

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR HILLCREST VILLAGE PROPERTY OWNERS ASSOCIATION, INC.

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DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR HILLCREST VILLAGE PROPERTY OWNERS ASSOCIATION, INC.

THIS DECLARATION, made on the date hereinafter set forth by Hillcrest Village Property Owners Association, Inc., a Florida Corporation, not for profit, its successors and assigns, hereinafter referred to as either "Declarant" or "Association" and Meadowcrest Development Inc., a Florida corporation, hereinafter referred to as "Developer."

WITNESSETH:

WHEREAS, the individual members of the "Association" and the Developer are the sole record owners in fee simple, of certain real property located in Citrus County, Florida, (the "Property") as more particularly described on the Plat thereof recorded in Plat Book 12, Page 122, Public Records of Citrus County, Florida.

NOW THEREFORE, the individual members of the "Association" and the Developer hereby declare that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding don all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof. The covenants, conditions and restrictions imposed or authorized herein are subject to federal, state and local law and regulation.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Hillcrest Village Property Owners Association, Inc., a Florida corporation, not for profit, its successors and assigns.

Section 2. "Common Area" shall refer to all real and/or personal property which the Association owns for the common use and enjoyment of the members of the Association, and all real or personal property within or in the vicinity of Hillcrest Village Property Owners Association, Inc. jurisdiction, including, without limitation, a right of use thereof (such as, but not limited to, easements for surface water collection and retention). The Common Area to be owned initially by the Association, consisting of landscaped areas, entry features, directional graphic system, drainage, security, safety, sidewalks, roadways and road rights of way, project lighting and recreational facilities, as described on the plats and deeds filed in the Association office and recorded in the public records of Citrus County, Florida .

Section 3. "Lot" shall mean any parcel of the property in Hillcrest Village Property Owners Association, Inc. as described in Exhibit A, together with any and all improvements thereon, as platted, in the Public Records of Citrus County, Florida, on which a single family residence, or structure according to the terms of this Declaration, could be constructed whether or not one has been constructed.

Section 4. "Declarant" shall mean and refer to Hillcrest Village Property Owners Association, Inc., its successors and assigns.

Section 5. "Owner/Member." These terms are interchangeable and shall mean the record Owner, or the one or more persons or entities, of a fee simple title to any Lot which is a part of the property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation .

Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to any assessment.

Section 6. "Usage." Whenever used, the singular shall include the plural and the plural the singular, and the use of any gender shall include all genders. Whenever used, the word owner shall mean member and member shall mean owner.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to suspend the right to use of any recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations.

(b) the right of the Association to dedicate or transfer all or any part of the Common Area or to grant easements or licenses over, across and upon the Common Area, to any public agency, authority, utility or other party, public or private, for such purposes and subject to such conditions as may be agreed to by the Association.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, guests, tenants, leasees or contract purchasers who reside on the property. The Owner shall retain responsibility, jointly and severally, for the actions of his family, guests, tenants, leasees and contract purchasers who reside on the property. However, before a property can be rented or leased, the prospective lessee must be provided with a copy of and agree to abide by the Covenants, Conditions, and Restrictions of the Association. This agreement must be documented

by signing an agreement of intended compliance and filing this agreement with the Association. This agreement must be in a form substantially similar to the following form:

AGREEMENT

I (Lessee) have received a copy of the Declaration of Covenants, Conditions, and Restrictions for Hillcrest Village Property Owners Association, Inc., and I have read and understand them, and I agree that I and my family and guests will abide by them.

Name (Printed)

Signature

Property Address

Date

Sworn to and subscribed before me :

Notary

Section 3. Owners shall provide purchasers of their property with a copy of the Covenants, Conditions, and Restrictions and By Laws of the Association at the time of the execution of a contract for sale. A notarized affidavit by the purchaser acknowledging receipt of these documents shall be filed with the Association.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every person or entity who is a fee simple Owner of record of a Lot, including the Developer, at all times as long as it owns all or any part of the property which may become subject to this Declaration, shall be a member of the Association, provided that any such person or entity who holds such interest only as security for the performance of an obligation shall not be a member. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to any assessment.

Section 2. The members of the Association shall be the Owners, and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall determine among themselves who will exercise the vote for that Lot. In no event shall more than one vote be cast with respect to any Lot.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Developer, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, 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 interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

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

Section 3. Annual Assessments. Except as hereinafter provided, the annual assessment, excluding any special assessment for capital improvements or major repairs, shall be determined by the Board of Directors of the Association, also known as the Board. The Board shall fix the assessments, which shall be amounts determined in accordance with the projected financial needs of the Association.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to the current twelve (12) month period for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of a capital improvement upon the Common Area, including necessary fixtures and personal property related thereto, as approved by a majority of the Board of Directors of the Association.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis or as determined by the Board of Directors of the Association.

Section 6. Date of Commencement of Annual Assessments or Special Assessments: Due Dates. The assessments for which provision is herein made shall commence on the date or dates (which shall be the first day of the month), fixed by the Board of Directors of the Association to be the date of commencement. The due date of any assessment shall be fixed in the resolution authorizing such assessments, and such assessment shall be payable, in advance, in monthly, quarterly, semi-annual or annual installments, as determined by the Board of Directors of the Association.

Section 7. 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 Lot for each assessment period at least thirty (30) days in advance of such date or period, and shall at that time, prepare a roster of the Lots and assessments applicable thereto, which shall be kept in the office of the Association and shall be opened to inspection by any Owner. Written notice of the assessment shall be sent to each Owner at least thirty (30) days in advance of each assessment period.

The Association shall, upon demand at any time, furnish to any Lot Owner liable for said assessment, a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the prime rate of interest then current. The Association may bring an action at law against the Owner personally obligated to pay the same, or file a lien against the property and foreclose that lien. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of its Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessment provided for herein shall be subordinate to the lien of any first mortgage. No sale or transfer shall relieve any Owner or Lot from liability for any assessments.

ARTICLE V

ARCHITECTURAL CONTROLS

Section 1. Architectural Control. The Board of Directors of the Association shall appoint a committee to be known as the Architectural Control Board. The Architectural Control Board shall be responsible for the review and approval of the design and construction of all new single family structures including the landscaping thereof.

Section 2. Creation of Design Advisory Board. The Board of Directors of the Association shall appoint a committee to be known as the Design Advisory Board. Such committee shall consist of five (5) or more members who shall serve two year staggered terms. No member shall serve more than one term but may be reappointed after a break in service of at least one year. A member of the Design Advisory Board may be removed at any time, for cause, by the Board of Directors.

Section 3. Alterations, Additions and Improvements. No Owner shall make or allowed to be made, any structural alteration, or shall undertake any exterior repainting, or made any additions or improvements to the building which alters the exterior or appearance thereof, without the prior written approval of the plans and specifications therefore by the Design Advisory Board. The Board shall grant its approval only if the proposed work will benefit and enhance the entire Property in a manner generally consistent with the plan of development thereof.

Section 4. Miscellaneous Additions and Alterations. No building, fence, wall or other structure shall be erected or maintained on any Lot within the Property, nor shall any exterior addition be made until the plans and specifications showing the nature, kind, shape, height, materials, colors, and locations of the same have been submitted to and approved in writing by the Design Advisory Board as to the harmony of external design and location in relation to surrounding structures and topography.

Section 5. Approval of Design Advisory Board; Appeal. All plans and specifications must be submitted to the Design Advisory Board in writing prior to commencement of any alteration, improvement or construction contemplated by the Article. Whenever in this Declaration approval of the Design Advisory Board is required, such approval shall be in writing. In the event the Design Advisory Board fails to approve or disapprove within thirty (30) days after receipt of a request to do so, approval shall be deemed to have been given. Appeal of a decision of the Design Advisory Board shall be to the Board of Directors.

ARTICLE VI

EASEMENT RESERVED TO THE ASSOCIATION

Section 1. Easement over Common Area. For so long as the Association is the Owner of the Common Area, the Association hereby reserves unto itself the right to grant an easement in perpetuity over, upon, under and across all Common Areas shown on the recorded subdivision plat of the Property together with the right to grant easements to others.

Section 2. Establishment of Easements. All easements, as provided for in this Article, shall be established by one or more of the following methods, to wit:

(a) By a specific designation of an easement on the recorded plat of the Property:

(b) By a reservation or specific statement providing for an easement in the deed of conveyance;

(c) By a separate instrument referencing this Article VI, said instrument to be subsequently recorded by the Association.

Section 3. Easements and Encroachments. There shall exist reciprocal appurtenant easements between adjacent Lots and between each Lot and any portion or portions of the Common Area adjacent thereto, for any encroachment due to the unwillful placement, settling, or shifting of the improvements constructed, reconstructed or altered thereon, provided such construction, reconstruction, or alteration is in accordance with the terms of this Declaration. Such easement shall exist to a distance of not more than one foot (1') as measured from any point on the common boundary between adjacent Lots and between each Lot and any adjacent portion of the Common Area, along the line perpendicular to such boundary at such point. No easement for encroachments shall exist to any encroachment occurring due to the willful conduct of any Owner.

ARTICLE VII

GENERAL RESTRICTIONS

Section 1. General Restrictive Covenants. The general restrictive covenants contained in this Article shall apply uniformly to all Lots on the Property.

Section 2. Purpose of Lot - Residential and Activity Use. No Lot shall be used for activities other than residential purposes, except for residential dwelling units held for sale and activities not involving transient traffic or other outward visibility of its presence. No immoral, improper, offensive or unlawful use shall be made of the Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to a neighborhood, or to any neighborhood in the vicinity thereof, or to its occupants, or to the Common Area. All applicable laws, zoning ordinances, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Lot shall be complied with, by and at the sole expense of the Owner.

Only one building shall be erected on any Lot and only a building restricted to the use of one family may be erected. Two or more contiguous Lots owned by a common entity or person may be construed and governed by these restrictions as one Lot for setback and minimum square footage requirements and only one building shall be erected thereon. No portion of a platted Lot may be subdivided. All homes constructed on said Lots shall be constructed by a licensed contractor.

Section 3. No Temporary Structures. No structures of a temporary nature or character, including, but not limited to, a trailer, house trailer, recreational vehicle, motor home, mobile home, camper, tent, shack, shed, boat, barn or other similar structure or vehicle, shall be used or permitted to remain on any Lot, or other living quarters whether temporary or permanent, unless first approved by the Design Advisory Board in writing, provided, however, that this prohibition shall not apply to shelters used by the contractor or Developer during construction.

Section 4. Parking Restrictions. Considering that all Hillcrest Village residences have at least a two car garage attached thereto, the following restrictions are considered to be reasonable and have been developed to protect the appearance of Hillcrest. The Board of Directors shall adopt rules and regulations in furtherance of these restrictions.

(a) No passenger vehicle, except a passenger vehicle of a "guest," as delineated in paragraph (b) below, shall be parked overnight on a Hillcrest Village street, right-of-way, or Lot owned by the Owner or Tenant unless the vehicle is located within a fully enclosed structure in a building located thereon, and shielded from view.

The Design Advisory Board is authorized to permit exceptions to section (a):

- (1) when it has been determined that two registered passenger vehicles already occupy the garage of the Owner or Tenant, and any passenger vehicle to be parked in the residence driveway belongs to, or is operated by, an individual who resides with the Owner or Tenant.
- (2) In circumstances which result in an undue hardship, as defined by the Board of Directors, based upon information provided by the Owner or Tenant.
- (3) In cases where the Owner or Tenant has received written approval from the Design Advisory Board prior to the effective date of this Declaration.

(b) Guests of an Owner or Tenant may be permitted to park a passenger vehicle in the driveway of a Hillcrest Village residence for a period of fourteen (14) consecutive days. To further extend this privilege, written permission must be obtained from the Design Advisory Board by the Owner or Tenant.

(c) No boat, boat trailer, trailer, house trailer, mobile home, camper, motor home, recreational vehicle, or similar vehicle shall be parked on any Lot, street, or right-of-way, unless located within a fully enclosed structure in a building located thereon and shielded from view.

Section 5. Storage Restrictions. No vehicle of any kind or description, their parts or equipment shall be permitted to be stored on any Lot, unless located within a fully enclosed building located thereon and shielded from view. Furthermore, no automobile which contains lettering or advertising thereon or which is identified with a business or commercial activity, truck or other commercial vehicle, house trailer, recreational vehicle, mobile home, motor home,

camper, boat, boat and trailer or other similar vehicle shall be parked for any period of time in excess of ten (10) consecutive hours or stored or otherwise permitted to remain in any Common Area designated for parking, whether paved or non-paved.

Section 6. Livestock and Animal Restrictions. No livestock, poultry, reptiles or animals of any kind or size shall be raised, bred, or kept on any Lot provided, however, that dogs, cats or other common domesticated household pets may be raised and kept provided such pets are not kept, bred or maintained for any commercial purposes. Such permitted pets shall be kept on the Owner's Lot and shall not be allowed off the premises of Owner's Lot except on a leash. Outdoor animal enclosures, such as kennels, fenced areas, or dog runs, are not permitted. No permitted pet shall be allowed to make noise in a manner or of such volume as to annoy or disturb other Owners. Additionally, Owners, Tenants, Lessees, and Guests shall pick up their pets feces and properly dispose of such. Proper disposal includes a plastic bag which should be put in Owners, Tenants, or Lessees garbage can. In no case is disposal to include storm drains, Common Areas, or vacant Lots.

Section 7. Restrictions on Walls, Fences or Hedges. No wall, fence, or hedge shall be erected, placed, altered, maintained or permitted to remain on any Lot unless and until the height, type and location thereof has been approved by the Design Advisory Board in accordance with Article V hereof. No wall, hedge or fence of any kind, height, or use shall be constructed or placed along or adjacent to the front Lot line.

Section 8. Sewage Restrictions. No septic tank, drain field, mobile home storage tank, or other similar container nor any water wells shall be permitted to exist on any Lot.

Section 9. Aerial Restrictions. No tower or transmitting or receiving aerial, or any aerials or antennas whatsoever, shall be placed or maintained upon any Lot or any building or structure, including the normal antennas used for radio and television, or any sound producing appliance or equipment. The installation of a satellite receiving dish shall not be permitted unless the satellite dish does not exceed 39" in diameter and is harmoniously screened from adjoining properties and any roadway and the dish and screening are first approved in writing by the DAB.

Section 10. Signs. No commercial or other signs, shall be erected or maintained on any Lot except with the express written permission of the Design Advisory Board. Such prohibition shall not apply to common commercial real estate signs advertising that a particular Lot is for sale provided that such signs are not illuminated and do not exceed 12" x 14" in size and are not placed within fifteen (15) feet of the front or side street curb.

Section 11. Maintenance of Lots - Exterior. All Lots, including residential units thereon, driveways, and wall or fence, if applicable, shall at all times be maintained in good condition and repair. Each Lot, whether occupied or unoccupied, shall be maintained reasonably clean and free from refuse, debris, unsightly growth and fire hazard by the Resident Owner, Tenant, or Lessee. Specifically:

(a) Grass, hedges, shrubs, vines and mass plantings of any type on each Lot shall be kept trimmed and shall at regular intervals be mowed, trimmed and cut so as to maintain the same in a neat and attractive manner. Trees, shrubs, vines, and plants which die shall be promptly removed and replaced;

(b) No weeds, vegetation, rubbish, debris, garbage, objects, waste materials, or materials of any kind whatsoever shall be placed or permitted to accumulate upon any portion of a Lot which would render it unsanitary, unsightly, offensive, or detrimental to the Property or to the occupants of any such Property;

(c) The Board of Directors, in its sole discretion, may determine whether or not a Lot is properly maintained in accordance with this section. The Association shall have the right, but not the obligation, to have any objectionable item(s) removed so as to restore the Lot to its proper appearance, without liability therefore, and file a lien against the Lot for any costs incurred in the process of removal. Additionally, the Association and its Agents may enter upon any Lot to implement effective insect, reptile, and woods fire control. Such entrance shall not be deemed a trespass but shall be deemed a license coupled with an interest.

Section 12. Allowable Trim and Window Coverings. No Owner, tenant or Lessee shall install shutters, awnings, or other decorative exterior trim without prior written approval of the Design Advisory Board. The installation of tinted bronze glass and safety and security window film is permitted subject to the prior written approval of the Design Advisory Board. No reflective material or tinted glass shall be permitted.

Section 13. Interior Maintenance. Each individual owner shall have the responsibility to maintain the interior of their respective single-family residence.

Section 14. Access at Reasonable Hours. For the sole purpose of performing any maintenance or repairs authorized by this Declaration the Association, through its duly authorized agents, contractors or employees, shall have a license which shall be exercisable after reasonable notice to the Owner to enter upon any Lot.

Section 15. Tree Removal Restrictions. Trees situated on any Lot having a diameter of eight inches (8") or more, measured three feet (3') from ground level, shall not be removed without prior approval of the Design Advisory Board. Requests for approval of tree removal shall be submitted to the DAB along with a plan showing generally the location of such tree (trees).

Section 16. Replacement of Trees. Anyone violating the provisions of the above Section shall be required to replace such trees with trees of like kind, size and condition within thirty (30) days after demand by the Board of Directors. If the Owner fails or refuses to replace the trees as demanded, the Board of Directors shall cause suitable replacements to be planted and the costs thereof shall be a lien against the property of the Owner. The Owner grants to the Board of Directors, its agents and employees an easement of ingress and egress over and across said Lot to enable it to comply with the above Section and this Section 16.

Section 17. Lawns and Landscaping. All lawns on all sides of any Lot shall extend to the pavement line. No parking strips, drives or paved areas shall be allowed, except as approved on the plot plan of the plans and specifications. Upon the completion of any structure on any Lot, the lawn area on all sides of said structure, up to and including the Lot line shall be completely sodded with grass and a watering system, capable of keeping said grass sufficiently irrigated, so that the lawn area shall be uniform, green, luxuriant, and well kept.

Any substantial changes, including but not limited to additions, relocations or removal of shrubbery, or trees, in the original comprehensive landscaping plan, must be submitted to the Design Advisory Board for prior written approval. However, no such change in landscaping shall be permitted in such manner or in such location as to impair the visibility of traffic.

If changes in the original landscaping plan do not have prior written approval, the Board of Directors, at its discretion, shall enter upon the Lot and rearrange or remove non-approved landscaping and make a reasonable charge for so doing. The charge shall constitute a lien on the Lot as would any other assessment or special assessment by the Association.

Section 18. Swimming Pools. A swimming pool, spa and/or hot tub may be built during or after the construction of a residence, provided a plot plan containing the proposed location of said swimming pool, spa and/or hot tub and all of the requirements of a plot plan are submitted for written approval of the Design Advisory Board. Swimming pools erected above ground are strictly prohibited.

Section 19. Setbacks and Minimum Square Footage Area; Method of Determining Square Footage.

(a) No building or structure of any kind with less than 1,400 square feet of living area shall be erected on any Lot. All buildings erected or constructed on any Lot(s) shall conform in the area and setback limitations to the following table:

SETBACK REQUIREMENTS

Front - 25 feet Back - 15 feet Sides - 7 ½ feet
Corner Lots - 15 ft. on street side and 25 ft. front of residence.

(b) The method of determining the square foot area of proposed buildings and structures or additions and enlargements thereto shall be to multiply the outside horizontal dimensions of the building or structure at each floor level. Garages, roofed screened porches and the like, shall not be taken into account in calculating the minimum square foot area as required by this restrictive covenant.

(c) Corner and Odd-Shaped Lots. A single-family dwelling may be erected or placed on any Lot as shown on the aforementioned recorded plat. Set back lines for corner Lots and odd-shaped Lots shall be as nearly as possible as set out herein except that variations may be

authorized by the Architectural Control Board, subject to the approval of the Design Advisory Board at the time plans for building are submitted and a copy of such plans, including the plot plan, will be kept on file by the Architectural Control Board and the Design Advisory Board to establish setback lines as approved.

Section 20. Drilling or Excavations. Drilling for water shall not be permitted upon or on any Lot, nor shall mineral excavations or shafts be permitted upon or on any Lot. .

Section 21. Garbage Containers. No garbage or trash container, except underground trash containers, approved by the Design Advisory Board, shall be placed or permitted to remain on the exterior of any Lot except on the evening prior to and on the day designated for garbage or trash pick-up

Section 22. Clothes Drying Area. A clothes drying area shall be permitted, provided that it is not visible from any roadway.

Section 23. Lawn Ornaments, Exterior Ornamentation. Lawn ornaments, statues, permanent basketball hoops, permanent flag poles, and swing sets are not permitted on any lot without the prior approval of the Design Advisory Board. Seasonal decorations for holidays such as Easter, Halloween, Christmas, Thanksgiving, etc., shall be allowed for a reasonable period of time, not to exceed 45 days for each seasonal holiday (inclusive of the time before and after the seasonal holiday).

Section 24. Newspaper Receptacles and Mail Boxes. No newspaper receptacle or mail box shall be erected or located on any Lot or any roadway area. Cluster mail boxes are erected at appropriate locations on each roadway and each residence will be assigned a mail box.

Section 25. Garage or Yard Sales. No temporary sales of any kind, including, but not limited to, driveway, garage, patio, sidewalk or yard sales, is permitted on any Lot, except that the Board of Directors may designate one day a year when such sales may be permitted.

Section 26. Insurance. Liability and Hazard. The Association shall:

(a) acquire and keep in force public liability insurance in the name of the Association and the Owners against any liability for personal injury or property damage resulting from any occurrence in or about the Common Area, with a limit of liability of not less than one million dollars (\$1,000,000) for any one occurrence;

(b) acquire and maintain Director's and Officer's liability insurance with a limit of liability of not less than one million dollars (\$1,000,000) each occurrence;

(c) acquire and maintain a Fidelity Bond in an amount of not less than one hundred thousand dollars (\$100,000) covering all officers and employees having fiscal responsibilities;

(d) acquire and maintain adequate property insurance on all real and personal property, owned or leased by the Association.

Copies of all insurance policies (or certificates of insurance with paid premium invoices) shall be retained by the Association and open for inspection by the Owners at any reasonable time. All such insurance policies shall (i) provide that they shall not be canceled by the insurer without first giving at least thirty (30) days written notice of their intent to cancel to the Association, and (ii) contain a waiver of subrogation by the insurer(s).

Section 27. Development. Developer shall continue to undertake the work of developing all Lots included within the Property. The completion of that work, and the sale of Lots are essential to the establishment and welfare of the Property as an ongoing residential community. In order that such work may be completed and the Property be established as a fully occupied residential community as soon as possible, nothing in this Declaration shall be understood or construed to prevent Developer from doing on any part or parts of the Property owned whatever is reasonably necessary or advisable in connection with the completion of such work.

ARTICLE VIII

COVENANTS AGAINST PARTITION AND

SEPARATE TRANSFER of MEMBERSHIP RIGHTS

Recognizing that the full use and enjoyment of any Lot is dependent upon the right to the use and enjoyment of the Common Area and the improvements made thereto, and that it is in the interest of all of the Owners that the right to the use and enjoyment of the Common Area be retained by the Owners of Lots, it is therefore declared that the right to the use and enjoyment of any Owner in the Common Area shall remain undivided, and such Owners shall have no right at law or equity to seek partition or severance of such right to the use and enjoyment of the Common Area. In addition there shall exist no right to transfer the right to the use and enjoyment of the Common Area in any manner other than as an appurtenance to and in the same transaction with, a transfer of title to a Lot. Any conveyance or transfer of a Lot shall include the right to use and enjoyment of the Common Area appurtenant to such Lot subject to reasonable rules and regulations promulgated by the Association for such use and enjoyment, whether or not such rights shall have been described or referred to in the deed by which said Lot is conveyed.

ARTICLE IX

MEADOWCREST COMMUNITY ASSOCIATION, INC.

All Lot Owners in Hillcrest Village Property Owners Association, Inc. are also subject to membership in and assessments for the Meadowcrest Community Association, Inc. The

restrictions, privileges and duties of the Community Association are set forth in the Declaration of Covenants, Conditions and Restrictions for Meadowcrest Community, as recorded in Official Records at 647, Page 1961, re-recorded in Official Records Book 649, Page 857, and as amended in Official Records Book 678, Page 1502-25, public records of Citrus County, Florida.

ARTICLE X

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Declarant or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or Court shall in no way affect any other provision, which shall remain in full force and effect.

Section 3. Amendments. Covenants and restrictions of this Declaration may be amended at a regular or special meeting of the Association by a two-thirds (2/3) vote of all Owners. The amendment(s) shall take effect upon recording an instrument executed and acknowledged by the President and Secretary of the Association.

Section 4. Subordination. No violation of any of the conditions herein contained shall defeat or render invalid the lien or any mortgage made in good faith on the Property ; provided, however, that such conditions shall be binding on any Owner whose title is acquired by foreclosure, trustee's sale, or otherwise.

Section 5. 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 any member thereof in perpetuity

Section 6. Remedies for Violation. Violation or breach of any condition, covenant or restriction herein contained shall give the Association, or the Owners in addition to all other remedies, the right to proceed at law or in equity to compel compliance with the terms of the conditions, covenants, or restrictions, and to prevent the violation or breach of any of them, and the expense of such litigation shall be borne by the then Owner or Owners of the subject property, providing such proceeding results in a finding that such Owner was in violation of the restrictions or covenants. Expenses of the litigation shall include a reasonable attorney's fee incurred by the Association, or an Owner seeking such enforcement.

Section 7. Effective Date. This Declaration shall become effective upon its recordation in the public records of Citrus County, Florida.

IN WITNESS WHEREOF, the Association has caused these presents to be executed as required by law on this, the day and year first above written.

Signed, sealed and delivered
in our presence as witnesses:

Hillcrest Village Property Owners
Association, Inc., A Florida Corporation

Witness

President

Witness

Attest:

STATE OF FLORIDA
COUNTY OF CITRUS

The foregoing instrument was sworn to, subscribed and acknowledged before me this day of _____, 1997, by _____, the President and Secretary, respectively, of Hillcrest Village Property Owners Association, Inc., and they executed the foregoing document on behalf of said corporation.

Public

Notary

My Commission Expires: