

The Highlands Homeowners' Association

By-Laws

(As amended to February 4, 1984)

ARTICLE I

Offices

Section 1.1 Principal Office. (As amended 2/4/84)

The principal office of the Corporation shall be at 675 Shepard Road, in the City of Winter Springs, County of Seminole, State of Florida.

Section 1.2 Registered Office. (As amended 2/4/84)

The registered office of the Corporation required by the Florida Corporations Not For Profit Act to be maintained in the State of Florida may be, but need not be, identical with the principal office, and the address of the registered office may be changed from time to time by the Board of Directors.

Section 1,3 Other Offices. (As amended 2/4/84)

The Corporation may also have offices in such other Places both within and without the State of Florida as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

Membership and Voting Rights in the Association

Section 2.1 Membership.

Florida Land Company, the developer of the property which this Corporation is formed to administer, each Owner who is a successor developer designated by Florida Land Company, and each Owner of an Assessable Living Unit shall be a member of the Association unless such Owner holds such interest in an Assessable Living Unit as a security for the performance of an obligation.

Section 2.2 Voting Rights. (As amended 2/4/84)

The Association shall have two classes of voting membership - Class A and Class C:

Section 2.3 Class A Members.

Class A Members shall be all Owners of Assessable Living Units. Class A Members shall be entitled to one (1) vote for each Assessable Living Unit which they own. If a Living Unit is owned by more than one person or entity, all such persons and entities shall be Members and the vote with respect to such Living Unit shall be exercised as such persons and entities shall among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Living Unit.

Section 2.4 Class C Members.

Class C Members shall be the Developer and/or any Owner who is a successor developer so designated by the Developer. Class C Members shall be entitled to cast three (3) votes for each Living Unit contemplated by the PUD Plan for construction on the property owned by such Member, or, if there is no PUD Plan in existence with respect to such property, twelve (12) votes for each acre of such property owned by such Member. The Developer initially had 5538 votes based upon PUD Plan of The Existing Property as approved on August 16, 1971.

ARTICLE III

Common Properties

Section 3.1. Member's Easements of Enjoyment.

Every Member and resident member of the immediate family of an occupant of an Assessable Living Unit owned by a Member shall have a right and easement in and to the Common Properties, which Properties are currently owned by Florida Land Company. Each Member or occupant of an Assessable Living Unit shall be entitled to use any and all of the Common Property.

Section 3.2 Title to Common Properties.

The Florida Land Company may retain the legal title to all or any part of the Common Properties until it has completed improvements thereon and in the opinion of Florida Land Company, the Association is financially able to maintain the same. Notwithstanding any provision herein to the contrary, Florida Land Company hereby covenants for itself, its successors and assigns, that it shall convey to the Association all Common Properties located within The properties not later than the date Florida Land Company has conveyed to Owners Ninety-five percent (95%) of the land acreage platted for residential structures within the boundaries of the Properties as shown

on the PUD Plan approved by the City, of Winter Springs (formerly "Village of North Orlando"), Seminole County, Florida, on August 16, 1971.

Section 3.3 Improvements to be Provided by Florida Land Company.

Florida Land Company, at its expense, shall develop and construct for the Association at least three (3) recreation sites. One site will contain a clubhouse, a swimming pool, and a playground facility. The second site shall contain a beach area, boat ramp, boat dock, a pavilion with rest rooms and a barbecue pit, and a playground. The third site shall contain tennis court facilities, rest room facilities, and a playground. There will also be provided within The Properties a pathway system for both bicycle and pedestrian traffic and three (3) additional playgrounds.

Section 3.4 Cash Advance to the Association by Florida Land Company.

During the initial years of development of The Properties, Florida Land Company may make cash advances to cover operational expenses for the purpose of promoting the recreation, health, safety, and welfare of the Members of the Association, such cash advances shall be interest free.

Section 3.5. Extent of Members' Easements.

The rights and easements of enjoyment created hereby shall be subject to the following:

(a) the right of the Association to borrow money for the purpose of improving the Common Properties and in aid thereof to mortgage said properties. In the event of a default upon any such mortgage, the lender shall be entitled, after taking possession of such properties, to charge admission and fees as a condition to continued enjoyment by the Members and occupants of Living Units owned by Members and, if necessary, to open the enjoyment of such properties to a wider segment of the public until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to the Association and all rights of the Members shall be fully restored.

(b) the right of the Association to take such steps as are reasonably necessary to protect the Common Properties against foreclosure;

(c) the right of the Association to suspend the enjoyment right of any Member or occupant of an Assessable Living Unit owned by such Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations;

(d)(As amended 2/4/84) the right of the Association to charge reasonable admission and other fees for the use of the Common Properties. Except as otherwise provided in Section 3.6(a),

such admission and other fees shall not be charged for any of the ordinary uses of the Common Properties such as open swimming, open tennis for use of the picnic facilities, except when consented to by not less than two-thirds (2/3) of the total number of votes entitled to be cast by the Class A Members voting in person or by proxy at a meeting called for such purpose; and

(e)(As amended 2/4/84) acquire (by gift, purchase, or otherwise), own, hold, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with affairs of the Association, provided that no such conveyance, sale, transfer, dedication for public use, or disposal of real property shall be effective unless Members representing not less than two-thirds (2/3) of the total number of votes entitled to be cast by all Members of the Association shall have approved such sale, transfer, dedication for public use or disposal of real property at a meeting duly called for such purpose, and unless written notice of the proposed agreement and action thereunder is sent to every Member as provided in Section 4.4 of the Association By-Laws.

ARTICLE IV

Meetings of Membership

Section 4.1 Place of Meetings.(As amended 2/4/84)

The annual meeting of the members of this Corporation shall be held at the principal office of the Corporation, 675 Shepard Road, Winter Springs, Florida or at such other places or places as shall be designated from time to time by the Board of Directors. All other meetings of Members of this Corporation shall be held at the said principal office of the Corporation or at such other places, within or without the State of Florida, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 4.2 Annual Meeting.(As amended 1/19/82)

The annual meeting of the Members of this Corporation, commencing with the year 1974, shall be held on the last Thursday in March of each year, if not a legal holiday, and if a legal holiday then on the next calendar day following, at eight o'clock, P.M., at which time they shall elect a Board of Directors and transact such other business as may be properly brought before the meeting,

Section 4.3 Special Meetings.

Special meetings of the Members of this Corporation for any purpose or purposes, unless otherwise prescribed by Statute or by the Articles of Incorporation may be called by the President, the Board of Directors, or by Members having not less than one-tenth (1/10) of the votes entitled to be cast at such meetings. Business transacted at all special meetings shall be confined to the purpose or purposes stated in the call.

Section 4.4 Notice of Meetings.

Written or printed notices of all meetings of Members of this Corporation, stating the place, day and hour thereof, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the Members calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Corporation, with postage thereon paid,

Section 4.5 Quorum.

Members holding one-third (1/3) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum at all meetings of the Members of this Corporation for the transaction of business, except as otherwise provided by statute, by the Declaration of Covenants, Conditions and Restrictions, by the Articles of Incorporation, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Members, the Members entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time without notice other than announcement at the Meeting, until a quorum shall be present or represented. At such adjourned meetings at which a quorum shall be represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 4.6 Voting.

The vote of the Majority of the votes entitled to be cast by the Members present, or represented by Proxy, at a meeting at which a quorum is present, shall be the act of the Members meeting, except in the following circumstances:

(a)(As amended 2/4/84) the imposition of reasonable admission fees by the Association for the use of any of the common properties in which Case a two-thirds (2/3) vote of the Class A Members entitled to vote shall be necessary as hereinabove Provided for in Section 3.54);

(b)(As amended 2/4/84) no conveyance, Sale, transfer, dedication for Public use, or disposal of real property shall be effective unless Members representing not less than two-thirds (2/3) of the total number of votes entitled to be cast by all Members of the Association shall have approved such sale, transfer, dedication for public use or disposal of real property at a meeting duly called for such purpose, and unless written notice of the Proposed agreement and action thereunder is sent to every Member as Provided in Section. 4.4 of the Association By-Laws.

(c)(As amended 2/4/84) the borrowing of money in which case the consent of not less than two-thirds (2/3) of the Class A Members or two-thirds (2/3) of the Class c members shall be necessary to mortgage, pledge, deed in trust, or hypothecate any or all of the Corporation's real or personal property as security for the sums borrowed Or debts incurred; and

(d) the participation in a merger or consolidation with other Corporations Not For Profit or the annexation of additional common property in which case a vote of not less than eighty-five

(1) year, At the annual meeting in 1985, three Directors shall be elected for a term of two (2) years, Thereafter, the Directors shall be elected in the Manner described above, four in one year and three in the next year.

Section 5.3 Resignation.

Any Director May resign at any time by giving written notice to the President or Secretary. Such resignation shall take effect at the time Specified therein and, unless otherwise Specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.4 Removal.

Any Director may be removed at any time either with or without cause and another person may be elected to serve for the remainder of this term at any special meeting of the Members called for the Purpose by a vote of a majority of the Members entitled to vote. In case any vacancy so created shall not be filled by the Members at such meeting, such vacancy may be filled by the Board of Directors as provided in Section 5.5.

Section 5.5 Vacancies.

If any vacancy shall occur in the Board of Directors, such vacancy May, subject to the provisions of Sections 5.1 and 5.2, be filled by the affirmative vote of a Majority of the remaining Directors though less than a quorum of the Board of Directors, A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office or until his Successor shall be elected and Shall qualify.

Section 5.6 General Powers.

In addition to the Powers and authorities expressly conferred upon it by these By-Laws, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the Declaration of Covenants, Conditions and Restrictions or by Articles of Incorporation or by these By~Laws directed or required to be exercised or done by the Members of this Corporation.

Section 5.7 Compensation. (As amended 3/27/79)

Directors who are not residents of the Highlands Shall not receive any compensation, in the form of salary or expenses of attendance, for their Services provided that nothing herein shall be construed to preclude any Director from Serving this Corporation in any other capacity and receiving compensation therefor.

ARTICLE VI

Meetings of the Board

Section 6.1 Place of Meetings.

The Directors of this Corporation may hold their meetings, both regular and special either within or without the State of Florida.

Section 6.2 Annual Meeting.

The first meeting of each newly elected Board shall be held at such time and place as shall be fixed by vote of the Members of this Corporation at the annual meeting, no notice of such meeting shall be necessary to the newly elected Directors in order legally to constitute the meeting, provided a quorum shall be present, or the newly elected Board may meet at such time and place as shall be fixed by the consent in writing of all the Directors.

Section 6.3 Regular Meetings.

Regular meetings of the Board may be held at such time and place as shall from time to time be determined by the Board. Notice of all regular meetings of the Board, Stating the place, day and hour thereof, shall be given to each Member of the Board, not less than two (2) or more than thirty (30) days before the date of the meeting, personally, by mail or by telephone, by or at the direction of the President, or the Secretary. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member of the Board at his address as it appears on the records of the Corporation, with postage thereon paid.

Section 6.4 Special Meetings.

Special meetings of the Board may be called by the President of this Corporation on two (2) days notice to each Director either personally or by mail or by telegram, Special meetings shall be called by the President Or Secretary in like manner and on like notice on the written request of two (2) Directors, Attendance of a Director at a meeting shall constitute a Waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground

that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any special meeting of the Board need be Specified in the notice or Waiver of notice of such meeting.

Section 6.5 Quorum and Action.

At all meetings of the Board, the presence of a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of 'business and the act of a majority of the Directors at any meeting at wWhich-a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by law, the Declaration of Covenants, Conditions, Restrictions, the Articles of Incorporation, or these By-Laws. If a quorum shall not be present at any meeting of Directors, the Directors present thereat may adjourn the meeting from time to time without notice Other than announcement at the meeting until a quorum shall be present.

Section 6.6 Presumption of Assent to Action.

A Director who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless this dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the secretary of the meeting before the adjournment thereof or Shall forward such dissent by registered mail to the Secretary of this Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 6.7 Waiver of Notice

Whenever any notice is required to be given to any Director of this Corporation under the law or under the Provisions of the Articles of Incorporation, or By-Laws of thig Corporation, a waiver thereof in writing signed by the Person or persons entitled to such notice, before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 6.8 Action Without a Meeting.

Any action required by law to be taken at a meeting of the Directors of this Corporation, or action Which may be taken at a meeting of the Directors, may be taken Without a meeting if consent in writing, setting forth the action to be taken, shall be signed by all the Directors, and such consent Shall have the same force and effect as a unanimous vote of the Directors.

ARTICLE VII

Committees and Boards

Section 7.1 Committees of Directors.

The Board of Directors, by resolution adopted by a Majority of the Directors in office, may designate one or more committees of Directors, each of which committees shall consist of two (2) or more Directors, which Committees, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of this Corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him by law.

Section 7.2 Other Committees and Special Boards.

Other committees, special or standing, and special boards, including an advisory board, not having and exercising the authority of the Board of Directors in the management of this Corporation, may be designated and appointed by a resolution adopted by a majority of the Directors at a meeting of the Board of Directors at which a quorum is present, or by the President thereunto authorized by a like resolution of the Board of Directors. Membership on such committees and special boards need not be limited to Directors or Members of this Corporation.

Section 7.3 Vacancies in and Dissolution of Committees and Special Boards.

The Board of Directors shall have the power at any time to fill vacancies in, to change the membership of, or to dissolve any or all committees or special boards designated pursuant to these By-Laws.

Section 7.4 Executive Director.

The Board of Directors shall appoint an Executive Director who shall not be a Member of the Board of Directors and who shall serve at the pleasure of the Board. The Executive Director will perform such administrative duties as are assigned to him by the Board from time to time. In general, the Executive Director shall be responsible for handling the routine administrative affairs of the Association. Except for the purpose of inquire, no individual Member of the Board of Directors shall interfere with the performance of the Executive Director or subordinate duties; however, actions taken by the Executive Director may be subject to Board of Director review.

ARTICLE VIII

Special Powers of The Board of Directors

Section 8.1 Architectural Review Board.

The Board of Directors shall appoint a committee known as the "Architectural Review Board" (the "ARB"), which appointment shall be subject to the terms and conditions of the Declaration, Covenants, Conditions and Restrictions which Board shall have the following powers and duties:

(a) to promulgate from time to time residential planning criteria for The Properties. However, any such planning criteria shall be set forth in writing and made known to all Owners and to all prospective Members of the Association. Any residential planning criteria promulgated by the ARB shall be subject to final approval by the Association. Said residential planning criteria shall include any and all matters considered appropriate by the ARB not inconsistent with the provisions of this Declaration;

(b) to approve all improvements of any kind or description to be erected, constructed, or maintained upon The Properties and to approve any exterior additions to or changes or alterations therein. No improvements of any kind or description whatsoever shall be erected, or the erection thereof begun, or change made in the exterior design thereof after original construction of any Lot or Living Unit in The Properties until the complete plans and Specifications and a plot showing the location of the structure have been approved by the ARB. Two complete sets of plans and specifications showing the nature, time, shape, height, materials and location of such proposed improvements must be furnished to the ARB and approved in writing by the ARB as to

(i) quality of design, Workmanship and Materials, (ii) the harmony of the external design, and (iii) location in relation to surrounding Structures, topography and finished grade elevations, prior to the commencement of any construction thereof, If found to be in compliance with the restrictions set forth herein and the criteria established by the ARB and, in the opinion of the ARB, consistent with the Planned development of The Properties and continuous lands thereto, one set of Plans and Specifications shall be returned to the Owner of builder marked "Approved by the Architectural Review Board of the Highlands Homeowners' Association". Such approval shall be dated and shall not be effective for construction commenced more than six (6) months after the approval date, If no action is taken by the ARB within thirty (30) days after their delivery to the ARB, they shall be deemed approved on the thirtieth (30th) day following such delivery provided that such plans and Specifications do not alter the land uses for such property contemplated on any existing PUD Plan and subject to the right of the Association to enjoin any construction that does not comport with the restrictions set forth herein. The ARB may require Payment of a cash fee, not to exceed fifty dollars (\$50) with respect to any one Living Unit or structure, to Partially compensate for the expense of reviewing Plans and Specifications, such fee to be payable at the time the plans are submitted for review; and

(c) To require to be submitted to it for approval any Samples of building materials proposed or any Other data or information necessary to reach its decision.

Section 8. 2 Maintenance Assessments. Each Owner of an assessable Living Unit and a member of the Association by acceptance of a deed therefor, whether Or not it shall be so expressed in such deed or other Conveyance, and whether or not such deed was recorded prior to the Declaration of Covenants, Conditions and Restrictions, hereby covenants and agrees to pay to the Association all annual assessments for charges and special assessments for Capital improvements; Such assessments to be fixed, established, and collected from time to time as hereinafter Provided, The annual and Special assessments, together with such interest thereon and costs of collection thereof as hereinafter Provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and the cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time the assessment became due. All assessments shall, when paid, be deposited in a separate assessment fund bank account. The assessment fund shall be held, managed, invested and expended by the Association through its Board of Directors at its discretion, for the benefit of The Properties and Owners therein.

The assessments levied by the Association through its Board of Directors shall be used exclusively for the purpose of promoting the recreation, health, safety, and Welfare of the Members of the Association and in particular for the improvement and maintenance of Properties, services and facilities devoted to the purpose and related to the use and enjoyment of the Common Properties, including by way of illustration and not by way of limitation:

- (a) Payment of taxes and insurance on Common Properties, and payment of operational expenses of the Association;
- (b) Lighting, improvement and beautification of access ways and easement areas, and the acquisition, Maintenance and repair and replacement of directional Markers and signs and traffic control devices, and costs of controlling and regulating traffic on the accessways;
- (c) Maintenance, improvement and Operation of drainage easements and systems;
- (d) Management, maintenance, improvement and beautification of parks, ponds, buffer strips, bike paths, swimming pools, and recreational areas and facilities;
- (e) Garbage collection and trash and rubbish removal, but only when and to the extent specifically authorized by the Board of Directors of the Association:
- (f) Providing police Protection, night watchmen, guard and gate services, but only when and to the extent specifically authorized by the Board of Directors of the Association;
- (g) Repayment of funds and interest thereon, borrowed by the Association;

(h) Payment of reasonable expenses incurred by the ARB but only to the extent specifically authorized by the Board of Directors of the Association; and

(i) Doing any other thing necessary or desirable, in the judgment of said Association through its Board of Directors, to keep the community neat and attractive or to preserve or enhance the value of the properties therein, or to eliminate fire, health or safety hazards, or which, in the judgment of said Association through said Board of Directors, may be of general benefit to the Owners or occupants of lands included in The Properties.

The date of commencement of said assessments, the amount and nature of all assessments is more fully set forth in the Declaration of Covenants, Conditions and Restrictions,

ARTICLE 1x Officers

Section 9.1 Officers.

The officers of this Corporation shall be a President, a Vice President, a Secretary and a Treasurer and additional Vice Presidents and one or more Assistant Secretaries and Assistant Treasurers as may be chosen by the Board of Directors from time to time, Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 9.2 Election, Term of Office and Qualification.

The officers of this Corporation shall be designated by the Board of Directors at its first meeting. The Board shall elect a President, one or more -Vice Presidents, a Secretary and a Treasurer, none of whom need to be a member of the Board. Each officer so elected shall hold office- until his successor shall have been duly chosen and qualified, or until his death or his resignation or removal in the manner hereinafter provided. Election of an officer shall not of itself create any contract rights of any nature whatever.

Section 9.3 Subordinate Officers.

The Board of Directors may appoint such other officers, agents and employees as it shall deem necessary, who shall hold their offices for such term, have such authority and perform such duties as the Board of Directors may from time to time determine. The Board of Directors may delegate to any committee or officer the power to appoint and remove any such subordinate officer or agent or employee. Appointment of any subordinate officer or agent shall not of itself create contract rights. The term of employment of any such subordinate officer, agent or employee may exceed the term of the Board appointing them.

Section 9.4 Resignation of Officers.

Any officer may resign at anytime by giving written notice thereof to the Board of Directors or to the President or Secretary of this Corporation. Any such resignation shall take effect at the time specified therein and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9.5 Removal of Officers.

Any officer elected or appointed by the Board of Directors may be removed by the Board at anytime with or without cause. Any other officer, agent or employee may be removed at any time, with or without cause, by the Board of Directors or by any committee or superior officer upon whom such power of removal may be conferred by the Board of Directors. The removal of such an officer, agent or employee shall be without prejudice to the contract rights, if any, of the party so removed.

Section 9.6 Vacancies.

Any vacancy in any office shall be filled for the unexpired portion of the term by the Boards of Directors, but in case of a vacancy occurring in an office filled in accordance with the provisions of Section 3 of this Article such vacancy may be filled by any committee or superior officer upon whom such power may be conferred by the Board of Directors.

Section 9.7 The President

The president shall be the chief executive officer of the Corporation. He shall preside at all meetings of the members and Directors; shall be ex officio a member of all committees of Directors and other committees and Special boards: shall have general and active management of the business of the Corporation; and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall execute in the name of the Corporation all deeds, bonds, mortgages, contracts and other documents except where required or permitted by law or by these By-Laws to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation.

Section 9.8 The Vice President

The Vice Presidents shall perform the duties as are given to them by these By-Laws and as may from time to time be assigned to them by the Board of Directors or by the President. At the request of the President, or in his absence or disability, the Vice President designated by the President (or in the absence of such designation the senior Vice President) shall perform the duties and exercise the powers of the President.

Section 9.9 The Secretary.

The Secretary shall attend all sessions of the Board of Directors and all meetings of the members and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for committees having any authority of the Board of Directors and, when required by the Board of Directors, for any committee or special board. He shall give, or cause to be given, notice of all meetings of the members and special meetings of the Board of Directors, have charge of the membership and all other records of the Corporation and perform such other duties as may be prescribed by the Board of Directors for President, under whose supervision he shall be. He shall keep in safe custody the seal of the Corporation and, when authorized by the Board of Directors, affix the same to any instrument requiring it, which shall then be attested by his Signature or by the signature of the Treasurer or an Assistant Secretary.

Section 9.10 The Treasurer.

The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursement, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation.

Section 9.11 Treasurer's Bond.

If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 9.12 Salaries.

The salary or other compensation, if any, of officers shall be fixed from time to time by the Board of Directors. The Board of Directors may delegate to any committee of Directors, officers, agents or employees the power to fix from time to time the salary or other compensation of subordinate officers, agents, and employees appointed in accordance with the provisions of Section 9.3.

ARTICLE X

General Provisions

Section 10.1 Books and Records.

This Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members and Board of Directors and shall keep at its registered office or principal office in the State of Florida a record of the names and addresses of its members entitled to vote according to class as hereinabove provided.

Section 10.2 inspection of Books and Records.

Books and records of this Corporation may be inspected by any Member of his agent or attorney for any proper purpose at any reasonable time.

Section 10.3 Dividends Prohibited.

No dividends shall be paid and no part of the income of this Corporation shall be distributed to its members, Directors or officers except as compensation in a reasonable amount for services rendered.

Section 10.4 Checks, Notes, etc.

All checks or demands for money and notes of this Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 10.5 Fiscal Year.

The fiscal year of this Corporation shall be fixed by resolution of the Board of Directors.

Section 10.6 Corporate Seal.

A corporate seal shall be procured which will clearly impress the name Highlands Homeowners' Association, Inc., a Florida Corporation Not For Profit.

ARTICLE XI
Amendments

Section 11.1 Amendments by Members.

The power to alter, amend or repeal these By-Laws or to adopt new by-laws shall be vested in the Board of Directors and such action may be taken at any annual meeting or any special meeting by the vote of a majority of the Directors at any such meeting at which a quorum is present.

Section 11.2. Delegation of Powers.

The power to alter, amend or repeal these By-Laws or to adopt new by-laws may, by appropriate resolution, be delegated by the members of this Corporation to the Board of Directors at any annual meeting or at any special meeting provided notice of such proposed action is included in the notice of such special meeting.

ARTICLE XII

Written Agenda

Section 12.1. Written Agenda.

As hereinabove provided for in Section 4.4, written or printed notice shall be delivered to each member entitled to vote not less than ten (10) nor more than fifty (50) days before the date of any annual or special meeting stating the place, day and hour thereof and in the case of a special meeting the purpose or purposes for which such meeting is called,

At the discretion of the Board of Directors there shall be prepared a written agenda for annual meetings which shall specify all the matters which shall be discussed at such meeting and which agenda shall also set forth the proposed nominees for the Board of Directors. All nominations and all matters proposed for the agenda of the annual meeting must be submitted by written resolution signed by members having not less than 1/10th of the votes entitled to be cast at such meeting more than sixty (60) days prior to such meeting. All other nominations or matters proposed for the agenda not received 60 days prior to the meeting will not be sent in the printed notice of said meeting but such nominations and matters may be presented at the annual meeting at the discretion of the Board of Directors. Any proposals or resolutions not signed by members having not less than 1/10th of the votes entitled to be cast will be referred to the Executive Director or, at the discretion of the Board of Directors, may be presented at the annual meeting.

ARTICLE XIII

Priority of Documents

Section 13.1, Priority of Documents.

It is expressly stipulated that for Purposes of practical as well as judicial construction the Declaration of Covenants, Conditions and Restrictions shall have priority over the Articles of Incorporation which in turn shall have priority over these By-Laws. Any conflict or ambiguity, with regard to the affairs of this Corporation, shall be resolved by reference to this Section.

The Highlands Homeowners' Association, Inc.

Architectural Review Board

Planning Criteria

Approved by
The Highlands Homeowners' Association, Inc.
Board of Directors
July 15, 1998

This Architectural Review Board Planning Criteria document replaces
Highlands Homeowners' Association, Inc. Architectural Guidelines approved 10/91
including the addendum approved 12/20/95
Architectural Review Board Planning Criteria

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1 Fence and Columns

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Highlands Homeowners' Association

I. ARCHITECTURAL REVIEW BOARD FUNCTIONS

The Architectural Review Board (ARB) of the Highlands Homeowners' Association (HHOA) was established in 1973. Its duties are presented in the HOA Declaration of Covenants, Conditions, and Restrictions. The ARB shall function as follows:

A. Improvements

To approve all improvements of any kind or description to be erected, constructed, or maintained upon The Properties and to approve any exterior additions to or changes or alterations therein. No improvements of any kind or description whatsoever shall be erected, or thereof begun, or change made in the exterior design after original construction of any Lot or Living Unit in The Properties until the complete plans and specifications and a plot plan showing the location of the structure have been approved by the ARB. Three sets of plans and specifications showing the nature, time, shape, height, materials, exterior colors, and location of such proposed improvements must be furnished to the ARB and approved in writing by the ARB as to (1) quality of design, workmanship and materials, (2) the harmony of the external design, and (3) location in relation to surrounding structures, topography and finished grade elevations, prior to the commencement of any construction thereof. If found to be in compliance with the restrictions set forth herein and the criteria established by the ARB, and in the opinion of the ARB, consistent with planned development of The Properties and contiguous lands thereto, two sets of plans and specification shall be returned to the owner or builder marked ““ Approved by the Architectural Review Board of the Highlands Homeowners' Association”. Such approval shall not be effective for construction commenced more than six (6) months after the approval date. If no action is taken by the ARB within thirty (30) days after their delivery to the ARB, they shall be deemed approved on the thirtieth (30th) day following such delivery provided that such plans and specifications do not alter the land uses for such property contemplated on any existing PUD Plan and subject to the right of the Association to enjoin any construction that does not comport with the restrictions set forth herein.

B. Samples

To require to be submitted to it for approval any samples of building materials and exterior colors proposed or any other data or information necessary to reach its decision.

II. PURPOSE OF PLANNING CRITERIA AND CHARACTER DESIRED

A.

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Purpose of Planning Criteria

The purpose of these planning criteria is to provide visual control and protect the character and integrity of the Highlands community. The desired result is the maintenance of high property values and the provision of a pleasant livable environment for all residents through the approval of new construction, reconstruction, improvement, and landscaping on all lots.

Character Desired

The desired community character is comprised of the existing natural setting, development, and maintenance. The Highlands owes much of its character to the natural setting of forests, hills, and streams. These amenities should be preserved, consistent with the planned development of the project. All development within the project, including original construction and later alterations and additions, should respect and relate well to the natural setting by preserving native vegetation; by using colors and materials which blend well with this setting; and by avoiding stark or startling colors, materials, or designs.

Regarding maintenance, the character desired is simply one of general good housekeeping and well maintained properties, free of untidy clutter.

III. APPLICATION, PROCESSING, AND APPEAL

A. Application

1. No improvements of any kind, and no external alterations, re-roofing, painting or additions or changes shall be made until an application, including plans and specifications for such improvements, has been submitted to the ARB and approved by it in writing.
2. An application shall consist of three (3) complete sets of plans, specifications, plot plans and any other material including 6" x 6" color sample swatches and a roofing material sample required by the ARB to fully describe the proposed improvements.
3. A sub-association's planning criteria may vary from the ARB's planning criteria. For further information, contact the Highlands office at 327-0640.

B. Approval

1. When the complete application is received, the ARB will approve or disapprove in writing, regarding its satisfaction of these planning criteria, and as to:
 - a. Quality of design, workmanship, and materials.
 - b. The harmony of the external design.
 - c. Setbacks, Location in relation to surrounding structures, topography, and finished grade elevations.
2. When approved, two (2) sets of plans and specifications may be returned to the applicant marked "Approved" and giving the date of approval.

C. Appeal

1. A decision of the ARB may be appealed by the applicant, in writing, to the Board of Directors of the Association.
2. The Board will consider the appeal, and may affirm the action of the ARB or make such other determination as it deems appropriate under the circumstances.

IV. ENFORCEMENT

Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; failure by the Association 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; and in enforcing any of these covenants or restrictions the Association shall be entitled to recover its costs, expenses and charges including reasonable attorneys' fees.

V. ARCHITECTURE

A sub-association's planning criteria may vary from the ARB's planning criteria. For further information, contact the Highlands office at 327-0640.

A. Style

1. All building plans and elevations are to be reviewed by the Highlands Architectural Review Board (ARB).
2. Architectural style shall harmonize with the natural setting of the Highlands and the surrounding homes.

B. Materials

1. All exterior materials are to be reviewed and approved by the ARB before use.
2. The number and variety of exterior materials should be so limited that the design is perceived as a unified whole rather than a busy display of materials.
3. Where concrete block is used, all block must be stuccoed on all exterior walls.

C. Colors

All exterior colors changes, other than the original approved colors, are to be reviewed and approved by the ARB before application. Colors should relate well to the natural setting of the Highlands. Stark and startling colors should be avoided. Color choice must be submitted to the ARB prior to purchase or application. The ARB has the right to reject any color it deems not to be in keeping with the natural setting of the Highlands.

1. Main house colors are to be light to medium shades. No bright or stark colors are allowed.
2. Accent and trim house colors are to be complementary to the main color of the house and should be used to accent desirable features of the house.
3. Garage door colors should be the same as the main house color or a similar compatible color.
4. Roof colors are to be complementary to the house colors.

5. Fences installed and maintained by the Highlands Homeowners' Association will be stained by the Association on the outside with the standard Highlands' fence stain color, which is Benjamin Moore's Moor-o-matic HC-104. Where concrete columns exist or are to be installed between fencing sections, the standard paint color is Benjamin Moore's Moor-o-matic HC-985.

C. Colors (Continued)

6. All fencing facing streets and common areas must be stained on the outside by the homeowner, with the approved Highlands standard fence color (see under item 5). Colors for fencing not visible from roads and common areas, including the backs of fences installed by the Highlands Homeowners' Association, are the choice of the homeowner but should be compatible with the main color of the house and should not clash with any abutting fencing. NO bright, dark, or white colors are allowed.

D. Roofing Materials

All changes of roofing materials and color other than the original are to be reviewed and approved by the ARB prior to installation. Roofing materials are to be compatible with roofs in the neighborhood.

E. Roof Vents and Turbines

1. All roof vents and turbines are to be painted to match the color of the roof.
2. All electrical and wind operated vent turbines are to be located on the rear slope of the roof. All other roof vents are to be located on the rear slope if possible.

F. Fencing by The Highlands Homeowners' Association

Certain fences viewed from primary roads will be installed and maintained by the Highlands Homeowners' Association. Two types of fences may be used. For properties abutting Sheoah Boulevard, Sheoah Circle, Shepard Road and North Third Street, a combination of wood fence with stucco columns may be used. See Figure 1 at end of these guidelines. For certain other fences viewed from these roads, wood fences will be used. The locations for these fences are illustrated on Figure 2, the Common Area Fencing Key Plan (to be provided at a future date). The fence plan may be adjusted from time to time by the ARB.

G. Fencing by Homeowners

All plans for fencing are to be reviewed and approved by the ARB before

construction.

1. Fences installed by property owners abutting common areas except the golf course are optional. If desired, they are to be (6) foot high solid wood fences. The fence is to be uniform in design for the length of the owner's property. Fencing is to be constructed of four (4) inch or six (6) inch wide boards. Fence rails must be on the inside exposing the plain fence boards to the outside, The design may be dogear-clipped, stockade, board on board or shadow box. Materials are to be cedar, cypress or pressure treated pine, grade D or better. Refer to the section entitled Colors in this document for information about fence colors.

G. Fencing by Homeowners (Continued)

2. Installation of any solid type of fencing along property lines abutting any areas of the golf course is prohibited.

- 3, Installation of natural wood split rail fencing along a homeowner's back and side yard property lines abutting certain areas of the golf course, along nature trails and natural areas is subject to ARB approval.

- 4, No metal or chain-link fencing is allowed.

5. Fences must be maintained and in good repair by the property owner at all times.

H. Air Conditioning Units

Air conditioning units are to be screened from view of the public by planting and/or fencing.

I. Screening

1. All framing for pool enclosures and porches can be black, white, bronze, or gray. All screening for pool enclosures and porches can be black, bronze, or gray. Aluminum color framing and screening is prohibited. Framing and screening colors should be compatible with the main house color. Construction of new pool enclosures or porches, or changes to framing and screening colors other than the original approved colors, must be reviewed and approved by the ARB.

2. Any type of garage door screening, vertical roll-up, or sliding panels installation is subject to ARB approval (see above for color guidelines).

J. Irrigation Wells

All plans for wells shall be submitted to the ARB for review and approval.

K. Play Structures and Sports Equipment

All plans for play structures and sports equipment (e.g., basketball hoops, goals, etc.) shall be submitted to the ARB for review and approval. Location of play structures and sports equipment must not interfere with the rights of the adjacent property. When necessary, portable sports equipment (e.g., basketball hoops, goals, etc.) should be removed from the street after each use and stored from view of adjacent properties and the street. All play structures and sports equipment

must be maintained in a good state of repair.

L. Antennas and Satellite Dishes

No radio or television or other aerial, antenna, tower or transmitting or receiving aerial or support thereof shall be erected except those devices which may be erected under eaves or entirely within the enclosed portion of the individual dwelling unit or garage. Satellite dishes, up to one meter in diameter, may be approved in locations hidden by public view by building or other features. Submit a proposed location for the satellite dish for approval to the ARB.

M. Temporary Buildings and Storage Sheds

No tent, shack, trailer, house trailer, garage, or other outbuilding shall be permitted on any lot. Storage sheds must be attached to the dwelling, be constructed of the same materials as the dwelling, and must be reviewed and approved by the ARB.

N. Mailboxes and Street Numbers

To provide an overall attractive appearance, the standardized curbside delivery mailbox, painted black or a color compatible with the colors of the house, is required. Custom designed mailboxes are to be compatible with the materials and colors of the house and must be approved by the ARB. Street numbers placed on mailboxes and houses should be a simple, legible design. Numbers placed on houses should be at least four (4) inches high and not exceed eight (8) inches high.

O. Flagpoles

Flags and supports must be reviewed and approved by the ARB.

P. Clotheslines

No clothes, sheets, blankets, or other articles shall be permitted to be displayed except in an enclosed yard or a closed garage.

Q. Exterior Lighting Fixtures.

No lighting fixture shall be installed that may become an annoyance or a nuisance to any residents of adjacent properties. Outdoor lighting is to be positioned so that light does not shine into the windows or doors of neighbors houses or onto adjacent properties. When security lighting is desired for a large area, multiple lighting fixtures with lights less than 150 watts each should be used to light paving, landscaping and house features. Higher wattage lights are discouraged. Large commercial "street light" or "building flood" type lights are prohibited.

R. Signs

Except as otherwise permitted by the ARB, no sign of any character shall be displayed upon any lot except one "For Rent" or "For Sale" sign. Signs should be a standard size, no greater than 2' x 2' in area.

S. Refuse and Recyclable Material

No trash, garbage, rubbish, debris, waste, or recyclable material shall be deposited or allowed to accumulate or remain on any lot. No fires for burning trash, leaves, clippings or other debris or refuse shall be permitted. All trash containers must be tied and closed at all times. All trash containers or recycling bins must be kept within a utility yard or other enclosure. However, trash containers or recycling bins may be placed at street side for removal of refuse or recyclable material up to eight (8) hours prior to announced pick-up time. Trash containers or recycling bins must be returned to utility yard or enclosure within eight (8) hours after announced pick-up time.

T. Driveways, Parking Pads, and Carports

1. Driveway paving is to be of concrete with no color added. Other types of paving including colored concrete, stamped concrete, concrete pavers and bricks may be approved at the discretion of the ARB.
2. Use of rock or mulch for additional parking is not permitted.
3. Except for condominium units, no carports shall be constructed or permitted.

U. Lawn Ornaments

All lawn ornaments (e.g., pink flamingos, artificial flowers, urns, cherubs, etc.) must be reviewed and approved by the ARB.

V. Tree Removal and Landscaping

1. All trees larger than six (6) inches caliper are to be preserved unless they directly interfere with building construction. No trees larger than six inches caliper may be removed without prior permission from the City of Winter Springs Forestry Department. An arbor permit is required for living and dead tree removal.
2. Vegetable gardens are not permitted in front yards or any side yard where visible from a street or common area.
3. Plant beds, shrubs, trees, and lawns must be maintained in a well kept appearance at all times.

W. Above Ground Swimming Pools

Above ground swimming pools may be installed in back yards as long as side and rear property lines have a standard six (6) foot stockade type fence erected to shield the pool and any attachments from view. Refer to the section entitled Colors and the section entitled Fencing by Homeowners in this document for additional information. Any above ground swimming pool and fence installation is subject to ARB approval.

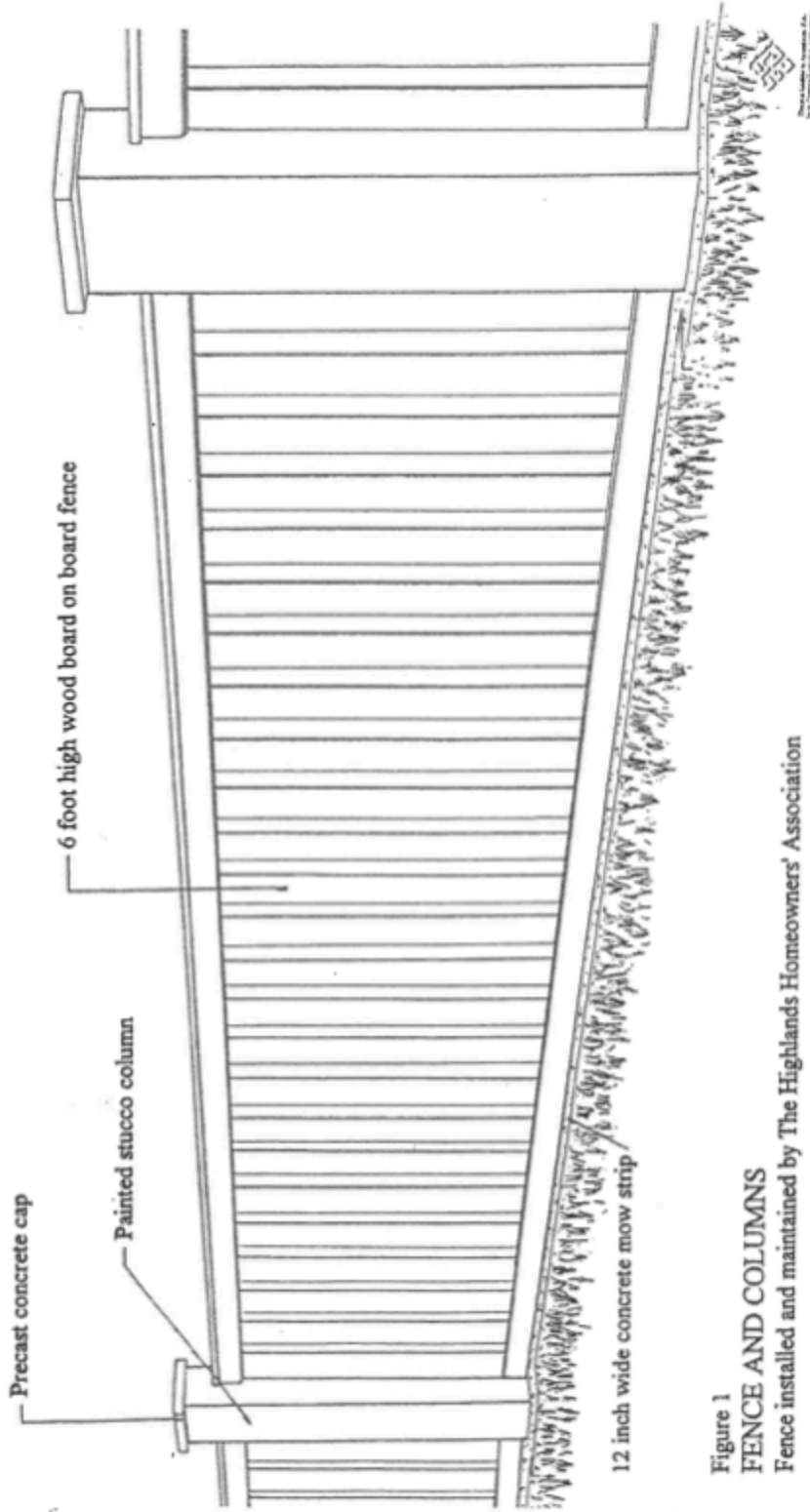


Figure 1
FENCE AND COLUMNS
 Fence installed and maintained by The Highlands Homeowners' Association



The Highlands
 Winter Springs, Florida

Thompson South & Associates, P.A.
 8700 15th Street, Suite 200
 Winter Springs, Florida 32787

COMMON AREA FENCING
 FIGURE 2

COMMON AREA FENCING
 FIGURE 2

Exhibit "B"

Amendments to Highlands Homeowners' Association, INC. BY-LAWS

1. Article V, Section 5.1 of the Highlands Homeowners' Association, Inc., By-Laws fs hereby amended to read as follows:

Section 5.1 Number and Qualification. ~~(As amended 12/14/84)~~ The affairs of this Corporation shall be managed by a Board of Directors who shall be elected as hereinafter provided by the Members qualified to vote thereon as hereinafter provided. The number of directors of this Corporation shall be ~~Seven (7)~~ five (5). The number of directors may he changed from time to time by the Baard: however, the number shall always be an odd humber, and the number of directors shall never be less than three (3) nor more than seven (7).

2. Article V, Section 5.2 of the Highlands Homeowners' Association, Inc., By-Laws is hereby amended to read as follows:

Section 5.2 Election and Term of Office, ~~(As amended 12/14/84)~~ The term of office for each Director is two (2) years except as indicated herein. ~~At the annual meeting in 1984, seven Directors will be elected. Of those elected, the four members having the highest number of votes shall serve for a term of two (2) years, and the remaining three shall serve for a term of one (1) year. At the annual meeting in 1985, three Directors shall be elected in the manner described, four in one year and three in the next year.~~ It is the intention of these By-Laws that a staggered Directorate be maintained, To maintain a staggered Directorate, the Board may hold Seats in future elections open for one 1) or two (2) year terms. when necessary Or appropriate, In any election where candidates are elected for different terms, those candidates receiving the higher number of votes shall be elected to the lengthier term, In the event that there is no election, such as in a case where there are fewer pre- qualified candidates than open seats, the Directors who are seated shall agree amongst themselves which shall serve the two-year terms and which shall serve the one-year terms. This decision shall be recorded in the minutes of a duly noticed Board Meeting. In the event the Directors cannot agree on which among them shall serve the lengthier and shorter terms. the Board shall hold a "run-off* election, wherein these receiving the most votes will he elected to a lengthier term.

Additions in bold underline: deletions in strikethrough

3. Article XI, Section 11.1 of the Highlands Homeowners' Association, Inc., By-Laws is hereby amended to read as follows:

Section 11.1 Amendments by ~~Members~~ the Board of Directors. The power to alter, amend or repeal these By-Laws or to adopt new by-laws shall be vested in the Board of Directors and such action may be taken at any ~~annual meeting or any special~~ Board meeting by the vote of a majority of the Directors at any such meeting at which a quorum is present.

4. Article XI, Section 11.2 of the Highlands Homeowners' Association, Inc., By-Laws is hereby deleted in its entirety:

~~Section 11.2 Delegation of Powers. The power to alter, amend, or repeal these By-Laws or to adopt new by laws may, by appropriate resolution, be delegated by the members of this corporation to the Board of Directors at any annual meeting or at any special meeting provided notice of such proposed action is included in the notice of such special meeting.~~