

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR LAUREL RESERVE

THIS DECLARATION, (hereinafter referred to as the "Declaration") made and executed this 30th day of September, 2003 by LAUREL HOMES, INC. a Florida corporation (hereinafter referred to as the "Declarant");

WITNESSETH:

WHEREAS, Declarant is the owner of certain property situated in the County of Indian River, State of Florida, being more particularly described as follows, to wit: Lots 1 through 48, Phase 1, LAUREL RESERVE, according to the Plat thereof as recorded in Plat Book 17, Page 45-50 of the Public Records of Indian River County, Florida, (hereinafter referred to as the "Properties"); and

WHEREAS, Declarant desires to develop the Property as part of a planned development to be known as "Laurel Reserve", which is intended to include the Property and include the Additional Property described on Exhibit "A" attached hereto, and such other property as may be annexed from time to time, (hereinafter together referred to as the "Development"); and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities in the Development and for ownership and maintenance of recreation areas and amenities, open space and green belt areas, landscaping, drainage retention and detention areas and facilities and other common areas and facilities as may be specifically designated herein, on the Plat of the Property, and in any subsequently platted phases of the Development and, to this end, desires to subject the Property to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the Property and each subsequent owner for all or part thereof; and

WHEREAS, the Development is intended to be improved in phases; and

WHEREAS, Declarant has deemed it desirable, for the efficient preservation of the values and amenities in the Development, to create a community association to which shall be delegated and assigned the powers of owning, maintaining and administering certain designated common area properties and facilities within the Development, including, without limitation, the Common Area hereinafter defined; and enforcing this Declaration; and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has incorporated under the laws of the State of Florida, a non-profit corporation called Laurel Reserve Community Association, Inc. (hereinafter referred to as the "Association"), for the purpose of exercising the functions aforesaid;

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

ARTICLE I

DEFINITIONS

Section 1: "Association" shall mean and refer to Laurel Reserve Community Association, Inc., a Florida not for profit corporation, its successors and assigns.

Section 2: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

Section 3: "Plat" shall mean and refer to the recorded Plat of Laurel Reserve P.D., as hereinbefore described.

Section 4: "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 5: "Common Area" shall mean and refer to the following areas depicted on the Plat of the Properties, all of which are required by the Plat to be maintained by the Association for the benefit of the Owners.

- (a) drainage retention areas
- (b) roads and rights of way
- (b) landscape easement areas (hereinafter referred to as the "Landscape Easements")
- (c) SUBSTITUTE EASEMENT recorded in the Public Records of Indian River County in OR 1634 Page 2067, granting ingress and egress upon which the entry road known as Laurel Reserve Drive is built.

(d) **STORMWATER OUTFALL PIPE EASEMENT AND PEDESTRIAN
INGRESS/EGRESS EASEMENT AND MAINTENANCE EASEMENT** recorded
in the Public Records of Indian River County in OR 1634 Page 2071.

The term "Common Area" shall also include any intangible personal property acquired by the Association, if such property is designated as such by the Association, and may also include, but not be limited to, recreation facilities, fences, walls and landscape buffers around the interior or perimeter of the Development, buffer areas, entry features, signage, landscaping, irrigation systems and any other real or personal property owned or acquired by the Association and/or identified by tract as "Common Area" or otherwise designated as an area or easement required to be maintained by the Association on the recorded plat or any phase of the Development, and any landscaping and irrigation facilities located within any Dedicated Area, as hereinafter defined, which are installed for the purpose of enhancing the beauty and aesthetic character of the Property.

Section 6: "Lot" shall mean and refer to those residential Lots depicted on the Plat.

Section 7: "Declarant" shall mean and refer to Laurel Homes, Inc, a Florida corporation.

Section 8: "Member" shall mean and refer to any Owner, who by virtue of being an Owner shall be a Member of the Association.

Section 9: "Development Order" shall mean and refer to development approval letter issued by the City of Sebastian, Florida dated as of September 20, 2002, and as further changed, amended and modified from time to time, which Development Order governs the improvement of the Property and subsequent phase of Development.

Section 10: "Water Management District Permit" shall mean and refer to St. Johns River Water Management District Surface Water Management Permit No. 4-061-83293-1 dated March 11, 2003 which is applicable to the Development.

Section 11: "Surface Water or Storm water Management System" means the system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, over-drainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges.

ARTICLE II
PROPERTY RIGHTS

Section 1: Dedication of Landscape Easements. Declarant hereby dedicates the Landscape Easements shown on the Plat to the Association for the use, benefit and enjoyment of the Owners.

Section 2: Owners' Easements of Enjoyment. The Association and every Owner shall have a right and easement of enjoyment in and to the Landscape Easements and Common Areas, which shall be appurtenant to and shall pass with the title to every Lot subject to the following rights of the association:

- (a) The right of the Association to dedicate or transfer all or any part of the common areas to any municipality, public agency, authority, or utility for such purposes and subject to such conditions as may be required by the Development Order or otherwise agreed upon by the Members of the Association. No such dedication or transfer shall be effective unless any instrument executed by 75% of the voting members agreeing to such dedication or transfer has been duly recorded.

Section 3: Other Easements.

- (a) The Association shall have a perpetual non-exclusive easement over all areas of the surface water or Stormwater management system for access to operate, maintain or repair the system. By this easement, the Association shall have the right to enter upon any portion of any lot which is 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 St. Johns River Water Management District permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire surface water or Storm water management system. No person shall alter the drainage flow of the surface water or Stormwater management system, including buffer areas or swales, without the prior written approval of the St. Johns River Water Management District.
- (b) Easements for installation and maintenance of utilities and drainage facilities are shown on the recorded P.D. plat. Within these easements, no structure, planting,

or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may damage, interfere with, or change the direction of flow of drainage facilities in the easements; except, however, driveways, but their construction shall not interfere with the flow of drainage, or cause damage to utilities. The easement area of each Lot and all improvements therein shall be continuously maintained by the owner of such Lot, except for improvements for maintenance of which a public authority or utility company is responsible. Should the owner not maintain said easements, the Association shall have the right to cause said easements to be maintained and shall assess Owner for all costs incurred.

- (c) No dwelling unit or other structure (except driveways) of any kind shall be built, erected, or maintained on any such easement, reservation, or rights of way, and such easements, reservations, and rights of way shall at all times be open and accessible to public and quasi-public utility corporations, their employees and contractors, and shall also be open and accessible to Declarant, its successors and assigns, all of whom shall have the right and privilege of doing whatever may be necessary in, on, under and above such locations to carry out any of the purposes of which such easements, reservations, and rights of way are reserved.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1: Membership. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2: Voting Rights. The Association shall have two (2) classes of voting membership.

Class A: Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B: The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot platted and owned by the Declarant. The Class B Member shall also be entitled to ten (10) votes per acre for each acre (or portion thereof) of land which is then owned by Declarant (or in which Declarant then has a legal or equitable ownership interest) and which is included in the "Additional Property" defined in Section 4(b) of Article VIII of this Declaration and Described on Exhibit "A" attached hereto, which Additional Property may be annexed by the Declarant in the manner provided in Article VIII hereof. It is expressly provided, however, that in the event and to the extent that Declarant either (i) completes the development of any Additional Property owned by Declarant without annexing the same, or (ii) sells, transfers or conveys any Additional Property owned by Declarant to a third party to whom Declarant does not assign its rights hereunder, then Declarant shall lose its entitlement to any votes associated with such Additional Property to such extent. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) when the Declarant so chooses.

From and after the happening of these events, whichever occurs earlier, the Class B Member shall be deemed a Class A Member entitled to one (1) vote for each Lot in which it holds the interest required for Membership under Article III, S.1.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1: Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant

and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided and (3) animal waste removal costs and fines. The annual and special assessments and waste removal costs and fines, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time when assessment fell due. Notwithstanding anything in this Article IV to the contrary, the Declarant shall not be required to pay Assessments for any Lots owned by the Declarant. However, Declarant may elect to make a loan to the Association to assist the Association with its financial needs. In such event the Association shall be required to repay the Declarant the full loan amount, plus a reasonable interest rate, within a reasonable period of time.

Section 2: Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety, and welfare of the Owners and residents of the Properties and for the improvement, preservation and maintenance of the Common Area.

Without limitation on the generality of the foregoing, and in addition to the other purposes for which assessments shall be used, the Association shall be responsible for, and the assessments levied by the Association shall be used for the maintenance, operation and repair of the Surface Water Management System, including all ditches, culverts, structures, drains, pipes, conduits, ponds and other facilities located on or benefitting the Property for the purpose of conveying, transmitting, draining, retaining and storing Stormwater runoff from the Property, including without limitation, any and all of such items used or useful in connection with the operation and maintenance of the Appurtenant Easements. Such maintenance, operation and repair shall include the exercise of practices which allow the Surface Water Management System to collect, convey, channel, hold, inhibit or divert the movement of Storm water as permitted by the St. Johns River Water Management District. The Association shall maintain, operate and repair the Surface Water Management System in accordance with the provisions of all applicable governmental requirements, including, without limitation, the terms and conditions set forth in the Development Order and in the Water Management District Permit, which provides for a maintenance and monitoring program which shall be performed by the Association. Any repair or reconstruction of the surface water or stormwater management system shall be

as permitted or, if modified, as approved by the St. Johns River Water Management District. The Association and its agents, employees and independent contractors shall have the right of ingress and egress to and from the Surface Water Management System at all reasonable times for the purpose of complying with the terms and conditions of the Water Management District Permit and all applicable governmental regulations and requirements governing the use, maintenance, operation and repair of the Surface Water Management System. Annual assessments may include, but are not necessarily limited to, and the Association may, but is not necessarily obligated to, acquire and pay for out of the funds derived from the annual assessments, the following:

- (a) Maintenance and repair of the Common Area, including but not limited to, the internal roads, entry road and easement, sidewalks and rights-of-way, entrance signs and walls, gates, landscape easements, irrigation systems, fountains, pumps, benches, Stormwater Outfall Pipe Easement and Pedestrian Ingress/Egress Easement and Maintenance Easement.
- (b) Maintenance and repair of the surface water or Storm water management systems including but not limited to work within retention areas, drainage structures and drainage easements.
- (c) Water, sewer, garbage, electrical, lighting, telephone, gas, and other necessary utility service for the Common Area.
- (d) Acquisition of equipment for the common area as may be determined by the Association, including without limitation all equipment and personnel necessary for proper maintenance of all drainage areas.
- (e) Liability insurance insuring the Association against any and all liability to the public, to any owner, or to the invitee or tenants of any owner arising out of their occupation and/or use of the common area. The policy limits shall be set by the association, and shall be reviewed at least annually and increased or decreased in the discretion of the Association.
- (f) Liability insurance insuring the Association and Indian River County against any and all liability to the public, to any owner, or to the invitee or tenants of any owner

arising out of their occupation and/or use of the Pedestrian Ingress/Egress Easement and Maintenance Easement over land owned by Indian River County.

- (g) Worker's Compensation Insurance to the extent necessary to comply with Florida Statutes, and any other insurance deemed necessary by the Board of Directors of the Association.
- (h) A standard fidelity bond covering all members of the Board of Directors of the Association and all other employees of the Association in an amount to be determined by the Board of Directors, if so required by the Board of Directors.
- (i) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the association is required to secure or pay pursuant to the terms of this Declaration or by law, or which shall be necessary or proper in the opinion of the Board of Directors of the Association for the operation of the Common Areas for the benefit of Lot Owners, or for the enforcement of these restrictions.

Section 3: Maximum Annual Assessments. The maximum annual assessment for the date of commencement of annual assessments as provided in Section 7 of this Article IV, shall be Two Thousand Dollars (\$2,000.00) per Lot, plus any special assessment which may be levied by the Association.

- (a) From and after the date of commencement of annual assessments, the maximum annual assessment may be increased each year not more than eight percent (8%) above the maximum assessment for the previous year without a vote of the membership.
- (b) From and after the date of commencement of annual assessments, the maximum annual assessment may be increased above eight percent (8%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (c) The Board of Directors of the Association may fix the annual assessment at an amount not in excess of the maximum.

Section 4: Special Assessment for Capital Improvements. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5: Animal Waste Removal Fees and Fines. The Association may assess a removal fee and fine for the purposes of defraying in whole or in part, the cost of removal of animal waste from common areas, against individual lots whose owners fail to remove their animals' waste from common areas and rights-of-way. The Board of Directors shall set the removal fee based on associated costs set by the associations' landscape maintenance professionals. The Animal Waste Fine shall be set at one hundred dollars per occurrence (\$100.00).

Section 6: Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast a majority of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7: Uniform Rate of Assessment. Both annual and special assessments must be fixed at uniform rate for all Lots, except as provided in Section 1 above, and may be collected on a quarterly, semi-annual or annual basis.

Section 8. Date of Commencement of Annual Assessments: Due Dates. The commencement date of the annual assessment for all Lots provided for herein shall be set at the discretion of the Declarant at any time after August 1, 2003. Declarant covenants and agrees to maintain the grounds and landscaping located within the Common Area at its sole cost and expense prior to the commencement of the annual assessment, after which the Association shall assume maintenance responsibility therefore as provided in this Declaration

(except for such maintenance easement areas as are required to be performed by Owners or occupants of Lots pursuant to subparagraph (3b) of Article II and subparagraphs (i) and (m) of Article VII of this Declaration). The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. An invoice from the Association shall constitute satisfactory written notice. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed Certificate of the Association as to the status of assessments of a Lot is binding upon the Association as of the date of its issuance.

Section 9. Effect of Non-Payment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of such Owner's Lot.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V

ARCHITECTURAL CONTROL

Section 1: Architectural Control. The Architectural Control Committee (the "Committee") shall set all square footage, construction and design standards for new construction. The Committee shall prepare and promulgate design and development guidelines. The Committee shall make the guidelines available to owners, their agents, and builders who seek to engage in construction upon all or any portion of the Property, and all such owners and builders shall conduct their operations strictly in accordance with the guidelines. The

guidelines shall be those of the Association, and the Committee shall have sole and full authority to prepare and to amend them from time to time. No building, fence, wall, pool or other structure or improvement shall be commenced, erected or constructed upon any Lot, nor shall any exterior addition to or change or alteration of any existing structure be made unless it is in compliance with the zoning code of the City of Sebastian, Florida, and other applicable regulations affecting the Property and unless and until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing by the Architectural Control Committee as to compliance with the guidelines, quality of workmanship and materials, harmony of external design with existing structures, and location in relation to surrounding structures and topography.

Section 2: Committee Composition. The Architectural Control Committee shall consist of three (3) persons who shall initially be appointed by the Declarant. The members appointed to the Architectural Control Committee do not need to be Owners. So long as the Declarant owns any Lot or Additional Property which is subject to the terms and provisions of this Declaration and which is offered for sale in the ordinary course of business, the Declarant shall be entitled to appoint all members of the Committee and any successor members; provided, however, that the Declarant shall at any time have the right to waive its right to appoint the members of the Committee. The members of the Committee shall be appointed for staggered three (3) year terms, provided, however, the initial members of the Committee appointed by the Declarant may serve so long as Declarant has the right to appoint all members of the Committee. In the event of death, resignation, inability to serve, or other vacancy in office of any members of the Committee, the Declarant shall promptly appoint a successor member of the Committee who shall serve at the pleasure of the Declarant. After the end of the term during which the Declarant may appoint all the members of the Committee, the Board of Directors of the Association shall have the right to appoint the members of the Committee in the manner provided herein and in the Bylaws of the Association. The first Committee appointed by the Board of Directors of the Association shall have three (3) members, one with a term of one (1) year, one with a term of two (2) years and one with a term of three (3) years. Each year thereafter the Board of Directors of the Association shall appoint a new Committee member upon expiration of the term of a then existing Committee member.

Section 3: Committee Procedure. The Architectural Control Committee shall have thirty (30) days following its receipt of full and complete plans and specifications, and any changes or amendments thereto, within which to approve or disapprove the same in writing. The Committee may request additional information reasonably required before the plans and specifications shall be deemed full and complete. In the event the same are not approved or disapproved within said thirty (30) day period after the plans and specifications are deemed full and complete, and no suit to enjoin construction pursuant to such plans and specification has been filed prior to the completion of such construction, then such approval will not be required and will be deemed to have been waived by the Association.

ARTICLE VI

INSURANCE

Section 1: Liability Insurance. The Association shall procure and keep in force public liability insurance in the name of the Association and naming Indian River County as an additional insured, for the benefit of Declarant and the Owners and Indian River County, against any liability for personal injury or property damage resulting from any occurrence in or about the Common Area, in an amount not less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) in indemnity against the claim of one (1) or more persons in one (1) accident or event and not less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) for damage to property in one (1) accident or event.

Section 2: Miscellaneous. Copies of all such insurance policies (or certificates thereof showing the premiums thereon to have been paid) shall be retained by the Association and open for inspection by any Owner at any reasonable time. All such insurance policies shall (i) provide that they shall not be cancelable by the insurer without first giving at least ten (10) days prior notice in writing to the Association, and (ii) contain a waiver of subrogation by the insurer(s) against the Association, the Board of Directors of the Association and the Owners. Anything contained herein to the contrary notwithstanding, the Association shall maintain such insurance coverage as may be required by the Veterans Administration ("VA"), the Federal Housing Administration ("FHA"), or Federal National Mortgage Association ("FNMA") so long as VA, FHA or FNMA holds or guarantees a mortgage on or owns any Lot.

ARTICLE VII
RESTRICTIVE COVENANTS

Each Lot within the Properties is hereby declared to be subject to and burdened and encumbered by the following restrictive covenants, which shall run with the title to and bind all parties having any right, title or interest therein, their heirs, successors and assigns, and shall inure to the benefit of all Owners, the Association and the Declarant:

- (a) No Lot shall be used except for residential purposes. No building shall be erected, altered, placed nor permitted to remain on any Lot other than one detached single family dwelling not to exceed three (3) stories in height, together with private garage, and also together with such appurtenant structures as are incidental to a residential use and as may be approved by the Architectural Control Committee. No previously used structure shall be erected, altered, placed nor permitted to remain on any Lot. Homes may be used by builders as model houses for sales purposes during the construction and sales period. The Declarant may use a pre-fabricated sales office or build a structure for marketing purposes.
- (b) No dwelling shall be permitted to be constructed or maintained on any Lot in which the living area of the main structure, exclusive of open porches and garages, shall be less than the minimum square footage permitted by applicable law, including without limitation, the zoning and building code(s) applicable thereto and shall further be governed by the Architectural Standards and Requirements for Laurel Reserve.
- (c) No dwelling shall be constructed on a plot having an area of less than the minimum square footage required by applicable law. The minimum plot width and dwelling setback distances from plot boundaries shall all be as required by applicable law and shall further be governed by the Architectural Standards and Requirements for Laurel Reserve.
- (d) No structure of a temporary or mobile character shall be used on any Lot at any time as a residence either temporarily or permanently; provided, however, that temporary or mobile structures may be used by the Declarant or builders for a field or sales

office or for storage during the construction and sales period.

- (e) No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.
- (f) No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot; except dogs, cats, and other generally recognized household pets may be kept, provided they are reasonable in number, and provided further that they are not maintained or bred for any commercial purpose and that proper restraint and control are used in their keeping. Owners are required to remove their animals' waste from all common areas and rights-of-way. Failure to comply with waste removal will result in a removal fee and fine, the dollar amount of which to be established by the Board of Directors.
- (g) Signs:
 - (i) No sign of any kind shall be displayed to the public view on any Lot with the exception of (i) one sign of not more than four square feet advertising the Lot for sale or rent, and (ii) signs used by Declarant to advertise Lots during the construction and sales period, which may be of any size.
- (h) All Lots shall be maintained in a clean and sanitary condition. Each Lot shall at all times be maintained in an aesthetically attractive appearance and there shall be removed therefrom all debris, dead growth and fallen vegetation. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other wastes shall not be kept except in sanitary containers. No burning of refuse shall be allowed on any Lot. No Owner or occupant of any Lot shall utilize the premises for the open storage of any abandoned motor vehicle, ice box, refrigerator, stove, glass, building materials, building rubbish, or similar items. It shall be the duty and responsibility of every such owner or occupant of any Lot to keep such Lot clean and to remove from such Lot all such abandoned items listed above, including but not limited to

trash, garbage, and debris. For the purposes of this section, an abandoned motor vehicle is one that is currently unlicensed or in a state of disrepair or incapable of being moved under its own power.

- (i) All fences, walls and landscape improvements which have been erected or installed on any Lot by Declarant or the Association shall not be altered by the Owner or occupant thereof. In the event of damage or destruction of the same, it shall be the responsibility of the Owner or occupant to promptly repair, replace or restore the wall, fence or landscape improvements to the original condition thereof. Landscape improvements in Landscape Easements located on lots are the maintenance responsibility of the Owner.
- (j) The overnight parking or storage of recreational vehicles, motor homes, campers, boats, trailers of any type or trucks of any nature larger than one (1) ton capacity shall not be allowed on any right-of-way nor on any Lot unless enclosed in a garage.
- (k) Vehicles owned by residents of any lot shall be parked in garages with the garage door closed or with an approved screen covering whenever possible. On street parking shall not be utilized except for short term overflow, visitors, vendors or subcontractors.
- (l) **Fences:**
 - (i.) No fence or wall shall be erected, placed or altered on any Lot nearer to any street than is permitted by applicable law.
 - (ii) Fences located in side lot drainage easements shall be undercut to allow for drainage flow.
 - (iii) All fences shall be constructed of black chain link or white PVC material.
 - (iv) All fences shall be installed so as to maintain a consistent horizontal line at the top elevation of the fence.
 - (v) All fences shall be landscaped with mature material. Gates shall

either face side lot lines and shall be set back far enough so that they are not visible from the street or shall have a mature landscape island in front of them so they are not visible from the street.

- (vi) Full fences are permitted in the cul-de-sac lots only. Rear yard fences in the remainder of the lots are restricted so as not to block the lake views from the adjacent lots. Fence permits will be made on a case by case basis on these lots.
- (m) Easements for installation and maintenance of utilities and drainage facilities are dedicated as shown on the Plat. No structure, planting, or other material shall be placed nor permitted to remain within such easements which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in such easements, or which may obstruct or retard the flow of water through drainage channels in such easements. The Owner or occupant of each Lot shall continuously maintain the grass and landscaping in any easement area contained in such Owner's Lot, as well as all improvements located therein except for those improvements for which the Declarant, the Association, or a public authority or utility company is responsible.
- (n) Satellite Dishes shall be of a one meter (1m) diameter or less.
- (o) Mail boxes shall have a common design and shall be specified by the Architectural Control Committee and shall be purchased and installed by the builder.
- (p) Lawn ornaments, flags, crests, shall be required to be approved by the Architectural Control Committee.
- (q) Exterior holiday decorations may be reviewed and controlled by the Architectural Control Committee. At no time will the community be open for public viewing of any holiday decorations.

ARTICLE VIII

GENERAL PROVISIONS

Section 1: Enforcement. The Association, the Declarant and any Owner shall each have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, the Declarant or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. If the Declarant or the Association shall seek to enforce the provisions of this Declaration, then the Declarant or the Association shall be entitled to collect its fees and costs, including reasonable attorneys' fees, whether incurred before trial, at trial or upon appeal. The St. Johns River Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Surface Water or Storm water Management System.

Section 2: Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provisions hereof, which shall remain in full force and effect.

Section 3: Amendment. The covenants and restrictions of this Declaration shall run with and bind the Properties for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by a vote of not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded among the Public Records of Indian River County, Florida. Any amendment to the Covenants and Restrictions which alter any provision relating to the surface water or Storm Water Management System, beyond maintenance in its original condition, including the water management portions of the common areas, must have the prior approval of the St. Johns River Water Management District.

Section 4: Annexation.

(a) Additional residential property and Common Area other than that described in Subparagraph (b) below may be annexed to the Property with the consent of two-thirds (2/3) of each class of Members;

(b) Additional real property consisting of the land area described on Exhibit "A" attached hereto (hereinafter referred to as the "Additional Property") may be annexed by the Declarant or another party to whom the Declarant assigns its rights, without the consent of the Members as long as Declarant or another

party to whom the Declarant assigns its rights, owns any portion of the additional Property to be so annexed. Upon annexation of said Additional Property or any part thereof, the owners of Lots within the Additional Property so annexed for all intents and purposes shall be deemed to be Members of the Association in accordance with the provisions of this Declaration, and the Additional Property so annexed shall be and become part of the Property for the purposes of this Declaration. The Owners of such Lots shall be subject to the rules, regulations and bylaws of the Association in the same manner and with the same effect as the original Owners and shall have the same rights and obligations as to the Common Areas as the original Owners. When said Additional Property is annexed, Declarant shall file a Supplemental Declaration among the Public Records of Indian River County, Florida, which Supplemental Declaration shall reference this Declaration and shall contain the legal description of the Additional Property annexed. Such Supplemental declaration or a separate Supplemental Declaration may contain special provisions and restrictions which apply only to the Additional Property being annexed, but such special provisions and restrictions shall not contravene any of the provisions of this Declaration. Notwithstanding any other provision of this Declaration to the contrary, the Supplemental Declaration adding such Additional Property shall not be required to be executed by any existing owners.

IN WITNESS WHEREOF, Declarant has caused these presents to be executed in manner and form sufficient to bind it as of the day and year first above written.

Signed, sealed and delivered in the presence of:

Frances Garver
Witness
FRANCES GARVER

Diana Crawford
Witness
Diana Crawford

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

The foregoing instrument was acknowledged before me this 30th day of September, 2003, by DeeEllen B. Robinson, as Vice President and Peter G. Robinson, as Vice President, of LAUREL HOMES, INC., a Florida Corporation, on behalf of the Corporation. Both parties are personally known to me.

Diana Crawford
Notary Public
My Commission Expires: 2/24/07

LAUREL HOMES, INC., a Florida Corporation
By: *[Signature]* V.P.
DeeEllen B. Robinson, Vice President

Attest: by Peter G. Robinson V.P.
Peter G. Robinson, Vice President

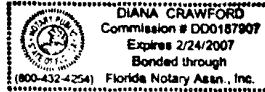


EXHIBIT 'A'

LAUREL RESERVE *"An Eco Community"*

ADDITIONAL PROPERTIES
PHASE II

PHASE I

