The Highlands Homeowners' Association

Declaration of Covenants, Conditions and Restrictions

THE HIGHLANDS HOMEOWNERS' ASSOCIATION, INC.
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
AS AMENDED TO
JANUARY 23, 1989

(NOTE: THE ORIGINAL DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS WAS RECORDED IN O.R. BOOK 969, P 0734 ET SEQ.PUBLIC RECORDS OF SEMINOLE COUNTY, FLORIDA.)

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

KNOW ALL MEN BY THESE PRESENTS, that this Declaration of Covenants, Conditions and Restrictions, made and entered into on this 20th day of February, 1973, by FLORIDA LAND COMPANY (the “Developer'), a Florida corporation, joined herein by DEVELOPMENT ENTERPRISES, INCORPORATED, a Florida corporation,

WITNESSETH:

WHEREAS, the Developer is the owner of the real property described in the attached Exhibit A and DEVELOPMENT ENTERPRISES, INCORPORATED is the owner of the real property described in the attached Exhibit B; and

WHEREAS, the Developer and DEVELOPMENT ENTERPRISES, INCORPORATED deem it desirable that all of the property described in the attached Exhibit A will be subject to the covenants, conditions and restrictions set forth in this Declaration except for the property specifically excluded on pages 4,5,6 and 7 of Exhibit A (the "Golf Course Property”); and

WHEREAS, the Developer desires to create a residential community covering the property described in Exhibit A (except for the Golf Course property) to be known as “The Highlands", with permanent parks, playgrounds, open spaces and other common facilities for the benefit of the said community; and

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

WHEREAS, the Developer shall be responsible for the organization of a Florida non-profit corporation, which may be named HIGHLANDS HOMEOWNERS’ ASSOCIATION (the “Association"), for the purpose of exercising the functions aforesaid; and

WHEREAS, DEVELOPMENT ENTERPRISES, INCORPORATED desires its property described in Exhibit B (which property is also included in Exhibit A) to have the benefit and use of said community properties and facilities and be subject to the assessments, charges and other obligations relating thereto in the same manner as the other includible property described in Exhibit A;

NOW THEREFORE, the Developer and DEVELOPMENT ENTERPRISES, INCORPORATED declare that- the real property described in Exhibit A (except for the Golf Course Property) and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as “covenants and restrictions”) hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. The following words when used in this Declaration or any supplemental declaration (unless the context shall prohibit) shall have the following meanings;

(a) “Association” shall mean and refer to the HIGHLANDS HOMEOWNERS’ ASSOCIATION.

(b) “The Properties" shall mean and refer to all Existing Properties and additions thereto which are subject to this Declaration or any supplemental Declaration under the provisions of Article II hereof.

(c) “Common Properties” shall mean and refer to those areas of land, other than Lake Audubon, shown on any recorded subdivision plat of The Properties intended to be devoted to the common use and enjoyment of the Owners and occupants of The Properties.

(d) “Lot“ shall mean and refer to any numbered parcel of land within a lettered or numbered block as shown on any recorded plat of land within The Properties, or with respect to any block on such a recorded plat which is not sub-divided into numbered lots, the term “Lot" shall refer to such block. With respect to land within The Properties not covered by a recorded plat, the term “lot” shall refer to that portion of each contiguous tract of land within The Properties (i) which is held under common ownership and (ii) which is not covered by a recorded plat.

(e) “Living Unit” shall mean and refer to any building or portion of a building situated upon The Properties designed and intended for use and occupancy as a residence by a single family including, but not limited to, Condominium Units and Patio or Cluster Homes.

(f) “Condominium Unit” shall mean and refer to any Living Unit that is designed to be a part of a condominium project and is located on property with respect to which a Declaration of Condominium has been recorded.

(g) "Patio or Cluster Home” shall mean and refer to any Living Unit that is a part of the Patio or Cluster Home property indicated on the PUD Plan.

(h) “Owner” shall ‘mean and refer to the record owner, whether one or more persons or entities, of the fee or undivided fee interest in any Lots or living Units situated upon The Properties, but shall not mean or refer to a mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(i) “Member” shall mean and refer to the Developer and all Owners who are members of the Association pursuant to Section 3.1.

(j) “Existing Property” shall mean the property described in Exhibit A attached hereto except for the Golf Course Property.

(k) “ARB” shall mean and refer to the Architectural Review Board.

(l) "Golf Course Property” shall mean and refer to the property described on pages 4,5,6 and 7 of Exhibit A attached hereto.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 2.1 Existing Property.

The real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration is located in Seminole County, Florida, and is that property described in Exhibit A attached hereto, except for the Golf Course Property. A planned unit development plan, with respect to the Existing Property (the “PUD Plan’), was approved by the City of Winter Springs (formerly “Village of North Orlando”), Seminole County, Florida, on August 16, 1971.

Section 2.2 Additions to Existing Property.

Subject to the provisions of subparagraphs (a} and (b) of this Section 2.2, and Section 2.3, the Association or the Developer may subject
additional land to this Declaration by filing a supplementary declaration of covenants and restrictions of record.

(a) Changes in accordance with a General Plan of Development. The Developer, its successors and assigns, shall have the right to include additional properties within this Declaration only if such inclusion is made pursuant to a revised General Plan of Development, as approved by the appropriate governmental agencies, but such additions must substantially comply with the existing PUD Plan.

Such revised General Plan of Development shall show the proposed additions to the Existing Property and shall contain:

(i) a general indication of size and location of development stages and proposed land uses in each such stage; (ii) the approximate size and location of common properties proposed for each stage; (iii) the general nature of proposed common facilities and improvements; and (iv) a statement that the proposed additions, if made, will be subject to assessment for their just share of Association expenses.

Unless otherwise stated therein, such revised General Plan of Development shall not bind the Developer, its successors or assigns, to adhere to the Plan or make the changes proposed therein and the Plan shall contain a conspicuous statement to such effect.

(b) Mergers. The Association's articles of Incorporation shall provide that upon a merger or consolidation of the Association with another association, the Association's properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration with The Properties together with the covenants and restrictions established upon any other properties held by the surviving or consolidated Association. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration within The Properties except as hereinafter provided.

Section 2.3 General Provision Regarding Additional Property.

Prior to January 1, 1975, additional land may be subjected to this Declaration only if such addition is consented to by not less than eighty-five percent (85%) of the total number of votes entitled to be cast by the Members voting in person or by proxy at a meeting duly called for such purpose. Thereafter, the consent of not less than two-thirds (2/3) of the total number of votes entitled to be cast by the Members voting in person or by proxy at a meeting duly called for such purpose. shall be required. Written notice of any meeting called pursuant hereto Shall be sent to all Members at least thirty (30) days in advance. Notwithstanding anything hereinabove to the contrary, prior to January 1, 1975, none of the property which presently comprises the subdivision located in the City of Winter Springs and known as "The Terrace" may be subjected to this Declaration without the consent of the Developer and DEVELOPMENT ENTERPRISES, INCORPORATED.

Regardless of the methods used to subject additional property to the terms and provisions of this Declaration, so such addition shall revoke or diminish the rights of the Owners of The Properties to utilize the Common Properties established hereunder except to grant to owners of the properties being added the right to use the Common Properties established hereunder and to change voting rights and assessments as hereinafter provided. No supplementary Declaration of Covenants and Restrictions shall alter the relative rights and obligations of the Members within a Class. A supplementary Declaration of Covenants and Restrictions may contain such additions, deletions, and modifications of the covenants and

restrictions. contained in this Declaration as may be necessary or desirable to reflect the different character, if any, of the properties added thereby.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

IN THE ASSOCIATION

Section 3.1 Membership.

The Developer, each Owner who is a successor developer designated by the Developer, and each Owner of an assessable Living Unit (see Section 53.3(a), shall be a Member of the Association unless such Owner holds such interest in an assessable Living Unit merely as a security for the performance of an obligation.

Section 3.2 Voting Rights.

The Association shall have two classes of voting membership:

Class A.

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.

Class C.

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 the PUD Plan of the Existing Property as approved on August 16, 1971.

ARTICLE IV

THE COMMON PROPERTIES

Section 4.1 Members' Easements of Enjoyment.

Subject to the provisions of Section 4.6, 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 and such easement shall he appurtenant to and shall pass with the title to every Lot and Living Unit.

*Amended 4/28/80, recorded 4/29/80 in O.R. Book 1280, p.1326,
Public Records of Seminole County, Florida.

Each such Member or occupant of an assessable Living Unit shall be entitled to use any and all Common Property belonging to the Association regardless of its location.

Section 4.2 Title to Common Properties.

The Developer 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 the Developer, the Association is financially able to maintain the same. Notwithstanding any provision herein to the contrary, the Developer 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 the Developer 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 4.3 Improvements to be Provided by the Developer.

The Developer, 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 restrooms 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 4.4 Cash Advance to the Association by the Developer.

During initial years of development of The Properties, the Developer 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 as provided in Section 5.2. Such cash advances shall be interest free.

*Section 4.5 Extent of Members' Easements.

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

(a) the right of the Association, in accordance with its Articles and By-Laws, 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

*As amended 3/29/84 recorded in O.R. Book 1600, p. 1857, Public Records of Seminole County, Florida.

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.

(a) 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, as provided in its Articles and By-Laws, 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) 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 4.5(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 or 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) 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 no 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 V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 5.1 Creation of the lien and Personal Obligation of Assessments.

Each Owner of an assessable Living Unit by acceptance of a deed therefore, whether or not it shall be so expressed in such deed or other conveyance, and whether or not such deed was recorded prior to this Declaration, thereby covenants and agrees to pay to the Association all annual assessments or charges and special assessments for capital improvements;

*Section 4.5 (d) & (e) as recorded on 12/14/84 in ORB 1600, p.1858 in the Public Records of Seminole County, Florida.

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 cast 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, at its discretion, for the benefit of The Properties and Owners therein.

Section 5.2 Purpose of Assessments.

The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the 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 acquisition, maintenance, and repair and replacement of directional markers and signs and traffic control devices, and costs of controlling and regulating traffic on the access ways;

(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, 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 may be of general benefit to the owners or occupants of lands included in The Properties.

*Section 5.3 Effective Date of Assessment and Payment.

(a) Effective Date. Each Living Unit shall become assessable on the first to occur of the following two dates:

(1) sixty (60) days after the date that the Building Inspector of the City of Winter Springs, Seminole County, Florida, indicates, by signing the Building Permit, that the Living Unit or structure within which the Living Unit is located has passed final inspection; and,

(2) the first day of the month coinciding with or next following the date such Living Unit is occupied.

(b) Payment.

(1) Except as otherwise provided in Section 5.3(c) below, the annual assessment for each Living Unit shall be payable in advance on January 1 and shall become delinquent on February 1 next succeeding. Payments shall be made to the Association or to such party as the Association may direct in writing.

(2) If any Living Unit should become assessable after January 1 of any year, the amount of the annual assessments, or special assessments for such year shall be payable in advance on the day it becomes accessible and the amount due shall be equal to (i) the annual assessments which would have been assessed against such Living Unit had it been assessable for the entire year, multiplied by (ii) that fraction in which the numerator is equal to the number of days in such year that such Living Unit will be assessable and the denominator is 365.

(3) The Board of Directors shall have the power and authority to cause the annual assessment to be paid in installments and to require an administrative or service fee to be paid in connection therewith. If annual assessments are paid in installments such installments shall be delinquent 30 days after an installment becomes due; any remaining installment or installments shall become accelerated; shall be deemed to be delinquent and shall become immediately due and payable. If the Board of Directors should provide that the annual assessment be paid in installments, then the right to pay such assessments in installments shall apply equally to all Living Units.

(c) Exceptions. In lieu of paying annual assessments in advance and notwithstanding the provisions of Section 5.3(b) above to the contrary, the annual assessments for Condominium Living Units owned by DEVELOPMENT ENTERPRISES, INCORPORATED and the original Owners Of Condominium Living Units located on apartment site number five described in Exhibit B who purchased such Living Units from DEVELOPMENT ENTERPRISES, INCORPORATED, shall, unless such Owners elect to make payments in advance as provided in Section 5.3(b) above, be prorated and paid on a monthly basis as such assessments accrue.

*Section 5.3 (a) and(b) 1,2,3, as recorded on 1/23/89 in 0.R. Book 2035, p. 201 of the Public Records of Seminole County,Florida.

Section 5.4 Annual Assessments.

(a) Initial amount. The initial annual assessment, commencing January 1, 1973, shall be:

(1) One Hundred Eighty Dollars ($180.00) for each assessable Living Unit owned by a Class A Member; and,

(2) Ninety Dollars ($90.00) for each assessable Living Unit owned by a Class B Member.

(b) Changes in initial amount. On or after January 1, 1975, the initial annual assessment may be increased or decreased by the Board of Directors of the Association after considering

current maintenance costs and future needs of the Association provided, however, that the annual. assessment for each Living Unit may not:

(1) Unless a greater amount is approved by the holders of not less than two-thirds (2/3) of the total number of votes entitled to be cast by all Members voting in person or by proxy at a meeting duly called for such purpose, exceed the greater of (i) the applicable amount set forth for each Class in Subsections 5.4(a)(1) and (2), and (ii) one hundred five percent (105%) of the applicable annual assessment for the preceding year for Living Units owned by Members of such Class, or

(2) Be less than the amount set forth in Subsections 5.4(a)(1} and (2) so long as any loan or cash advance to the Association is outstanding.

The limitations of this Section 5.4 shall not apply to any change in the assessments occurring as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation and under Section 2.2 hereof.

Notwithstanding anything herein to the contrary, the annual assessment of any Living Unit with respect to which an exterior maintenance cost has been incurred by the Association pursuant to Section 8.1, shall be increased by the amount of such cost as provided in Section 8.2.

Section 5.5 Special Assessments for Capital Improvements.

In addition to the annual assessments authorized by Section 5.4 hereof, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto,provided that (i) not more than one such special assessment may be levied during any one calendar year and (ii) such special assessment shall have been consented to be not less than two-thirds (2/3) of the total number of votes entitled to be cast by all Members who are voting in person or by proxy at a meeting duly called for such purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting. Notwithstanding any provision of the Association's Articles of Incorporation to the contrary, the quorum required for any action authorized by this Section 5.5 shall be as follows:

At the first meeting called, the presence at the meeting in person or of proxies of Members representing not less than sixty percent (60%) of the total number of votes entitled to be cast of the Members shall constitute a quorum, If the required quorum is not present at the initial meeting, subsequent meetings may be called, subject to the thirty (30) day notice requirement set forth herein and the required quorum at any such subsequent meeting shall be one~half (1/2) that required at the meeting initially called, In no event shall any such subsequent meeting be called more than sixty (60) days after the call of the preceding meeting.

Section 5.6 Certificate of Payment.

Upon demand, the Association shall furnish a certificate in writing signed by an officer of the Association to any Owner liable for an assessment. The certificate shall state whether said assessment has been paid and shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 5.7 Effect Non-Payment of Assessments

If an assessment is not paid when due, then such assessment shall become delinquent and shall, together with such interest theron and the costs of the collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by then. If an assessment if not paid within fifteen (15) days after it becomes delinquent, the unpaid amount of such assessment shall bear interest from the date it becomes delinquent, until paid, at the rate of ten percent (10%) per annum, or such greater rate as may be provided by the laws of the State of Florida, and the Association may bring an action at law against the were personally obligated to pay the same and/or to foreclose the lien against the property, and interest shall be added to the amount of such assessment, together with the costs, charges and expenses of the action, including reasonable attorney's fees and costs of abstracts of title.

*Section 5.8 Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgagee. any first mortgagee who obtains title to the property pursuant to the remedies provided in the mortgage of foreclosure of the mortgage shall not be liable for such property's unpaid dues or Charges which accrue Prior to the acquisition of title to such property by the mortgagee. No sale or transfer shall relieve such property from liability for any assessments thereafter becoming due or from the lien thereof, provided, however, that, ag to a purchase money first mortgagee (not a construction lender) who has acquired property as provided above, neither the purchase money first

*As amended 4/23/76, recorded 5/3/76 in 0.R.. Book 1084, p. 1166 in the Public Records of Seminole County, Florida,

mortgagee nor its successors in title shall be obligated for that portion of assessments necessary to repay cash advances, as provided in Section 4.5, which accrue after such acquisition by the purchase money first mortgages.

Section 5.9 Exempt Property. The following property subject to this Declaration shal! be exempt from the assessments, charges and liens created herein: (i) all properties to the extent of any casement or other interest therein dedicated and accepted by the local public authority and devoted to public use;

(ii) all Common Properties as defined in Section 1.1 hereof; (iii) all properties exempted from taxation by the laws of the State of Florida, upon the terms and to the extent of such legal exemption; (iv) all properties owned by class C Members; and (v) the Golf Course Property. Notwithstanding any provisions herein, except for the property referred to in clause (v) of this Section 5.9, no land improvements actually devoted to dwelling use shall be exempt from said assessment, charges for liens, including Living Units owned by Class C Members.

Section 5.10 Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Living Unit for each assessment period and shall, at that time, prepare a roster of The Properties and assessments applicable thereto which shall be kept in the offices of the Association and shall be open to inspection by any Owner. Written notice of each assessment shall be sent to every Owner subject thereto,

Section 5.11 Use of Assessment Funds by the Developer. The Developer, until the time the Association is activated, may use any part of all of said assessments for the purpose set forth in Section 5. 2. The Developer shall account to the Association for any sums so expended and shall deliver to the Association the balance of any such funds upon activation of the Association.

ARTICLE VI

ARCHITECTURAL REVIEW BOARD

Section 6.1 Formation. The Developer shall, upon the recording of this Declaration, immediately form a committee known as the “Architectural Review Boaré" (the “ARB"), The ARB shall function as follows:

(a) Composition. Initially, the ARB shall consist of five (5) persons designated by the developer and shall include at least one (1) architect and one (1) representative of DEVELOPMENT ENTERPRISES, INCORPORATED. The ARB shall maintain this composition until the Association has been activated. Upon the activation of the Association the ARB shall be appointed by the Board of Directors of the Association and shall serve at the pleasure of said Board, provided, however, that in its selection, the Board of Directors of the Association shall be obligated to appoint the Developer of his designated representative to such Board for so long as the Developer owns any Lots in The Properties or has not completed the General Plan of Development for the entire area owned by the Developer. The Board of Directors shall also be obligated to appoint at least one (1) architect to the ARB and one (1) homeowner Member of the Association. Neither the Association, the Board of Directors of said Association, nor the Members of the Association, shall have the authority to amend or alter the number of members of the ARB which is irrevocably herein fixed at five (3) members. A quorum of the ARB shall be

three (3) members. No decision of the ARB shall be binding without 3 quorum present and an affirmative vote by a majority of the members present.
(b) Duties. The ARB shall have the following duties and powers:

(1) 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 a1] 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;

(2) 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 plan showing the location of the structure have been approved by the ARB. Three 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 apy construction thereof. If found to be' in compliance with the restrictions. set forth therein and the criteria established by the ARB, and, in the opinion of the ARB, consistent with the planned development of The Properties and contiguous lands thereto, two sets of plans and specifications shall be returned to the Owner or 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 rot alter the land uses for such property contemplated on any existing PUD Plan and subject to the right of the Association to enjoy 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

(3) 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.

(4) notwithstanding anything contained herein to the contrary, the ARB may not limit densities below those approved by the City of Winter Springs (formerly, "Village of North Orlando") for the PUD Plan referred to in Section 2,1.

ARTICLE VII

GENERAL RESTRICTIONS - USE AND OCCUPANCY

Section 7.1 Only Residential Purposes. No Lot or Living Unit zoned residential shall be used in whole or in part for anything other than residential purposes, provided however, that each builder or developer may maintain model Living Units. Other than conducting the sale of Living Units, no trade, traffic or business of any kind, whether professional, commercial, industrial or manufacturing shall be engaged in or carried on upon the Properties or any part thereof; no hospital, sanitarium, church, private school, riding academy, tavern or any institution of similar or like character shall be conducted or maintained on The Properties, nor shall anything be done thereon which may be or which may become an annoyance or a nuisance to The Properties.

*Section 7.2 . Temporary Buildings No tent, shack, trailer, house trailer, garage or other outbuilding shall at any time be used on any Lot as a residence or living quarters, or any other purpose either temporarily or permanently, and no building or storage shed or dwelling of a temporary character shall be permitted, except during phases of construction as permitted by the ARB.

Section 7.3 Animals, Birds, and Fowls, No animals,livestock, or poultry of any kind shall be raised, bred, or kept on any Lot or in any Living Unit, except that a reasonable number of dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes. In the event of dispute as to the reasonability of the

*As recorded 1/23/89 in O.R. Book 2035, p. 202 in the Public Records of Seminole County, Florida.

number of such cats, dogs, or household pets kept upon The Properties, the decision and opinion of the ARB shall control.

Section-7.4 Laundry

No clothes, sheets, blankets or other articles shall be Sarnitied to be or otherwise displayed on any part of The Properties except in a service yard or yard enclosed by a lattice, fence or other screening device approved by the ARB.

Section 7.5 Aerials
No radio or television or other aerial, antenna, tower or transmitting or receiving aerial, or support thereof shall be erected, installed, placed or maintained — upon any Lot or Living Unit or upon apy building or structure, except those devices which may be erected, installed, placed, or maintained and used under eaves or entirely within the enclosed portion of the individual dwelling unit or garage; and in no event shall such devices protrude above the highest point of the dwelling or Living Unit situated open such Lot.

Section 7.6 Exterior Light Fixtures
No exterior lighting fixture shall be installed on any Lot or Living Unit without adequate and proper shielding of fixtures. No lighting fixture shall be installed that may become an annoyance or a nuisance to the residents of adjacent properties.

*Section 7.7 Boat and Vehicle Storage
No truck of larger than one-half ton capacity, no trailer, recreational vehicle-type unit, mobile home, bus, boat trailer, and no boat of any kind shall be parked, left or -stored upon any lot other than in a garage or, in the case of Condominium Units only, designated parking space, for more than forty-eight (48) hours, and then only if such vehicle or boat is operable and in good state of repair.

Section 7.8 Utilities
Wires and conduits for the transmission of electricity, telephone and other purposes, public sewers, land drain pipes, water and gas using, or pipes shall be placed beneath the surface of the ground except that street light standards and similar electrical equipment may be placed upon the surface after the ARB has approved the design, location, and, where needed, the proposed screening.
*Section 7.9 Signs
Except as otherwise permitted by the ARB, no sign of any character shall be displayed or placed upon any lot or Living Unit except “for rent" or “for sale” signs, which signs may refer only to the particular premises on which displayed, shall not exceed four (4) square feet in size, shall not extend more than three (3) feet above the ground and shall be limited to one (1) sign per lot or Living Unit.

Section 7.10 Refuse
No trash, garbage, rubbish, debris, waste material or other refuse shall be deposited or allowed to accumulate or remain on any Lot, fires for burning of trash

*Sec. 7.7 As amended 3/29/84, recorded in 0.R, Book 1600 p. 1859 in the Public Records of Seminole County, Florida,

*Sec, 7.9 As amended 1/23/89, recorded in 0.R. Book 2035 p. 202 in the Public Records of Seminole County, Florida.

Leaves, clippings or other debris or refuse shall be permitted on any lot. Unless otherwise approved by the ARB, lightweight containers, not weighing more than twenty-five pounds (25 lbs.) Are permitted for trash, garbage, rubbish, debris, waste material or other refuse. Said containers must be tied or closed at all times and kept within a utility yard or other enclosure so the same is not open to view by the public or residents within the vicinity. Said containers an be placed, however, at street side for removal of refuse up to eight (8) hours prior to announced pickup time. Said containers must be returned to utility yard or enclosure within eight (8) hours after announced pickup time.

Section 7.11 Fences
No wire or chain link fence shall be constructed or permitted on any Lot other than as may be approved by the ARB for recreational or other facilities located on the Common Properties.

Section 7.12 No carports
Except for Condominium Units, no carports shall be constructed or permitted.

Section 7.13 Wells
Water supply wells may be constructed or permitted for irrigation purposes only. ARB approval of construction plans is required in each case.

ARTICLE VIII

EXTERIOR MAINTENANCE

Section 8.1 Exterior Maintenance(a) In addition to maintenance upon the Common Properties, the association shall have the right to provide exterior maintenance upon any vacant lot or upon any improved lot, subject, however, to the following provisions: Prior to performing any maintenance on a vacant lot or improved let the Association shall determine that said property is in need of repair or maintenance and is detracting from the overall appearance of The Properties and except as provided in sub-paragraph (b) of this section shall furnish thirty (30) days prior written notice to the Owner of such property at his last address listed in the Association's record (or if the vacant lot or improved lot is subject to the control of a local association other than the Association, such notice shall be given to such local association with a copy to the individual Owner) stating that unless certain specified repairs or maintenance are completed within paid thirty (30) day period, the Association shall make said necessary repair and charge the same to the local association or Owner as appropriate. Upon the failure of the Owner or local association to act within said period of time, the Association shall have the right to enter in or upon any such lot or to hire personnel to do 30 to make such necessary repairs or maintenance as specified in the written notice. In this connection, the Association may, but shall not

*As amended 3/29/84, recorded in O.R. Book 1600, p, 1859 in the Public Records of Seminole County, Florida.

be limited to painting, repairing, replacing and caring for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, walks and other exterior improvements,

*(b) Where the need of maintenance of the lot is abnormally long grass or similar growth giving an excessively unkempt appearance to the property the written notice need not exceed seven (7) days.

Section 8.2 Assessment of Cost. The cost of any exterior maintenance accomplished pursuant to Section 8.1 shall be assessed against the Lot or Lots upon which such maintenance is done and shall be added to and become part of the annual maintenance assessment or charge to which the Living Unit(s) on such Lot(s) are or may become subject to article V hereof and, as part of such annual assessment or charge, it shall be a lien and obligation of the Owner of such Living Unit(s) and shall become due and payable in all respects as provided in Article V hereof.

ARTICLE II

PARTY WALLS

Section 9.1 General Rules of Law to Apply Each wall that is built as part of the original construction of any building upon The Properties and placed on the dividing line between Lots shall constitute a party wall, and to the extent net inconsistent with the provisions of this Article If, the general rules of law regarding party walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto.

Section 9.2 Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 9.3 Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall way restore it, and if the other owners thereafter make use of the wall, they shall contribute to the restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

- Section 9.6 Right to Contribution Runs with Land. The right of any Owner to contribution from any of Owner under this Article shall be appurtenant to the land and shall pass to such Owner’s successors in title.

*As amended 1/23/89 recorded in @.R. Book 2035, p. 200 in the Public Records of Seminole County, Florida.

Section 9.5 Arbitration. In the event of any dispute

Arising concerning 4 party wall, or under the provisions of this article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision of a majority of all the arbitrators shall be final and conclusive of the question involved.

Section 9.6 Local Association Conflicts. Should any area within the Association form a local association such as a Condominium Association, any of the Sections contained in this Article IX which conflict with such local associations Declaration of Condominiums, shall be null and void and of no further force or effect as to such local association.

ARTICLE X

AMENDMENT

Section 10.1 Consent Required. This declaration may be amended by obtaining the written consent of Members representing not less than two-thirds (2/3) of the total number of votes entitled to be cast by all Members, provided, however, that so long as it is a Member, the Developer may amend these covenants and restrictions without such vote for the purpose of curing any ambiguities or inconsistencies among or between the provisions contained herein and make any Reasonable amendments thereto so long as such amendments conform to the general purposes and standards of the covenants and restrictions contained therein and so long as such amendments do not diminish or dilute the rights of the Members of the Association in any manner.

ARTICLE XI

GENERAL PROVISIONS

Section 11.1 Duration. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument is signed by members representing not legs than two-thirds (2/3) of the total number of votes entitled to be cast by all members has been recorded, agreeing to change said covenants and restrictions in whole or in part.

Section 11.2 Notices. Any notice required to be sent under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to.the last known address of the local association or person who appears as Member or Owner on

the records of the Association at the time of such mailing.

Section 11.3 Conflicts. Should any area within the Association form a logal association such as a Condominium Association, any provisions herein which are in conflict with or violate the Florida Statutes relating to condominiums shall be null and void and of no further force or effect but only as to such local association. ;

*Section 11.4 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 attorney's fees.

Section 11.5 Severability. The invalidity, violation, abandonment or waiver of any one or more of or any part of the covenants, restrictions or other provisions hereof, either as to all or any part of The Properties, shall not affect or impair such covenants, restrictions or other provisions hereof as to the remaining parts of The Properties and shall not affect or impair the remaining covenants, restrictions or other provisions hereof as to all The Properties.

IN WITNESS WHEREOF, the parties hereto have caused this Declaration to be executed and delivered as of the 20th day of February,1973.

*As amended 3/28/80, recorded: 4/9/80 in O.R. Book 1274, p. 115 in the Public Records of Seminole County, Florida.