

ARTICLE VI
MAINTENANCE OF HOMES, LOTS AND LIMITED COMMON AREAS

Section 1. Exteriors of Homes.

Each Owner shall maintain the surfaces of all structures (including the surfaces of the Home and any Limited Common Area Improvements serving the Owner's Lot) in a neat, orderly and attractive manner and consistent with the general appearance of The Properties. The minimum (though not sole) standard for the foregoing shall be consistency with the general appearance of The Properties as initially constructed and otherwise improved by Declarant or by any Builders who build in accordance with plans approved by Declarant (taking into account, however, normal weathering and fading of exterior finishes, but not to the point of unsightliness, in the judgment of the Association). The Owner shall repaint or restain, as appropriate, the exterior portions of the Home (with the same colors as initially used on the Home) as often as is necessary to comply with the foregoing standards.

The responsibilities of the Owner as aforesaid shall extend not only to the surfaces of Homes and other Improvements, including the walls and roofs thereof and any fences, but shall include maintaining (including washing, repairing or replacing) windows, replacing light bulbs and fixtures, maintaining or repairing any hardware systems for entry or garage doors or other functions beyond those of a "cosmetic" nature, except as provided below. All such extended responsibilities shall be performed according to those standards set forth herein so as to maintain those portions of the Home and other Improvements in the aforesaid condition and so as to be fully functional.

In addition to the foregoing, in the event that a Lot contains a lanai, patio or similar structure serving the Home thereon, the Owner of the Lot shall be solely responsible for the maintenance thereof in a clean, orderly and attractive condition, including all furniture and installations thereon.

In the event that any Owner fails to perform the Owner's maintenance responsibilities as set forth above and such failure continues for a period for ten (10) days after written notice thereof given to the Owner by the Association, then the Association shall have the right to perform such maintenance and to levy a special assessment against the Owner for the full cost thereof, together with an administrative surcharge as determined by the Board of Directors but not to exceed twenty five percent (25%) of the sums otherwise owed for such remedial work.

Section 2. Lots and Limited Common Areas.

Each Owner shall maintain (including property irrigation) the trees, shrubbery, grass and other landscaping on his Lot and the Limited Common Areas described in Article IV, Section II, including any mailbox located therein in a neat, orderly and attractive manner and consistent with the general appearance of The Properties as a whole. The minimum (though not sole) standard for the foregoing shall be the general appearance of The

Properties as initially landscaped by Declarant or Builders (such standard being subject to being raised by virtue of the natural and orderly growth and maturation of applicable landscaping, as properly trimmed and maintained).

Section 3. Right of Entry.

There is hereby created an easement in favor of the Association and its applicable designees over each Lot for the purpose of entering onto such Lot in the performance of the maintenance work described in this Article.

The aforesaid easement shall include the right of the Association to enter onto a Lot to perform any maintenance thereon required to be performed by the Owner of the Lot which is not so performed, which entry shall be after at least seven (7) days' prior written notice to the Owner. In such case, the cost of the performance of the maintenance work (which may be done by a contractor or other party engaged by the Association), together with an administrative surcharge not to exceed thirty five percent (35%) of such remedial cost, shall be levied on the Lot as a special assessment hereunder and shall be immediately due and payable upon notice thereof to the Owner.

Section 4. Optional Maintenance by Association.

If so determined by Declarant or, after the termination of the Class B Membership, by a majority vote of the Members, the Association may provide uniform maintenance of those portions of Lots and Limited Common Areas specified by Declarant or such majority vote of the Members, with the costs thereof to be assessed to all Lots. Further, in the event that uniform mailboxes are installed in The Properties, the Association may elect to provide the uniform maintenance, repair and replacement thereof if so determined by Declarant or the aforesaid majority vote of the Members.

ARTICLE VII
CERTAIN USE RESTRICTIONS

Section 1. Applicability.

The provisions of this Article VII and the rules and regulations described in Section 30 hereof shall be applicable to The Properties but shall not be applicable to the Declarant or any of its designees or Lots or other property owned by the Declarant or its designees.

Section 2. Land Use and Building Type: Garages.

No Lot shall be used except for residential purposes. No building constructed on a Lot shall be used except for residential purposes, or as a related garage, if applicable. No building shall be erected, altered, placed or permitted to remain on any Lot other than one Home. Temporary uses by Declarant and its affiliates for model homes, sales displays, parking lots, sales offices and other offices, or any one or combination of such uses, shall be permitted until permanent cessation of such uses takes place. No changes may be

made in buildings erected by the Declarant or its affiliates or independent homebuilders (except if such changes are made by the Declarant or such a homebuilder) without the consent of the Architectural Control Committee.

The foregoing shall not prohibit the conduct of business activities within a Home for so long as same are of a limited nature such that those activities do not generate non-social visitors, customers, clients or excessive deliveries and the party conducting such business holds a valid Indian River County Home Occupation License.

The garage included within each Home shall be used for the parking of an automobile and the storage of only such volume and type of materials which do not interfere with such use. It is understood that parking within The Properties has been designed and calculated in reliance upon each Owner's or Member's Permittee complying with this requirement at all times. All garage doors shall be kept closed except when a vehicle is ingressing or egressing the garage or while cleaning or other usual and customary activities are being conducted within or around the garage. Without limiting the generality of Article VI, Section 1 hereof, all garage door openers, locks and other hardware and equipment related to the garage door shall be the sole maintenance, repair and replacement obligation of the applicable Owner.

Section 3. Opening Blank Walls; Removing Fences.

Without limiting the generality of Section 13 of this Article, no Owner shall make or permit any opening to be made in any blank wall (except as such opening is initially installed) or masonry wall or fence. Further, no such building wall or masonry wall or fence shall be demolished or removed without the prior written consent of Declarant (so long as it owns any portion of The Properties) and the Architectural Control Committee.

Section 4. Easements.

Easements for installation and maintenance of utilities are reserved as shown on the recorded plat of The Properties and as provided herein. The area of each Lot covered by an easement and all improvements in the area shall be maintained continuously by the Owner of the Lot, except for installations for which a public authority or utility company is responsible. The appropriate water and sewer authority, electric utility company, telephone company, the Association, and the Declarant and its affiliates, and their respective successors and assigns, shall have a perpetual easement for the installation and maintenance, all underground, of water lines, sanitary sewers, storm drains, and electric, telephone and other telecommunication lines, cables and conduits, under and through the utility easements as shown on the plats.

Section 5. Nuisances.

Nothing shall be done or maintained on any Lot which may be or become an annoyance or nuisance to the neighborhood. Any activity on a Lot which interferes with television, cable or radio reception on another Lot shall be deemed a nuisance and a

prohibited activity. In the event of a dispute or question as to what may be or become a nuisance, such dispute or question shall be submitted to the Board of Directors, which shall render a decision in writing, which decision shall be dispositive of such dispute or question.

Section 6. Temporary Structures; Gas Tanks; Other Outdoor Equipment.

Except as may be approved or used by the Declarant during construction and/or sales periods, no structure of a temporary character, or trailer, mobile home or recreational vehicle, shall be permitted on any Lots within The Properties at any time or used at any time as a residence, either temporarily or permanently. No gas tank, gas container or gas cylinder shall be permitted to be placed on or about the outside of any Home or on or about any ancillary building, except for one (1) gas cylinder (not to exceed 20 lbs. capacity) connected to a barbecue grill and such other tank designed and used for household purposes as shall be approved by the Architectural Control Committee described in Section 11, below, such tank to be installed underground unless physical conditions dictate otherwise, in which case the following sentence shall apply . Any outdoor equipment such as, but not limited to, pool pumps and water softening devices shall be reasonably screened from the view of anyone not standing on the Lot by the use of landscaping or other means (In any event, as approved by the Architectural Control Committee); provided, however, that the use of such screening shall not obviate the requirement that the installation of any such equipment nevertheless be approved by the Architectural Control Committee.

Section 7. Signs.

No sign of any kind shall be displayed to the public view on any Lot except by a Bullder.

Section 8. Hurricane Shutters.

Any Owner desiring to make use of hurricane shutters shall follow the procedure set forth in Section 13 of this Article for the approval thereof with respect to type, color and other relevant attributes. Once approved by the hurricane shutters shall be used only in accordance with the following requirements:

(a) In the case of shutters which are not permanently installed on the Home (e.g., panels as opposed to "accordion" shutters), same shall be stored out of sight.

(b) No hurricane or other storm shutters shall be placed on a Home, and no permanently affixed shutters shall be closed (except when servicing same), except upon the issuance of tropical storm or hurricane watch or warning by the National Weather Service with a projected landfall in the area of the properties no earlier than forty-eight (48) hours from the time of the installation or closing of the shutters.

(c) All shutters shall be opened/removed within twenty-four (24) hours of either (a) the "lifting" or cancellation of the aforesaid watch or warning or (b) in the event of an actual tropical storm or hurricane, the final passage of same.

(d) Without limiting the specific time restrictions set forth above, at no time shall any hurricane shutters be used to "board up" a home in the absence of the Owner or occupant thereof, it being the sole responsibility of the Owner or occupant to provide any other desired security measures with respect to the Home in a manner which does not have a negative esthetic impact on a Home or surrounding properties.

Section 9. Flags and Banners.

Only those flags and banners specifically required to be permitted by the Association per the Act may be placed on Lots or Homes and then only to the limited extent required by the Act. All flags and banners, including poles, shall be maintained in a good, neat, attractive and respectful condition.

Section 10. Oil and Mining Operation.

No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in The Properties, nor on dedicated areas, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in The Properties. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any portion of the land subject to these restrictions.

Section 11. Pets, Livestock and Poultry.

No animals, reptiles, wildlife, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that household pets may be kept, provided they are not kept, bred or maintained for any commercial purpose, and provided that they do not become a nuisance or annoyance to any neighbor by reason of barking or otherwise. Household pets shall be limited to not more than two (2) dogs or outdoor cats (i.e., cats which are kept entirely indoors or on screened patios shall not be counted). The Board of Directors, by duly adopted rule, may prohibit certain breeds considered to have bad behavioral tendencies but such determination and the enforcement of such rule shall be subject to the disclaimer of liability set forth in Article XV hereof. No dogs or other pets shall be permitted to have excretions on any Common Areas, except areas designated by the Association, if any, and Owners shall be responsible to clean-up any such excretions. For purposes hereof, "household pets" shall mean dogs, cats and other animals expressly permitted by the Association, if any. **ALL PETS SHALL BE KEPT ON A LEASH WHEN NOT IN THE APPLICABLE HOME OR A FENCED-IN YARD, IF ANY.** Pets shall also be subject to all applicable rules and regulations. Nothing contained herein shall prohibit the keeping of fish or domestic (household-type) birds, as long as the latter are kept indoors and do not become a source of annoyance to neighbors.

Section 12. Visibility at Intersections.

No obstruction to visibility at street intersections or Common Area intersections shall be permitted; provided that the Association shall not be liable in any manner to any person or entity, including Owners and Members Permittees, for any damages, injuries or deaths arising from any violation of this Section.

Section 13. Architectural Control.

No building, wall, fence or other structure or improvement of any nature (including, but not limited to, pools, screen enclosures, patios (or patio extensions), hedges, other landscaping, exterior paint or finish, play structures, awnings, shutters, hurricane protection, basketball hoops, decorative plaques or accessories, birdhouses, other pet houses, swales, asphaltting, sidewalk/driveway surfaces or treatments or other improvements or changes of any kind, even if not permanently affixed to the land or to other improvements) shall be erected, placed or altered on any Lot until the construction plans and specifications and a plan showing the location of the structure and landscaping or of the materials as may be required by the Architectural Control Committee (which shall be a committee appointed by the Board of Directors of the Association, absent such appointment the Board to serve in such capacity) have been approved, if at all, in writing by the Architectural Control Committee and all necessary governmental permits are obtained. **Conversions of garages to living space or other uses are hereby prohibited, even though same are not readily apparent from the exteriors of applicable Homes.** Each building, wall, fence or other structure, improvement or alteration of any nature, together with landscaping, shall be erected, placed or altered upon the premises only in accordance with the plans and specifications and plot plan approved by the Architectural Control Committee and applicable governmental permits and requirements. Refusal of approval of plans, specifications and plot plans, or any of them, may be based on any ground, including purely aesthetic grounds, which in the sole and uncontrolled discretion of said Architectural Control Committee seem sufficient. Any change in the exterior appearance of any building, wall, fence or other structure or improvements, and any change in the appearance of the landscaping, shall be deemed an alteration requiring approval. The Architectural Control Committee shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this paragraph. A majority of the Board may take any action the Board is empowered to take, may designate a representative to act for the Board and may employ personnel and consultants to act for it. In the event of death, disability or resignation of any member of the Board, the remaining members shall have full authority to designate a successor. The members of the Board shall not be entitled to any compensation for services performed pursuant to this covenant, unless engaged by the Association in a professional capacity. The Architectural Control Committee shall act on submissions to it within forty-five (45) days after receipt of the same (and all further documentation required) or else the request shall be deemed approved.

In the event that any new improvement or landscaping is added to a Home/Lot, or any existing improvement on a Lot is altered, in violation of this Section, the Association shall have the right (and an easement and license) to enter upon the applicable Lot and remove or otherwise remedy the applicable violation after giving the Owner of the Lot at least ten (10) days prior written notice of, and opportunity to cure, the violation in question. The costs of such remedial work and a surcharge of a minimum of Twenty-Five and No/100 Dollars (\$25.00) (but in no event more than thirty-five percent (35%) of the aforesaid costs) shall be a special assessment against the Lot, which assessment shall be payable upon demand and secured by the lien for assessments provided for in this Declaration.

The approval of any proposed improvements or alterations by the Architectural Control Committee shall not constitute a warranty or approval as to, and neither the Association nor any member or representative of the Architectural Control Committee or the Board of Directors shall be liable for, the safety, soundness, workmanship, materials or usefulness for any purpose of any such improvement or alteration nor as to its compliance with governmental or industry codes or standards. By submitting a request for the approval of any improvement or alteration, the requesting Owner shall be deemed to have automatically agreed to hold harmless and indemnify the aforesaid members and representatives, and the Association generally, from and for any loss, claim for damages connected with the aforesaid aspects of the Improvements or alterations.

The Architectural Control Committee may, but shall not be required to, adopt rules, guidelines, procedures and forms for the above-stated submittal, review and approval process. No rules, guidelines or procedures so adopted shall be required to be recorded in the public records of Indian River County but shall be made available to Owners upon request.

Without limiting the generality of Sections 1 and 27 hereof, the foregoing provisions shall not be applicable to the Declarant or its affiliates or to Builders meeting the requirements of Section 29 of this Article.

Section 14. Commercial Vehicles, Trucks, Trailers, Campers and Boats.

No trucks (other than those of a type, if any, expressly permitted by the Association) or commercial vehicles, or campers, mobile homes, motorhomes, house trailers or trailers of every other description, recreational vehicles, boats, boat trailers, horse trailers or vans, shall be permitted to be parked or to be stored at any place on The Properties, nor in dedicated areas, except in (i) enclosed garages, and (ii) spaces for some or all of the above specifically designated by Declarant or the Association, if any. For purposes of this Section, "commercial vehicles" shall mean those which are not designed and used for customary, personal/family purposes. The absence of commercial-type lettering or graphics on a vehicle shall not be dispositive as to whether it is a commercial vehicle. The prohibitions on parking contained in this Section shall not apply to temporary parking of trucks and commercial vehicles, such as for construction use or providing pick-up and delivery and other commercial services, nor to passenger-type vans with windows for

personal use which are in acceptable condition in the sole opinion of the Board (which favorable opinion may be changed at any time), nor to any vehicles of the Declarant or its affiliates.

All Owners and other occupants of Homes are advised to consult with the Association prior to purchasing, or bringing onto The Properties, any type of vehicle other than a passenger car inasmuch as such other type of vehicle may not be permitted to be kept within The Properties.

Subject to applicable laws and ordinances, any vehicle parked in violation of these or other restrictions contained herein or in the rules and regulations now or hereafter adopted may be towed by the Association at the sole expense of the owner of such vehicle if such vehicle remains in violation for a period of twenty-four (24) hours from the time a notice of violation is placed on the vehicle. The Association shall not be liable to the owner of such vehicle for trespass, conversion or otherwise, nor guilty of any criminal act, by reason of such towing and once the notice is posted, neither its removal, nor failure of the owner to receive it for any other reason, shall be grounds for relief of any kind. For purposes of this paragraph, "vehicle" shall also mean campers, mobile homes and trailers. An affidavit of the person posting the aforesaid notice stating that it was properly posted shall be conclusive evidence of proper posting.

Section 15. Parking on Common Areas and Lots/Garages.

No vehicles of any type shall be parked on any portion of the Common Areas (including roadways) not specifically designed and designated for such purpose or any portions of a Lot other than its driveway and garage.

Section 16. Garbage and Trash Disposal.

No garbage, refuse, trash or rubbish (including materials for recycling) shall be deposited except as permitted by the Association. The requirements from time to time of the applicable governmental authority or other company or association for disposal or collection of waste shall be complied with. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. Containers must comply with all requirements of Indian River County. Such containers may not be placed out for collection sooner than twenty-four (24) hours prior to scheduled collection and must be removed within twelve (12) hours of collection. In the event the Association, in its sole discretion, provides depositories for recyclable materials, same shall be the only ones used on The Properties.

Section 17. Fences, Walls and Hedges.

No fence, wall or other structure shall be erected on any Lot, except as originally installed by Declarant or its affiliates or approved by the Architectural Control Committee. Further, no hedge shall be planted except any approved by the Architectural Control Committee. In considering any request for the approval of a hedge or other landscaping,

SCHEDULE "A"
RULES AND REGULATIONS
FOR
SEGOVIA LAKES

1. The sidewalks, entrances, passages, driveways and like portions of the Common Areas shall not be obstructed nor used for any purpose other than for ingress and egress to and from the Common Areas and Lots; nor shall any carts, bicycles, carriages, chairs, tables or any other objects be stored therein, except in areas (if any) designated for such purposes.

2. The personal property of Owners and occupants must be stored in their respective Homes or other areas approved by the Association.

3. No Articles other than patio-type furniture, barbeques and other usual and customary items shall be placed on the lanais or patios on Lots. No linens, clothes, clothing, curtains, rugs, mops or laundry of any kind, or other Articles, shall be shaken or hung from any of the windows, doors or other portions of the Homes.

4. No Owner or occupant shall permit anything to fall from a window or door of the Home, nor sweep or throw from the Home any dirt or other substance onto the Common Areas.

5. No garbage, refuse, trash or rubbish shall be deposited except as permitted by the Association. The requirements from time to time of the company or agency providing trash removal services for disposal or collection shall be complied with. All equipment for storage or disposal of such material shall be kept in a clean and sanitary condition and shall be at a uniform nature, which may be provided by the Association.

6. Employees of the Association and any management company are not to be sent out by Owners or occupants for personal errands. No Owner shall supervise or direct the activities of any such employee.

7. No repair of vehicles shall be made within The Properties except minor maintenance or repairs within enclosed garages.

8. No Owner or occupant shall make or permit any disturbing noises by himself or his family, servants, employees, agents, visitors or licensees, or pets, or permit any conduct by such persons or pets that will interfere with the rights, comforts or conveniences of other Owners or occupants. No Owner or occupant shall play or permit to be played any musical instrument, nor operate or permit to be operated a television, radio or other sound producing device in a Home in such a manner as to disturb or annoy other residents.

9. No radio or television, mechanical or electronic installation may be permitted in any Home which interferes with the television or other telecommunications reception of another Home.

10. No flammable, combustible or explosive fluids, chemicals or substances shall be kept in any Home except for barbeque propane tanks and usual household items.

11. An Owner or occupant who plans to be absent during the hurricane season must designate a responsible firm or individual to care for the Home should a hurricane threaten the Home or should the Home suffer hurricane damage, and such Owner or occupant shall furnish the Association with the name(s) and contact information of such firm or individual.

12. An Owner or occupant shall not cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, balconies or windows of such party's Home. Curtains and drapes (or linings thereof) which face on exterior windows or glass doors of Home shall be subject to disapproval by the Board, in which case they shall be removed and replaced with acceptable items.

13. Children will be the direct responsibility of their parents or legal guardians, including full supervision of them while within the Common Area and including full compliance by them with these Rules and Regulations and all other restrictions administered by the Association. Loud noises will not be tolerated. All children under twelve (12) years of age must be accompanied by a responsible adult when entering and/or utilizing the recreational facilities.

14. Pets, birds, fish and other animals, reptiles or wildlife shall neither be kept nor maintained in or about The Properties except in accordance with the following, in addition to the applicable terms of the Declaration:

(a) Dogs and cats shall not be permitted outside of its Owner's Unit unless attended by an adult and on a leash not more than six (6) feet long. Said dogs and cats shall only be walked or taken upon those portions of the Common Areas designated by the Association from time to time for such purposes. In no event shall said dog or cat ever be allowed to be walked or taken on or about any recreational facilities.

(b) Fish or caged domestic (household-type) birds may be kept inside the Homes, subject to the provisions of the Declaration.

15. These rules and regulations shall be cumulative with the covenants, conditions and restrictions set forth in the Declaration, provided that the provisions of the same shall control over these rules and regulations in the event of a conflict or doubt as to whether a specific practice or activity is or is not permitted. All of these rules and regulations shall apply to all Owners and occupants even if not specifically so stated in portions hereof. The Board of Directors shall be permitted (but not required) to grant relief

to one or more Owners from specific rules and regulations upon written request therefor and good cause shown in the sole opinion of the Board.

16. These Rules and Regulations may be amended from time to time by a majority vote of the Board of Directors, which amendments shall be published to the Members but need not be recorded in the Public Records of Indian River County.