Committed Property shall be subject to easements for encroachments, which now or hereafter exist, caused by settlement or movement of any improvements upon the Corporation Property or improvements contiguous thereto or caused by inaccuracies in the building or rebuilding of such improvements or caused by changes in the building design or site plan provided such changes have been approved by the appropriate governmental authorities. Easements for such encroachments shall continue until such encroachments no longer exist.

3.4 Easements for Utilities and Services. For the purpose of performing their authorized services and investigations, ingress and egress over and across the Committed Property is hereby granted to: (i) police and other authorities of the law; (ii) United States mail carriers; (iii) fire protection agencies; (iv) representatives of public utilities, including but not limited to telephone, water and electricity and other utilities authorized by Developer; and (v) any other such persons as Developer, from time to time, may designate. The Committed Property shall be subject to such easements for utilities as may be required to serve properly and adequately the Committed Property as it exists from time to time. Said easements, whether heretofore or hereafter created, shall constitute covenants running with the Committed Property and, notwithstanding any other provision of this Master Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with such easement's proper and intended use and purpose and shall survive the termination of this Master Declaration. Notwithstanding anything herein to the contrary, the terms "utilities" and "service" as used in this Section 3.4 shall not include telecommunications nor include cable or master television services.

3.5 Wells, Drainage, Irrigation and Water Retention Easements. The Corporation Property is hereby declared to be subject to a perpetual, non-exclusive easement for the installation of wells ("Wells") for the removal of underground water for irrigation purposes, which easement is hereby created in favor of and for the benefit of the Corporation and the Sea

Colony at Vero Beach Condominium Association, Inc. Developer or the Corporation shall determine the location of the Wells. Certain bodies of water are or may be located on Corporation Property (collectively the "Ponds") as determined by Developer or the Corporation. The Ponds now or hereinafter located on Corporation Property shall be, and the same are hereby declared to be, subject to perpetual, non-exclusive easements for drainage, water retention, and irrigation in favor of and for the specific benefit of the Corporation and the Sea Colony at Vero Beach Condominium Association, Inc. In conjunction with this grant of easement for the Wells and Ponds, an additional perpetual, non-exclusive easement for underground water lines, pumps, pipes and other appurtenances and irrigation infrastructure related thereto is hereby declared and established in favor of the Corporation and the Sea Colony at Vero Beach Condominium Association, Inc., over the Corporation Property and any and all water retention, utility or drainage easements shown on the Plat or otherwise granted over any Committed Property by Developer as necessary to transport water for irrigation purposes from the Wells and Ponds to the property owned or common elements governed by the Corporation and the Sea Colony at Vero Beach Condominium Association, Inc.

3.6 Easements for Maintenance of Landscaping, Masonry Walls, Fences and Other Improvements. Easements are hereby granted over each Building Area adjacent to: (i) Corporate Easements; and (ii) any Building Areas containing landscaping, masonry walls, fences or other improvements or ground cover maintained by the Corporation not located in any easement, for the Corporation's benefit for the repair and maintenance by the Corporation of said landscaping, masonry walls, fences and other improvements and ground cover.

3.7 Beneficial Easements in Uncommitted Property. Developer, in Developer's sole discretion, may accept easements benefiting the Committed Property that are located on property owned by others pursuant to any terms, covenants, conditions or obligations reasonably acceptable to Developer. If pursuant to the terms of any such easement, the Corporation is required to maintain said easements, then said easements shall be deemed Corporate Easements.

3.8 Reservation of Rights of Developer. Each Owner by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance consents, agrees to and shall be bound by the exclusive rights, privileges, easements and rights-of-way reserved to and vested in Developer pursuant to the provisions of this Section 3 with all such rights, privileges, easements and rights-of-way being deemed reserved to Developer and excepted from any conveyance or dedication by Developer of any portion of the Committed Property. To the extent that the creation of any easements permitted to be created hereunder require the joinder of Owners by separate instruments, Developer, by Developer's duly authorized officers may, as agent or attorney-in-fact for Owners execute, acknowledge and deliver such instruments and Owners, by acceptance of deeds to their Dwelling Units, irrevocably nominate, constitute and appoint Developer, through Developer's duly authorized officers, as their proper and legal attorney-in-fact for such purpose. Said appointment is coupled with an interest and is therefore irrevocable. Any such instrument executed pursuant to this Section shall recite that it is made pursuant to this Section.

3.9 Rights of Corporation After the Transfer Date. After the Transfer Date, the rights set forth in this Section 3 granted to Developer shall automatically transfer to the Corporation.

4. THE CORPORATION

4.1 Function of Corporation. The Corporation shall be the entity responsible for management, maintenance, operation and control of the Corporation Property. The

Corporation shall be the primary entity responsible for the enforcement of this Master Declaration, such reasonable rules and regulations as the Board may adopt, and the Corporation Rules. The Corporation shall also be responsible for administering and enforcing the architectural standards and controls set forth in this Master Declaration. The Corporation shall perform its functions in accordance with this Master Declaration, the Bylaws, the Articles and Florida law.

4.2 Membership. Each Owner and Developer, for so long as Developer owns any Dwelling Units or Uncommitted Property, shall be a Member of the Corporation. An Owner, by acceptance of a deed or other instrument evidencing his ownership interest, whether or not stated herein, acknowledges the authority of the Corporation as stated in this Master Declaration as the same may be amended or supplemented from time to time, and agrees to abide by and be bound by the Community Documents' provisions. In addition, the family, relatives, guests, invitees and lessees of Owners (and lessees' family, relatives, guests, and invitees), shall, while in or on any part of the Committed Property, abide and be bound by the Community Documents' provisions. Members' rights regarding voting, corporate meetings, notices and other Corporation matters, other than as set forth in this Master Declaration, shall be as set forth in the Community Documents. An Owner shall be entitled to one (1) membership for each Dwelling Unit owned. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of this Master Declaration, the Articles and the Bylaws. The membership rights of a Dwelling Unit owned by a corporation, partnership or similar entity shall be exercised by the individual designated by the Owner in a written instrument provided to the Corporation's secretary.

4.3 Voting. Voting shall be in accordance with the Articles, Bylaws and this Master Declaration. Unless otherwise specified in this Master Declaration, the Articles or the Bylaws, the vote for each Member who is not Developer shall be exercised by the Voting Member representing the Neighborhood of which the Dwelling Unit is a part. In any situation where a Member is entitled personally to exercise the vote for his Dwelling Unit, but the Owner consists of more than one (1) person, the vote for such Dwelling Unit shall be exercised as those persons owning the Dwelling Unit shall determine among themselves and the Owner must designate the person who may exercise such vote to the Corporation's secretary prior to casting the vote. In the absence of such designation, the Dwelling Unit's vote shall be suspended if more than one (1) person seeks to exercise such vote. The voting rights of a Dwelling Unit owned by a corporation, partnership or similar entity shall be exercised by the individual designated by the Owner in a written instrument provided to the Corporation's secretary. Developer's specific voting rights are specified in the Articles, or elsewhere in the Community Documents.

4.4 Neighborhoods

4.4.1. Every Dwelling Unit shall be located within a Neighborhood. The Dwelling Units within a particular Neighborhood may be subject to additional covenants, and the Dwelling Unit Owners may be members of a Neighborhood Association in addition to the Corporation, but no such Neighborhood Association shall be required except in the case of a condominium, or as otherwise required by law. Any Neighborhood that does not have a Neighborhood Association may elect a Neighborhood Committee to represent the interests of Dwelling Unit Owners within such Neighborhood.

4.4.2. Each Neighborhood Association or Committee, upon the affirmative vote, written consent, or a combination thereof, of the majority of Owners within the Neighborhood, may request that the Corporation provide a higher level of service or special services for the

benefit of Dwelling Units in such Neighborhood, the cost of which shall be assessed against the benefited Dwelling Units as a Neighborhood Assessment.

4.4.3. Exhibit "B" to this Master Declaration, and each Supplement filed to subject additional property to this Master Declaration, may assign the property described therein to a specific Neighborhood by name, which Neighborhood may be then existing or newly created. The Developer may unilaterally amend this Master Declaration or any Supplement to redesignate Neighborhood boundaries; provided that two (2) or more Neighborhoods shall not be combined without the consent of Owners of a majority of the Dwelling Units in the affected Neighborhoods.

4.4.4. The Owner(s) of a majority of the total number of Dwelling Units within any Neighborhood may at any time petition the Board to divide the property comprising the Neighborhood into two (2) or more Neighborhoods. Such petition shall be in writing and shall include a survey of the entire parcel that indicates the boundaries of the proposed Neighborhood(s) or otherwise identifies the Dwelling Units to be included within the proposed Neighborhood(s). Such petition shall be granted upon the filing of all required documents with the Board unless the Board denies such application in writing within thirty (30) days of receipt. The Board may deny an application only upon determination that there is no reasonable basis for distinguishing between areas which are proposed to be divided into separate Neighborhoods. All applications and copies of any denials shall be filed with the Corporation's books and records and shall be maintained as long as this Master Declaration is in effect.

4.5 Voting Groups

4.5.1. The Developer may designate Voting Groups consisting of one (1) or more Neighborhoods for the purposes of electing directors to the Board, in order to promote representation of the Board for various groups having dissimilar interests and to avoid a situation in which the Members representing similar Neighborhoods, due to the number of Dwelling Units in such Neighborhoods, are able to elect the entire Board, excluding representation of others. Following the Transfer Date, the number of Voting Groups within the Properties shall not exceed the total number of directors to be elected by Members pursuant to the Bylaws. The Members representing the Neighborhoods within each Voting Group shall vote on a separate slate of candidates for election to the Board, with each Voting Group being entitled to elect the number of directors specified in the Bylaws.

4.5.2. The Developer may establish Voting Groups, if at all, not later than the Transfer Date by filing with the Corporation and in the Public Records of the County, a Subsequent Amendment upon the vote of a majority of the total number of directors. No consent or approval of any Owner shall be required except as stated in this Section. Until such time as Voting Groups are established, all Dwelling Units and properties on which Dwelling Units may be built within the Community shall constitute a single Voting Group. After a Subsequent Amendment establishing Voting Groups has been filed, any and all Dwelling Units and properties on which Dwelling Units may be built within the Community that are not assigned to a specific Voting Group shall constitute a single Voting Group.

4.6 Powers of the Corporation Relating to Neighborhoods

4.6.1. The Corporation shall have the power to veto any action taken or contemplated to be taken by any Neighborhood Association or Neighborhood Committee that the Board reasonably determines to be adverse to the interests of the Corporation or its Members, or inconsistent with the Community-Wide Standard. The Corporation also shall have

the power to require specific maintenance or repairs or aesthetic changes to be effectuated by a Neighborhood Association or Neighborhood Committee, and to require that a proposed budget include certain items and that specific expenditures be made.

4.6.2. Any action required by the Corporation in a written notice pursuant to the foregoing Section to be taken by a Neighborhood Association or Neighborhood Committee shall be taken within the reasonable time frame set by the Corporation in such written notice. If the Neighborhood Association or Neighborhood Committee fails to comply with the requirements set forth in such written notice, the Corporation shall have the right to effect such action on behalf of the Neighborhood Association or Neighborhood Committee.

4.6.3. To cover the Corporation's administrative expenses in connection with the foregoing and to discourage failure to comply with the Corporation's requirements, the Corporation shall assess the Dwelling Units in such Neighborhood for their pro rata share of any expenses incurred by the Corporation in taking such action in the manner provided above. Such Assessments may be collected as a Neighborhood Assessment or Special Assessment hereunder and shall be subject to all lien rights provided for herein.

4.7 Neighborhood's Responsibility

4.7.1. Where appropriate and upon Board resolution, a Neighborhood shall be responsible for paying, through Neighborhood Assessments, the costs of maintenance of certain Corporation Property within or adjacent to such Neighborhoods, which may include, without limitation, the costs of maintenance of any right-of-way, landscaped area, masonry wall, fence or other improvements or ground cover, between the Neighborhood and adjacent public roads, private streets within a Neighborhood, if any, and lakes within a Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Corporation.

4.7.2. In the event that a Neighborhood Association has the responsibility for maintenance of all or a portion of the property within such Neighborhood pursuant to a separate declaration of covenants, the Neighborhood Association shall perform such maintenance in a manner consistent with the Community-Wide Standard. If any Neighborhood Association fails to perform said Neighborhood Association's maintenance duties as required herein, the Corporation may perform such maintenance and assess the costs against all Dwelling Units within such Neighborhood Association as provided herein.

4.8 Board. The Corporation shall be governed by the Board who shall be appointed, designated or elected as set forth in the Articles and Bylaws.

4.9 Services. The Corporation may perform any of the following services:

4.9.1. Provide maintenance of Corporation Property and any other areas specifically designated either herein, or in a Supplement hereto, in a Condominium Declaration or amendment thereto (consented to in writing by Developer), or in a Community Declaration or amendment thereto (consented to in writing by Developer), or in a Plat, as the maintenance responsibility of the Corporation. The Corporation may, to the extent permitted by the appropriate governmental authority, also provide maintenance of all city, County, district or municipal properties including but not limited to publicly dedicated rights-of-way that are located within or in a reasonable proximity to the Committed Property to the extent that their deterioration would adversely affect the appearance of the Committed Property. Subject to Board approval, the Corporation shall adopt and may amend and/or supplement standards of

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maintenance and operation applicable to the Committed Property which is the maintenance responsibility of an entity or person other than the Corporation to assure that such maintenance responsibilities are carried forth in a manner so as to maintain the Community-Wide Standard.

4.9.2. Provide maintenance of any real property located within the Community upon which the Corporation has accepted, in a Supplement hereto, in a Plat or in another writing, an easement for said maintenance.

4.9.3. Provide cable television, alarm and security services, and insect and pest control to the Committed Property, including Building Areas and Dwelling Units, to the extent that it is necessary or desirable in the judgment of the Corporation.

4.9.4. Take any and all actions the Board deems necessary to enforce all covenants, conditions and restrictions affecting any part of the Committed Property and to perform any of the functions or services delegated to the Corporation in any Community Documents.

4.9.5. Conduct the Corporation's business, including but not limited to the hiring of professionals to provide services such as legal, accounting, financial and communication services and inform Owners of activities, meetings and other important events as the Board deems necessary or appropriate.

4.9.6. Purchase general liability and hazard insurance covering improvements and activities on the Corporation Property.

4.9.7. Publish and enforce, as the Corporation deems necessary, the Corporation Rules and Use Terms.

4.9.8. Provide and maintain lighting of roads and sidewalks throughout the Corporation Property.

4.9.9. Provide garbage and trash collection and disposal unless provided by a governmental entity. Owners shall be required to conform to Corporation Rules concerning such collection including manner and place of collection for each Dwelling Unit.

4.9.10. Construct, repair, and maintain improvements on the Corporation Property.

4.9.11. Enter into Community Declarations and Condominium Declarations to preserve or affirm possessory use interest in the Corporation Property.

4.9.12. Provide 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 Community-Wide Standard and to provide Owners with services, amenities, controls and enforcement which enhances the quality of life in the Community, to the extent the Board deems necessary.

4.9.13. Enter into a professional management contract for the Corporation Property's management and maintenance. The contract must include a right of termination clause that the Corporation can exercise at any time after the transfer of control of the Corporation. This right of termination must not require the payment of any penalty or an advance notice of more than ninety (90) days.

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4.9.14. Enter into lease, license, or use agreements for portions of the Corporation Property, in accordance with the Master Declaration, and take all related actions concerning such agreements.

4.10 Obligations of the Corporation

4.10.1. Functions and Services. The Corporation may carry out the functions and services as specified in this Section 4 to the extent such functions and services can be provided with the proceeds from Annual Assessments and Neighborhood Assessments and, if necessary, from Special Assessments. The functions and services referred to in this Section 4 to be carried out or offered by the Corporation at any particular time shall be determined by the Board taking into consideration the proceeds of Assessments and the needs of Owners and of the Community. The functions and services that the Corporation is authorized to carry out or to provide may be added to or reduced at any time upon the affirmative vote of a majority of the Board.

4.10.2. Conveyances. The Corporation is obligated to accept any and all conveyances by Developer of fee simple title, easements or leases to all or portions of the Corporation Property.

4.10.3. Delegation. The Corporation is empowered to delegate any of its functions or convey any of its property to any governmental entity as may be required or deemed necessary from time to time. The Corporation reserves the right to convey any real property or personal property to any Association. The Association must accept any such conveyance.

4.10.4. St. Johns River Water Management District

4.10.4.1. Duties of Corporation. The Corporation shall be responsible for the maintenance, operation and repair of the Surface Water or Stormwater Management System. Maintenance of the Surface Water or Stormwater Management System shall mean the exercise of practices which allow such system to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the St. Johns River Water Management District ("SJRWMD"). Any repair or reconstruction of the Surface Water or Stormwater Management System shall be as permitted or, if modified, as approved by the SJRWMD.

4.10.4.2. Covenant for Maintenance Assessments. Assessments shall also be used for the maintenance and repair of the Surface Water or Stormwater Management System including but not limited to work within retention areas, drainage structures and drainage easements.

4.10.4.3. Easement for Access and Drainage. The Corporation shall have a perpetual, non-exclusive easement over all areas of the Surface Water or Stormwater Management System for access to operate, maintain or repair the system. By this easement, the Corporation shall have the right to enter upon any portion of any parcel of land which is a part of the Surface Water or Stormwater Management System, at a reasonable time and in a reasonable manner, to operate, maintain or repair the Surface Water or Stormwater Management System as required by the SJRWMD permit issued to the Corporation in connection with the Surface Water or Stormwater Management System. In addition, the Corporation shall have a perpetual, non-exclusive easement for drainage over the entire Surface Water or Stormwater Management System. No person shall alter the drainage flow of

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the Surface Water or Stormwater Management System, including buffer areas or swales, without SJRWMD's prior written approval.

4.10.4.4. Amendment. Any amendment to the Master Declaration which alters any provision relating to the Surface Water or Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the Corporation Property, must have SJRWMD's prior approval.

4.10.4.5. Enforcement. The SJRWMD shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in the Master Declaration that relate to the maintenance, operation and repair of the Surface Water or Stormwater Management System.

4.10.4.6. Swale Maintenance. Developer may construct drainage swales upon House Lots for the purpose of managing and containing the flow of excess surface water found upon a House Lot from time to time. Each House Lot owner, including builders on such House Lot, shall be responsible for the maintenance, operation and repair of any such swales on a House Lot. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the SJRWMD. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in the swales is prohibited. No alteration of such drainage swale shall be authorized and any damage to any drainage swale, whether caused by natural or human-induced phenomena, shall be repaired and the drainage swale returned to its former condition as soon as possible by the owner of the House Lot upon which the drainage swale is located.

5. ASSESSMENTS FOR OPERATING EXPENSES; ESTABLISHMENT AND ENFORCEMENT OF LIENS

5.1 Affirmative Covenant to Pay Operating Expenses. In order to: (i) fulfill the covenants contained in this Master Declaration; and (ii) preserve and maintain the Corporation Property, including Recreation Areas, for the recreation, safety, welfare, and benefit of Owners, their invitees, guests, family members and lessees at the Community, subject to the terms of this Master Declaration and the services and amenities provided for herein, there is hereby imposed upon the Community and the Owners therein the affirmative covenant and obligation to pay the Assessments, including but not limited to the Annual Assessments, Special Assessments, and Neighborhood Assessments. The Community Documents, including each Supplement, each Condominium Declaration and each Community Declaration shall run with the Committed Property.

5.2 Lien. The Annual Assessment, Special Assessments, and Neighborhood Assessments, as determined in accordance with this Master Declaration, together with interest thereon and costs of collection, including Legal Fees, are hereby declared to be a charge on each Dwelling Unit and shall be a continuing lien upon the Dwelling Unit against which each such Assessment is made. Each Assessment against a Dwelling Unit together with such interest thereon and costs of collection thereof, including Legal Fees, shall be the personal obligation of the person, persons or entity owning the Dwelling Unit so assessed. Said lien shall be effective only from and after the time of recordation amongst the Public Records of a written acknowledged statement by the Corporation setting forth the amount due to the Corporation as of the date the statement is signed. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a recordable satisfaction of lien. An Institutional Mortgagee acquiring title to a Dwelling Unit as a result of foreclosure of an Institutional

Mortgagee's first mortgage or deed in lieu of foreclosure shall not be liable for Assessments chargeable to the former Owner that became due prior to such acquisition of title unless such accrued Assessments were secured by a claim of lien that was recorded prior to the recording of the mortgage held by such Institutional Mortgagee being foreclosed or for which a deed is given in lieu of foreclosure. Assessments which are not secured by a claim of lien recorded prior to the recording of the first mortgage being foreclosed or for which a deed is given in lieu of foreclosure shall be canceled as to such Dwelling Unit effective with passage of title to such Institutional Mortgagee.

5.3 Enforcement. In the event that any Owner shall fail to pay an Assessment or installment thereof charged to his Dwelling Unit within fifteen (15) days after the same becomes due, then the Corporation, through its Board, shall have any, some or all of the following remedies:

5.3.1. Advances. To advance, on behalf of the Owner in default, funds to accomplish the Corporation's needs; provided that: (i) the amount(s) of monies so advanced, including Legal Fees which might have been reasonably incurred because of or in connection with such payments together with Interest, may thereupon be collected by the Corporation; and (ii) such advance by the Corporation shall not waive the Owner's default in failing to make its payments.

5.3.2. Actions in Equity. To file an action in equity to foreclose the Corporation's lien at any time after the effective date thereof or an action in the Corporation's name in like manner as a foreclosure of a mortgage on real property.

5.3.3. Actions at Law. To file an action at law to collect the Assessment plus Interest and Legal Fees without waiving any lien rights or right of foreclosure.

5.4 Collection by Developer. If for any reason the Corporation fails to collect Assessments from Owners as required herein, then in that event, Developer shall have the right, but not the obligation, to collect Assessments as set forth in Section 5.3 above. Developer's right to collect the Assessments shall terminate upon the Transfer Date, except as to those Assessments that were incurred prior to the Transfer Date.

6. METHOD OF DETERMINING, ASSESSING, AND COLLECTING ASSESSMENTS

The Assessments as hereinafter set forth and described shall be assessed to and collected from Owners on the following basis:

6.1 Determining Annual Assessment for Operating Expenses

6.1.1. Operating Expenses. The total anticipated Operating Expenses for each calendar year may be set forth in the Corporation's annual budget prepared by the Board as described in the Articles and Bylaws. The total anticipated Operating Expenses shall be that sum necessary for the Corporation Property's maintenance and operation. Operating Expenses include expenses incurred for the benefit of Neighborhoods which shall be assessed either as part of the Annual Assessment or as a Neighborhood Assessment. The Operating Expenses to be paid through the Annual Assessments shall be divided equally among the Dwelling Units Subject to Assessment (as that term is hereinafter defined in Section 6.1.2) except as provided in Section 6.1.3. hereof, and the quotient thus arrived at (adjusted quarterly as hereinafter set forth) shall constitute the Annual Assessment. If full build-out of the anticipated Dwelling Units shown on the Site Plan occurs without further amendment, the total

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number of Dwelling Units Subject to Assessment will be twenty-eight (28) and each such unit will pay one-twenty-eighth (1/28) of the Operating Expenses. The Board may adjust the Annual Assessment on a quarterly basis by dividing the total anticipated Operating Expenses for each of the remaining quarters of the fiscal year (as determined by the budget for such expenses), by the number of Dwelling Units Subject to Assessment as of thirty (30) days prior to the end of such quarter to determine the installment of the Annual Assessment for the next quarter. A Dwelling Unit Subject to Assessment which comes into existence (as explained in Section 6.1.2) during a quarter for which the Annual Assessment has already been assessed shall be deemed assessed the amount of such Annual Assessment prorated from the date the Dwelling Unit Subject to Assessment comes into existence. The Annual Assessment may also be adjusted quarterly in the instance where the Board determines that the estimated Operating Expenses are insufficient to meet the actual Operating Expenses being incurred, in which event the anticipated Operating Expenses for the remaining quarters may be increased accordingly in calculating the Annual Assessments.

6.1.2. Dwelling Units Subject to Assessment. "Dwelling Units Subject to Assessment" means and a Dwelling Unit shall be Subject to Assessment upon the happening of the following: (i) with regard to a House Lot, such House Lot shall be deemed a "Dwelling Unit Subject to Assessment" upon the conveyance of said House Lot by Developer to an Owner other than Developer, whether or not an improvement is constructed thereon; or (ii) with regard to condominium Dwelling Units, at the time of sale by Developer to an Owner other than Developer, the issuance of a Certificate of Occupancy, and the recordation of a Condominium Declaration in the Public Records. Notwithstanding the terms set forth above to the contrary, the requirement of transfer to an Owner other than Developer set forth above as a condition to Assessment shall only be applicable to the determination of when a Dwelling Unit is Subject to Assessment prior to the Transfer Date and during the guarantee period. After the Transfer Date and the expiration of any applicable guarantee period, Dwelling Units owned by Developer shall be treated the same as those owned by other Owners for the purposes of this Section 6.1.2. For the purpose of Assessments, the number of Dwelling Units contained in any structure which is subsequently destroyed, damaged or demolished shall be the number of Dwelling Units originally constructed within such structure until such time as such structure is replaced and a new Certificate of Occupancy is issued, whereupon the number of Dwelling Units contained in the replaced structure shall be used in computing the number of Dwelling Units Subject to Assessment.

6.1.3. Payment of Assessments. Each Owner's share of Operating Expenses shall be assessed as the Annual Assessment. The Corporation may at any time require Owners to maintain a minimum balance on deposit with the Corporation to cover future installments of the Annual Assessments. The amount of such deposit shall not exceed one-half (1/2) of the then current Annual Assessment for the Dwelling Unit. Assessments shall be payable quarterly in advance on the first days of January, April, July and October of each year, or at such other time as may be determined by the Board from time to time but in no event less frequently than quarterly. Assessments made pursuant to this Master Declaration against any Dwelling Unit constituting part of a Community Condominium shall be collected (and the payment of such sums enforced) by the applicable Association in the same manner as a common expense of such condominium (except as to the Developer exception in Section 6.1.2 above) and assessable against all of the property so submitted to the condominium form of ownership as a whole and against the Association responsible for the operation thereof. Upon collection of any such Assessments by an Association, such Association shall promptly remit such sums to the Corporation. In the event the Association shall not promptly remit such sums to the Corporation, the Corporation shall have all remedies provided at law or in equity or as set forth in Section 5.3 herein. Each Owner, by acceptance of a deed or other instrument of

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conveyance for a Dwelling Unit, whether or not it shall be so expressed in any such deed or instrument, shall be so obligated and agrees to pay to the Corporation, either through an Association or directly to the Corporation, all assessments determined in accordance with the provisions of the Community Documents.

6.2 Special Assessments. Owners of Dwelling Units Subject to Assessment shall be obligated to pay, in addition to Annual Assessments and Neighborhood Assessments, Special Assessments as shall be levied against their Dwelling Unit(s) either as a result of: (i) extraordinary items of expense; (ii) the failure or refusal of other Owners to pay their Special Assessment; (iii) capital improvements; or (iv) such other reason or basis determined by the Board which is not inconsistent with the terms of the Community Documents. Special Assessments for items of expense of one (1) or more Building Areas or Neighborhoods shall be assessed by the Board against Owners within such Building Area or Neighborhoods in conformity with applicable requirements of the Community Declaration creating the obligation for such expense. Special Assessments for capital improvements ("Capital Improvements Assessment") shall be levied by the Board for the purpose of defraying in whole or in part the cost of construction or reconstruction of improvements upon Corporation Property. The Board shall determine the cost of construction or reconstruction and shall assess the same amongst the Dwelling Units Subject to Assessment and allocate such Capital Improvements Assessments as described in Section 6.1 above, except that there shall be no Capital Improvements Assessments charged to Developer or against Dwelling Units owned by Developer without Developer's consent. Notwithstanding the fact that Capital Improvements Assessments shall be allocated as described in Section 6.1 above, the number of Dwelling Units Subject to Assessment for purposes of such allocation shall only reflect those Dwelling Units that are subject to the Capital Improvements Assessment in question. Special Assessments must also be approved by a majority vote (at any meeting thereof having a quorum) of the Owners, except that no such approval need be obtained for a Special Assessment for the replacement or repair of a previously existing improvement on the Corporation Property which was destroyed or damaged, it being recognized that the sums needed for such capital expenditures shall be the subject of a Special Assessment.

6.3 Neighborhood Assessments. Neighborhood Assessments shall be levied equally on all Dwelling Units within the Neighborhood for whose benefit the Corporation incurs expenses that benefit only Dwelling Units within a particular Neighborhood. Neighborhood Assessments shall be paid in such manner and on such dates as may be determined by the Board.

6.4 Working Fund Contribution. The first Owner of each Dwelling Unit acquired from Developer shall be obligated to pay, in addition to Annual Assessments, Neighborhood Assessments, and any Special Assessments, a "Working Fund Contribution" which will be equal to at least three (3) months' of that Dwelling Unit's Annual Assessment pursuant to the initial budget. Notwithstanding the terms set forth above, payment of the Working Fund Contribution shall be deferred for the benefit of House Lot Owners purchasing from the Developer until the earlier of the following to occur: (i) the closing date of the first condominium Dwelling Unit; or (ii) January 15, 2002. The Working Fund Contribution's purpose is to insure that the Corporation will have cash available to meet unforeseen expenditures or to acquire additional equipment and services deemed necessary or desirable by the Board. Working Fund Contributions are not advance payments toward the Annual Assessments and shall have no effect on future Assessments. The Working Fund Contribution will be collected at the closing of the purchase of the Dwelling Unit from the Developer.

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7. OPERATING EXPENSES

7.1 Items of Operating Expenses. The following Corporation operating expenses are declared to be Operating Expenses that each Owner is obligated to pay to the Corporation as provided in this Master Declaration and the Community Documents and shall be considered Operating Expenses when incurred in regard to all portions of the Corporation Property.

7.1.1. Taxes. Any and all taxes levied or assessed at any and all times by any and all taxing authorities including all taxes, charges, assessments and impositions and liens for public improvements, special charges and assessments and water drainage districts, and in general all taxes and tax liens which may be assessed against Corporation Property and against any and all personal property and improvements, which are now or which hereafter may be placed thereon, including any interest, penalties and other charges which may accrue thereon.

7.1.2. Utility/Security/Pest Control Charges. All charges levied for utilities, security and pest control providing services for Corporation Property or other Committed Property whether such charges are supplied by a private firm or governmental agency or other governmental entity shall be considered Operating Expenses. It is contemplated that the obligation established hereby will include all charges for pest control, alarm and security services, water, gas, electricity, telephone, sewer and any other type of utility or any other type of service charge and may include cable television charges.

7.1.3. Insurance. The premiums on any insurance policy required to be maintained under this Master Declaration and the premiums on any insurance policy the Corporation determines to obtain and maintain even if not required to be obtained or maintained by the specific terms of this Master Declaration.

7.1.4. Destruction of Buildings or Improvements. Any sums necessary to repair or replace, construct or reconstruct damage to any building upon Corporation Property or any improvement previously constructed as a Corporate Easement Improvement, by fire, windstorm, flood or other casualty regardless or, whether or not the same is covered in whole or in part by insurance. In the event insurance money shall be payable, such insurance money shall be paid to the Corporation which shall open an account with a banking institution doing business in Florida, for the purpose of providing a fund for the repair and reconstruction of the damage. The Corporation shall pay into such account, either in addition to the insurance proceeds or in the event there are no insurance proceeds, such sums as may be necessary so that the funds on deposit will equal the costs of repair and reconstruction of the damage or destruction. The sums necessary to pay for the damage or destruction as herein contemplated shall be considered Operating Expenses but may be raised by the Corporation under the provisions for Neighborhood Assessments or Special Assessments as provided in Section 6 of this Master Declaration and, subject to the limitations therein set forth with respect to such Assessments. The Corporation agrees that the Corporation will levy Assessments to provide the funds for the cost of reconstruction or construction, repair or replacement within ninety (90) days from the date the destruction takes place and shall go forward with all deliberate speed so that the construction or reconstruction, repair or replacement, shall be completed within a reasonable period (not to exceed two (2) years) from the date of damage.

7.1.5. Maintenance, Repair, and Replacements. Operating Expenses shall include all expenses necessary to keep and maintain, repair and replace any and all buildings, Recreation Areas, landscaping, perimeter walls and fences, and any other improvements, and personal property and furniture, fixtures and equipment upon the Corporation Property and, if

the Corporation agrees to maintain certain Corporate Easement Improvements, on said Corporate Easements, in the manner consistent with the development of the Community and in accordance with the covenants and restrictions contained herein, and in conformity with all orders, ordinances, rulings and regulations of any and all federal, state and city governments having jurisdiction thereover as well as the statutes and laws of the State of Florida and the United States. The foregoing shall include any expense attributable to the maintenance and repair and replacement of pumps or other equipment, if any, located upon or servicing the Community pursuant to agreements with utility corporations. Any expenses for replacements which would not be in the nature of normal repair and maintenance shall be the subject of a Special Assessment or Neighborhood Assessment as provided in Section 6 of this Master Declaration and subject to the limitations thereon set forth with respect to such Assessments.

7.1.6. Indemnification. The Corporation shall indemnify and save the Developer and the members of the Board harmless from and against any and all claims, suits, actions, damages, and/or causes of action arising from any personal injury, loss of life, and/or damage to property sustained in or about the Committed Property or the appurtenances thereto from and against all costs, Legal Fees, expenses and liabilities incurred in and about any such claim, the investigation thereof or the defense of any action or proceeding brought thereon, and from and against any orders, judgments and/or decrees which may be entered therein. Developer shall not be liable for any such Assessment for Dwelling Units which Developer may own. Included in the foregoing provisions of indemnification is any expense that Developer may be compelled to incur in bringing suit for the purpose of compelling the specific enforcement of the provisions, conditions and covenants contained in this Master Declaration to be kept and performed by the Corporation.

7.1.7. Administrative and Operational Expenses. The Corporation's costs of administration including but not limited to secretaries, bookkeepers and other employees necessary to carry out the Corporation's obligations and covenants. In addition, the Corporation may retain a management company or companies or contractors (any of which management companies or contractors may be, but are not required to be, a subsidiary, affiliate or an otherwise related entity of Developer) to assist in the operation of Corporation Property and the Corporation's other obligations. The fees or costs of this or any other management company or contractors so retained shall also be deemed to be part of the Operating Expenses hereunder.

7.1.8. Compliance with Laws. The Corporation shall take such action as the Corporation determines necessary or appropriate in order for Corporation Property and the improvements thereon to be in compliance with all applicable laws, statutes, ordinances and regulations of any governmental authority, whether federal, state or local, including, without limitation, any regulations regarding zoning requirements, setback requirements, drainage requirements, sanitary conditions and fire hazards. The cost and expense of such actions taken by the Corporation shall be an Operating Expense.

7.1.9. Failure or Refusal of Owners to Pay Annual Assessments. Funds needed for Operating Expenses due to the failure or refusal of Owners of Dwelling Units Subject to Assessment to pay the Assessments levied; provided, however, that any Assessment for any such sums so needed to make up a deficiency due to the failure of Owners to pay a Special Assessment shall, itself, be deemed to be a Special Assessment subject to the limitations thereon with respect to Dwelling Units owned by Developer set forth in Section 6.2.

7.1.10. Costs of Reserves. The funds necessary to establish an adequate reserve fund ("Reserves") for periodic maintenance, repair, and replacement of the Corporation

Property and the facilities and improvements thereupon in amounts determined sufficient and appropriate by the Board from time to time. Reserves shall be deposited in a separate account to provide such funds and reserves. The monies collected by the Corporation on account of Reserves shall be and shall remain the exclusive property of the Corporation and no Owner shall have any interest, claim or right to such Reserves or any fund composed of same.

7.1.11. Miscellaneous Expenses. The costs of the Corporation performing any services the Corporation is permitted to perform, including, without limitation, those listed in Section 4.9, and all items of costs or expense pertaining to or for the benefit of the Corporation or Corporation Property, or any part thereof, not herein specifically enumerated and which are determined to be an appropriate item of Operating Expense by the Board (e.g., expenses related to increased security).

7.2 Recreation Expenses. All fees or charges for a Recreation Area, including without limitation, Use Fees, are offsets against Operating Expenses, but shall be separately stated in the Corporation's budget as provided in Section 720.303 (6), Florida Statutes.

8. PROVISIONS FOR THE PRESERVATION OF THE VALUES AND AMENITIES OF SEA COLONY AT VERO BEACH COMMUNITY AND THE DWELLING UNITS

8.1 Community Restrictions and Protective Covenants. To preserve the values, amenities and the Community-Wide Standards, the occupancy and use restrictions, the protective covenants, standards, provisions and prohibited uses set forth in this Section 8.1 shall be applicable to the Community.

8.1.1. Landscaping. UNLESS APPROVED BY THE BOARD IN ADVANCE, THE LANDSCAPING ON CORPORATION PROPERTY OR LOCATED IN CORPORATE EASEMENTS SHALL NOT BE MAINTAINED OR MODIFIED BY OWNERS OTHER THAN DEVELOPER. If an Owner wishes to landscape an area located upon an easement in the Community, such Owner must first obtain the appropriate written approval for the landscaping from the applicable utility service provider, if any, and the Board.

8.1.2. Nuisance. Owners and Associations are prohibited from doing anything that will: (i) increase the insurance rates on any portion of the Community; (ii) obstruct or interfere with other Owner's rights or the Corporation; or (iii) commit or permit any nuisance, or immoral or illegal act within the Community.

8.1.3. Removal of Sod and Shrubbery; Alteration of Drainage, Related Matters. Except for Developer's acts and activities with regard to the Community's development, no sod, top soil, muck, trees or shrubbery shall be removed from the Community and no change in the condition of the soil or the level of land of any Community area shall be made which would result in any permanent change in the flow or drainage of surface water within the Community without the Board's prior written consent.

8.1.4. Requirement of Board Approval. Without the Board's prior written approval, no improvement or structure of any kind, including, without limitation, any building, wall, fence, swimming pool, tennis court, or screen enclosure, shall be erected, placed or maintained on any portion of the Corporation Property; no landscaping or planting shall be commenced or maintained upon any portion of the Corporation Property; and no addition, alteration, modification or change to any such improvement, structure, landscaping or planting shall be made. Dwelling Units, buildings and other structures and improvements constructed, installed or placed by or with Developer's approval; landscaping and plantings by or with

Developer's approval; and additions, alterations, modifications and changes to any of the foregoing by or with Developer's approval (collectively "Developer Improvements") are not subject to approval by the Board. Developer Improvements are deemed to conform to the plan of development for the Community. The application procedures addressed below applicable to the Architectural and Design Review ("ADR") Committee shall also apply to applications for approval by the Board.

8.2 Approval of Improvements of House Lots and Dwelling Units

8.2.1. Architectural and Design Review Committee. Until the Transfer Date, the ADR Committee shall consist of Developer only or a person selected by Developer. After the Transfer Date, the Board shall appoint not less than three (3) and not more than five (5) Owners to serve on the ADR Committee at the Board's pleasure, subject to the following conditions: (i) at least one (1) member of the ADR Committee must be a Board member; (ii) at least one (1) member of the ADR Committee must be an Owner of a House Lot on which a Dwelling Unit has been constructed (which member may be Developer), and, (iii) until such time as Developer owns no Uncommitted Property, at least one (1) member of the ADR Committee must be a representative of Developer. The ADR Committee will be responsible for carrying out the functions set forth in this Section 8, other than those to be carried out by the Board.

8.2.2. Purpose of ADR Committee. It is Developer's intent to create in the Community a residential community of high quality and harmonious improvements. Accordingly, the ADR Committee has been created to support this objective in the manner set forth in this Section 8.

8.2.3. Prohibition Against Construction or Alteration Without Prior Approval of ADR Committee. Without the prior written approval of all aspects thereof (including but not limited to the nature, design, style, shape, height, materials, size, location, layout, and exterior color) by the ADR Committee, no person other than Developer shall: (i) construct, erect, install, alter, modify, renovate, remove, or demolish any structure, improvement or addition of any type or nature on or to any House Lot, including but not limited to buildings, houses, patios, porches, swimming pools, hot tubs, mechanical and electrical equipment, recreational equipment, driveways, walkways, fences, walls, permanent or temporary signs, sewers, drains or other improvements; or (ii) plant, install, remove, alter or modify any grass, trees, shrubs, landscaping or other vegetation on any House Lot or in any Corporate Easement; or (iii) change or alter to any degree the grades of any House Lot or Corporate Easements (Sub-items (i), (ii) and (iii) above are collectively defined as "Improvements" or an "Improvement").

8.2.4. Strength of Requirements. The ADR Committee may, in the ADR Committee's sole discretion, impose requirements for Improvements which may be greater or more stringent than those prescribed in applicable building, zoning or other applicable laws and codes.

8.2.5. Procedures. The procedures of the ADR Committee shall be as follows:

8.2.5.1. As part of the application process, two (2) complete sets of plans and specifications of the Improvements prepared by the applicable architect, landscape architect, engineer or other person found to be qualified by the ADR Committee shall be submitted for approval by written application on such form as may be provided or required by the ADR Committee. The ADR Committee may require submission of samples of building materials and colors proposed to be used.

8.2.5.2. In the event that the information submitted to the ADR Committee is, in the ADR Committee's opinion, incomplete or insufficient in any manner, the ADR Committee may in writing require the submission of additional or supplemental information within thirty (30) days of the ADR Committee's receipt of the information or the information originally submitted shall be deemed complete.

8.2.5.3. The ADR Committee shall have the right to refuse to approve any plans and specifications that are not suitable or desirable, in the ADR Committee's sole discretion, for aesthetic or any other reasons. In approving or disapproving such plans and applications, the ADR Committee shall consider the suitability of the proposed improvements, and materials of which the same are to be built, the House Lot upon which such improvements are proposed to be erected, the harmony thereof with the surrounding area, and the effect thereof on adjacent or neighboring property. If the ADR Committee has not sent written notice of disapproval to the applicant within thirty (30) days after the ADR Committee's receipt of an application that is deemed complete, the application shall be deemed approved.

8.2.5.4. The ADR Committee shall, in all cases, have the right to determine and designate: building set back lines for improvements not over one (1) foot above grade; walls; fences; mechanical and electrical equipment; and landscaping to promote the overall best interests of the Community. In this respect, the ADR Committee's judgment and determination shall be final and binding.

8.2.5.5. Upon approval of plans and specifications submitted to the ADR Committee, the ADR Committee shall notify the applicant in writing, which notification shall set forth any qualifications or conditions of approval. In the event that the ADR Committee disapproves any plans and specifications submitted to the ADR Committee, the ADR Committee shall so notify the applicant in writing, stating the grounds upon which such disapproval is based. An applicant may appeal to the Board the decision of the ADR Committee within thirty (30) days after the ADR Committee's decision. The Board's determination shall be final and binding upon the applicant; provided, however, that no improvement shall be erected or shall be allowed to remain that violates any of the covenants, conditions or restrictions contained in this Master Declaration, or that violates any zoning or building ordinance or regulation.

8.2.5.6. Prior to the occupancy or use of any improvement constructed or erected, the Owner of the House Lot shall obtain a Certificate of Compliance from the ADR Committee, certifying that the construction of the improvement has been completed in accordance with the plans and specifications previously approved by the ADR Committee. The ADR Committee may, from time to time, delegate to a member or members of the ADR Committee the responsibility for issuing such Certificate of Compliance. The Certificate of Compliance issued pursuant to this Section 8.2.5.6 shall only evidence the fact that, in the opinion of the ADR Committee, the improvement was completed pursuant to the requirements of this Master Declaration. In no event shall the Certificate of Compliance be deemed to be a Certificate of Occupancy or any other similar, governmental approval nor, pursuant to Section 8.28, shall the ADR Committee have any liability with regard to any defect in or improper construction of any improvement for which a Certificate of Compliance was issued.

8.2.5.7. There is specifically reserved unto the ADR Committee, and to any agent or member of the ADR Committee, a right of entry and inspection upon any portion of the House Lot for the purpose of determination by the ADR Committee whether any improvement exists which violates: (i) the terms of any approval by the ADR Committee; or (ii) the terms of this Master Declaration or any amendments hereto; or (iii) of any other