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Book: 4587  
Page: 842

DECLARATION OF PROTECTIVE  
COVENANTS AND RESTRICTIONS

FOR

CRYSTAL COVE HOMEOWNERS ASSOCIATION  
OF DELAND, INC.

INDEX TO  
DECLARATION OF PROTECTIVE  
COVENANTS AND RESTRICTIONS FOR  
CRYSTAL COVE HOMEOWNERS ASSOCIATION OF DELAND, INC.

BOOK: 4587  
PAGE: 843

	<u>Page #</u>
RECITALS	1
ARTICLE I - DEFINITIONS	2
Section 1 - Assessment	2
Section 2 - Association	2
Section 3 - Builder	2
Section 4 - Board	2
Section 5 - Common Expenses	2
Section 6 - Community	2
Section 7 - Community Common Area	2
Section 8 - Covenants	2
Section 9 - Declaration	3
Section 10 - Developer	3
Section 11 - Governing Documents	3
Section 12 - Improvements	3
Section 13 - Lot	3
Section 14 - Member	3
Section 15 - Owner	3
Section 16 - Person	3
Section 17 - Property	4
Section 18 - Resident	4
Section 19 - Street	4
Section 20 - Supplement	4
Section 21 - Surface Water or Stormwater Management System	4
Section 22 - Turnover	4
ARTICLE II - PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS TO THE PROPERTY	4
Section 1 - Property Subject to Declaration	4
Section 2 - Other Additions to the Property	4
Section 3 - Future Changes in Development Scheme	5
Section 4 - Mergers	5
Section 5 - Withdrawal	5
Section 6 - No Amendment	5



BOOK: 4587  
PAGE: 845

	<u>Page #</u>
ARTICLE VII – ENFORCEMENT OF NONMONETARY DEFAULTS	20
Section 1 – Nonmonetary Defaults	20
Section 2 – No Waiver	20
Section 3 – Rights Cumulative	20
Section 4 – Enforcement By or Against Other Persons	21
Section 5 – Certificate as to Default	21
ARTICLE VIII – INDEMNIFICATION AND DISCLAIMER	21
Section 1 – Indemnification of Officers, Members of the Board or Agents	21
Section 2 – Notices and Disclaimers as to Water Bodies	22
ARTICLE IX – RESTRICTIVE COVENANTS	23
Section 1 – Mining or Drilling	23
Section 2 – Clothes Drying Areas	23
Section 3 – Antennas, Aerials, Discs and Flagpoles	23
Section 4 – Litter	23
Section 5 – Subdivision or Partition	24
Section 6 – Casualty Destruction to Improvements	24
Section 7 – Community Common Area	24
Section 8 – Insurance Rates	24
Section 9 – Drainage Areas	24
Section 10 – Pets, Livestock and Poultry	25
Section 11 – Signs	25
Section 12 – Garbage Containers, Oil and Gas Tanks, Pool Equipment, Outdoor Equipment	25
Section 13 – Solar Collectors	25
Section 14 – Maintenance of the Property	26
Section 15 – Vehicles and Recreational Equipment	26
Section 16 – Repairs	27
Section 17 – Prohibited Structures	27
Section 18 – Nuisances	27
Section 19 – Additional Restrictions	27
Section 20 – Compliance with Documents	28
Section 21 – Exculpation of the Developer, the Board, and the Association	28
Section 22 – Other Restrictions	28
Section 23 – No Implied Waiver	29
Section 24 – Imposition of Fines for Violations	29
ARTICLE X – HISTORIC TREES	29
Section 1 – Historic Tree Protection Easement	29
Section 2 – No Removal	29
Section 3 – Construction Safety	29

BOOK: 4587  
PAGE: 846

	<u>Page #</u>
ARTICLE XI – MISCELLANEOUS PROVISIONS	30
Section 1 – Assignment of Rights and Duties to Association	30
Section 2 – Certificate of Termination of Interest	30
Section 3 – Waiver	30
Section 4 – Covenants to Run with the Title to the Land	30
Section 5 – Term of this Declaration	30
Section 6 – Amendments of this Declaration	31
Section 7 – Disputes	31
Section 8 – Governing Law	31
Section 9 – Invalidation	31
Section 10 – Usage	31
Section 11 – Conflict	31
Section 12 – Notice	31
 ARTICLE XII – SURFACE WATER OR STORMWATER MANAGEMENT SYSTEM	 32
Section 1 – Definition	32
Section 2 – Association Obligations	32
Section 3 – Assignment of Association Obligations	32
Section 4 – Association Obligations Subsequent to a Transfer	32
Section 5 – Covenant for Maintenance Assessments for Association	32
Section 6 – No Barricades	33
Section 7 – Access	33
Section 8 – Construction Limitations	33
Section 9 – Release and Discharge	33
Section 10 – Enforcement	33
Section 11 – Amendment	34
Section 12 – Easement for Access and Drainage	34
Section 13 – Swale Maintenance (if applicable)	34
 ARTICLE XIII – WETLAND CONSERVATION AREA	 34
Section 1 – Definition	34
Section 2 – Association Obligations	34
Section 3 – Covenant for Maintenance Assessments for the Association	35
Section 4 – Transfer/Assignment	35
 ARTICLE XIV – UPLAND CONSERVATION AREA	 35
Section 1 – Definition	35
Section 2 – Association Obligations	35
Section 3 – Covenant for Maintenance Assessments for the Association	35
Section 4 – Transfer/Assignment	35

BOOK: 4587  
PAGE: 847

	<u>Page #</u>
ARTICLE XV – CATV AGREEMENT	36
ARTICLE XVI – FEDERAL HOME LOAN MORTGAGE CORPORATION	36
Section 1 – Special FHLMC Provision	36
Section 2 – Amendment by Board	37
Section 3 – Applicability of this Article	37
ARTICLE XVII – RIGHTS AND OBLIGATIONS OF THE ASSOCIATION	37
Section 1 – Community Common Area	37
SIGNATURE PAGE	39
JOINDER AND CONSENT TO DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS	
EXHIBITS:	
Exhibit A – Articles of Incorporation	
Exhibit B – Legal Description of Property	
Exhibit C – Legal Description of Community Common Area	

BOOK: 4587  
PAGE: 848

**DECLARATION OF PROTECTIVE  
COVENANTS AND RESTRICTIONS FOR  
CRYSTAL COVE HOMEOWNERS ASSOCIATION OF DELAND, INC.**

KNOW ALL MEN BY THESE PRESENTS, that this DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR CRYSTAL COVE HOMEOWNERS ASSOCIATION OF DELAND, INC. (the "Declaration"), is made and entered into as of the 15<sup>th</sup> day of June, 2000, by CRYSTAL COVE, LTD., a Florida limited partnership, hereinafter referred to as the "DEVELOPER."

RECITALS

A. The DEVELOPER is the owner of the Property (as defined in Article I) and desires to create thereon a residential community.

B. The DEVELOPER desires to provide for the preservation of the values in the community and for the maintenance of the open spaces; and, to this end, desires to subject the Property to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of the Property and each OWNER (as defined in Article I) thereof.

C. The DEVELOPER has deemed it desirable for the efficient preservation of the values in the community to create an agency to which should be delegated and assigned the powers of maintaining and administering the community properties and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created.

D. The DEVELOPER has incorporated under the laws of the State of Florida, as a corporation not-for-profit, CRYSTAL COVE HOMEOWNERS ASSOCIATION OF DELAND, INC., the purpose of which shall be to exercise the functions aforesaid.

DECLARATION

NOW, THEREFORE, the DEVELOPER declares that the Property shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

BOOK: 4587  
PAGE: 849

**ARTICLE I**  
**DEFINITIONS**

Unless prohibited by the context in which they are used, the following words, when used in this Declaration, shall be defined as set out below:

Section 1. Assessment. "Assessment" shall mean and refer to those charges made by the ASSOCIATION from time to time against each Lot within the Property for the purposes set forth herein, and shall include, but not be limited to the Initial Assessment, the Annual Assessment for Common Expenses, the Special Assessment for Common Expenses, the Special Assessment for Capital Improvements, and all other items such as fines and expenses, as may be imposed against specific Lots or OWNERS.

Section 2. ASSOCIATION. "ASSOCIATION" shall mean the CRYSTAL COVE HOMEOWNERS ASSOCIATION OF DELAND, INC., a Florida corporation not-for-profit. A copy of the Articles of Incorporation of the ASSOCIATION is attached to this Declaration as Exhibit A.

Section 3. BUILDER. "BUILDER" shall mean and refer to the properly licensed and approved purchasers of developed lots from the DEVELOPER for the purpose of constructing Improvements thereon.

Section 4. BOARD. "BOARD" shall mean the Board of Directors of the ASSOCIATION.

Section 5. Common Expenses. "Common Expenses" shall mean and refer to all expenses incurred by the ASSOCIATION in connection with its ownership and/or maintenance of the Community Common Area and other obligations set forth herein, or as may otherwise be determined by the BOARD.

Section 6. Community. "Community" shall mean that certain project being developed by the DEVELOPER pursuant to the development approvals issued by the City of Deland and other public agencies consisting of a single-family residential community.

Section 7. Community Common Area. "Community Common Area" shall mean and refer to all real property including any Improvements and fixtures thereon, if any, which are dedicated to, owned by, or leased by the ASSOCIATION or the use or maintenance of which has been granted to the ASSOCIATION within the Property (as defined herein) for the common use and enjoyment of its members exclusively. The term "Community Common Area" shall also include recreational areas and facilities and any tangible or intangible personal property acquired by the ASSOCIATION.

Section 8. Covenants. "Covenants" shall mean and refer to the covenants, restrictions, reservations, conditions, easements, charges and liens hereinafter set forth. All Covenants constitute "covenants running with the land" and shall run perpetually unless terminated or amended as provided herein, and shall be binding on all OWNERS.



BOOK: 4587  
PAGE: 850

Section 9. Declaration. "Declaration" shall mean this instrument, the DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR CRYSTAL COVE HOMEOWNERS ASSOCIATION, INC., and all amendments or Supplements made to this instrument and the Planning Criteria referenced in Article VI.

Section 10. DEVELOPER. "DEVELOPER" shall mean CRYSTAL COVE, LTD., a Florida limited partnership, and its successors or assigns as designated by the DEVELOPER in writing.

Section 11. Governing Documents. "Governing Documents" shall mean this Declaration, any Supplement to the Declaration and the Articles of Incorporation and Bylaws of the ASSOCIATION, as the same may be amended from time to time. In the event of conflict or inconsistency among Governing Documents, to the extent permitted by law, the Declaration and any Supplement to the Declaration, the Articles of Incorporation, and the Bylaws, in that order, shall control. One Governing Document's lack of a provision with respect to a matter for which provision is made in another Governing Document shall not be deemed a conflict or inconsistency between such Governing Documents.

Section 12. Improvements. "Improvements" shall mean and refer to all structures of any kind on any Lot including, without limitation, any building, fence, wall, wall buffer, sign, paving, grading, building addition, alteration, screen enclosure, sewer, drain, disposal system, decorative building, recreational facility, landscaping, exterior lighting or landscape device or object.

Section 13. Lot. "Lot" shall mean and refer to each portion of the Property under separate ownership, or which is capable of separate ownership, including all Lots shown on any recorded subdivision plat of the Property, and all Improvements located thereon. The Community Common Area and dedicated streets shall not be considered within the term Lot. Each portion of the Property which is considered a separate parcel for real property tax purposes shall be considered a Lot.

Section 14. MEMBER. "MEMBER" shall mean and refer to all those OWNERS who are MEMBERS of the ASSOCIATION as provided in Article III.

Section 15. OWNER. "OWNER" shall mean and refer to the record owner, whether one or more Persons or entities, of the fee simple title to any Lot situated upon the Property but, notwithstanding any applicable theory of mortgage, shall not mean or refer to a mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding or deed in lieu of foreclosure.

Section 16. Person. "Person" shall mean and include an individual, corporation, governmental agency, business trust, estate, trust, partnership, association, sole proprietorship, limited partnership, two or more Persons having a joint or common interest, or any other legal entity.

BOOK: 4587  
PAGE: 851

Section 17. Property. "Property" shall mean and refer to the legal description attached hereto as Exhibit B, and additional real property being all real property which has become subject to this Declaration as provided in Article II.

Section 18. Resident. "Resident" shall mean and refer to the legal occupant of any Lot. The term "Resident" shall include the OWNER of the Lot and any tenant, lessee or licensee of the OWNER.

Section 19. Street. "Street" shall mean and refer to any street or other thoroughfare within the property, whether same is designated as street, avenue, boulevard, drive, place, court, road, terrace, way, circle, land, walk or other similar designation.

Section 20. Supplement. "Supplement" shall mean a document and the exhibits thereto which when recorded in the Public Records of Volusia County, Florida, shall subject additional real property to the provisions of this Declaration.

Section 21. Surface Water or Stormwater Management System. "Surface Water" or "Stormwater Management System" is hereby defined to mean a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system, as permitted pursuant to the Florida Administrative Code. All retention/detention areas within the Surface Water or Stormwater Management System shall be considered ponds.

Section 22. Turnover. "Turnover" shall mean that date following conversion of Class "B" votes to Class "A" votes upon which the DEVELOPER transfers majority control of the BOARD as provided in the Articles, Bylaws, and this Declaration.

**ARTICLE II  
PROPERTY SUBJECT TO THIS  
DECLARATION AND ADDITIONS TO THE PROPERTY**

Section 1. Property Subject to Declaration. The Property is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration.

Section 2. Other Additions to the Property. The DEVELOPER reserves the right to add, or may cause to be added, other lands not now included within the Property to the provisions of this Declaration. Each commitment of additional property to this Declaration shall be made by a recitation to that effect in a Supplement which need be executed only by the DEVELOPER, and the OWNER of such real property if not the DEVELOPER, and does not require the execution or consent of the ASSOCIATION, or any OWNERS. The Supplement shall describe the lands which are being committed to this Declaration and made subject to the terms of this Declaration and shall contain such other terms and provisions as the DEVELOPER deems proper. Upon the recordation of a Supplement, such real property described therein shall be committed to the Covenants

BOOK: 4587  
PAGE: 852

contained in this Declaration and shall be considered "Property" as fully as though originally designated herein as Property.

Section 3. Future Changes in Development Scheme. The DEVELOPER and its successors and assignees, reserve the absolute right to add, modify or eliminate Lots, Improvements, Community Common Areas (and, if any, facilities thereon) to, on or from the Community generally and the DEVELOPER makes no representation, warranty or assurance to any Owner, Member, Resident, Person or entity (i) that any such Lots, Improvements or Community Common Areas or facilities will or will not be added, modified or eliminated or (ii) as to the financial or other impact on any Association, or on any Owner, Member, Resident or Person of the Community. The DEVELOPER and the Association has not made any representations, warranties or guarantees whatsoever as to: (i) the design, construction, completion, development, use, benefits or value of the Community; or (ii) the number, type, sizes, prices or designs of residential or other structures that are to be built in any part of the Community.

Section 4. Mergers. Upon a merger or consolidation of the ASSOCIATION with another association as provided in its Articles of Incorporation, its 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 pursuant to a merger. The surviving or consolidated association may administer the Covenants established by this Declaration within the Property together with the covenants and restrictions established by a Supplement upon any other properties as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the Covenants within the Property, except as hereinafter provided.

Section 5. Withdrawal. The DEVELOPER reserves the right to amend this Declaration at any time, without prior notice and without the consent of any person or entity, for the purpose of removing certain portions of the Property then owned by DEVELOPER or its affiliates or the ASSOCIATION from the provisions of this Declaration to the extent included originally in error or as a result of any changes whatsoever in the plans for the Property desired to be effected by DEVELOPER.

Section 6. No Amendment. This Article shall not be amended without the prior written consent of the DEVELOPER.

**ARTICLE III  
MEMBERSHIP AND VOTING  
RIGHTS IN THE ASSOCIATION**

Section 1. Membership. Except as is set forth in this Section 1, every Person who is a record titleholder of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the ASSOCIATION shall be a MEMBER of the ASSOCIATION, provided that any such Person which holds such interest merely as a security for the performance of any obligation shall not be a MEMBER.

BOOK: 4587  
PAGE: 853

Section 2. MEMBER's Voting Rights. The votes of the MEMBERS shall be established and exercised as provided in the Articles and Bylaws.

Section 3. Board of Directors. The ASSOCIATION shall be governed by the BOARD which shall be appointed, designated or elected, as the case may be, as follows:

(a) Appointed by the DEVELOPER. The DEVELOPER shall have the right to appoint all members of the BOARD until the Class A membership, as defined in the Articles, comprises seventy-five percent (75%) of the total number of votes of MEMBERS as determined by the Articles.

(b) Election of the BOARD. After the DEVELOPER no longer has the right to appoint all members of the BOARD under subsection 3(a) of this Article III, or earlier if the DEVELOPER so elects, then, and only then, shall any member of the BOARD be elected by the MEMBERS of the ASSOCIATION.

(c) Vacancies. A member of the BOARD may be removed and vacancies on the BOARD shall be filled in the manner provided by the Bylaws. However, any member of the BOARD appointed by the DEVELOPER may only be removed by the DEVELOPER, and any vacancy on the BOARD of a member appointed by the DEVELOPER shall be filled by the DEVELOPER.



**ARTICLE IV**  
**PROPERTY RIGHTS IN THE COMMUNITY COMMON AREA(S)**

Section 1. MEMBERS' Easement of Enjoyment. Subject to the provisions of Section 3 of this Article IV, every MEMBER shall have a right and easement of enjoyment in and to the Community Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot. The Community Common Area presently consists of the tracts identified as Exhibit C attached hereto. The MEMBERS' rights of use and enjoyment shall be non-exclusive, and may be subject to the rights of the general public.

Section 2. Title to Community Common Area. The DEVELOPER may retain the legal title to the Community Common Area until such time as he has completed improvements thereon and until such time as, in the opinion of the DEVELOPER, the ASSOCIATION is able to maintain the same. The DEVELOPER may convey or turn over certain items of the Community Common Area and retain others. Notwithstanding any provision herein to the contrary, the DEVELOPER hereby covenants, for itself, its successors and assigns, that it shall convey all Community Common Area located within the Property no later than the Turnover.

Section 3. Extent of MEMBERS' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

BOOK: 4587  
PAGE: 854

(a) the right of the DEVELOPER and of the ASSOCIATION, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Community Common Area, and in aid thereof, to mortgage the Community Common Area with the approval of two-thirds (2/3) approval of the MEMBERS, excluding the DEVELOPER;

(b) the right of the ASSOCIATION to take such steps as are reasonably necessary to protect the Community Common Area against foreclosure;

(c) the right of the ASSOCIATION to charge reasonable admission and other fees for the use of the Community Common Area;

(d) the right of the DEVELOPER and/or the ASSOCIATION to dedicate or transfer all or any part of the Community Common Area to any public agency, authority, or utility for such purposes as the DEVELOPER or the ASSOCIATION deems appropriate;

(e) all existing easements, encumbrances, and rights in favor of any public or private agency, authority, or utility;

(f) the permanent and perpetual easement by, on, over and through the Community Common Area in favor of the DEVELOPER, the ASSOCIATION and their agents for the installation and maintenance of communication lines, equipment and materials and other similar underground television, radio and security cables (and all future technological advances not now known) for service to the Lots and other portions of the Property;

(g) the permanent and perpetual easement for ingress, egress, access and use in favor of the DEVELOPER, the ASSOCIATION and their agents to enter upon the Community Common Area for the purpose of construction, reconstruction, repair, replacement, and/or alteration of any improvements or facilities on the Community Common Areas or elsewhere on the Property that the DEVELOPER and its agents elect to effect, and to use the Community Common Area and other portions of the Property for sales, displays, and signs or for any other purpose during the period of construction and sale of any portion of the Property. Without limiting the generality of the foregoing, the DEVELOPER and its agents shall have the specific right to maintain upon any portion of the Property sales, administrative, construction or other offices without charge. Any obligation to complete portions of the Community Common Area shall, at all times, be subject and subordinate to these rights and easements and to the above-referenced activities. Accordingly, the DEVELOPER shall not be liable for delays in such completion to the extent resulting from the above-referenced activities;

(h) the right of DEVELOPER to permit such persons as DEVELOPER shall designate to use the Community Common Areas and all recreational facilities located thereon (if any);

(i) the specific uses to which any portion to which any portion of the Community Common Area is improved, dedicated and/or created (such as landscape, utility and drainage tracts), as determined by the DEVELOPER, this Article IV shall not confer upon any

BOOK: 4587  
PAGE: 855

MEMBER a right to utilize the Community Common Area for any purpose not specifically authorized by this Declaration, a plat of the Property, or by the DEVELOPER;

(j) the rights of the DEVELOPER set forth in this Declaration, the Articles, the Bylaws, and in any development permits, orders, or agreements; and

(k) the right, but not the obligation, of the DEVELOPER and the City of Deland to perform any functions of the ASSOCIATION if the ASSOCIATION is not performing. For purposes of this subsection (k), the DEVELOPER and the City of Deland shall have a perpetual easement over, upon, and under the Community Common Area to exercise the rights hereunder.

Section 4. DEVELOPER's Rights in the ASSOCIATION. Prior to and after the Turnover and until conveyance of the last Lot to be contained within the Property, whether the DEVELOPER exercises the right to appoint or elect any or all of the members of the BOARD or not, the BOARD shall have no authority to, and shall not, without the written consent of the DEVELOPER, which may be withheld for any or no reason whatsoever, undertake any action which shall:

(a) Prohibit or restrict in any manner the sales and marketing program of the DEVELOPER or any BUILDER or the leasing activities of the DEVELOPER or any BUILDER;

(b) Decrease the level of maintenance services of the ASSOCIATION performed by the BOARD existing immediately prior to Turnover (or the DEVELOPER's earlier relinquishment of the right to appoint the BOARD);

(c) Make any special or benefit assessment against or impose any fine upon DEVELOPER or any portions of the Property owned by the DEVELOPER;

(d) Change the membership of the ARB or diminish its powers as stated herein;

(e) Alter or amend the Declaration, the Articles or Bylaws of the ASSOCIATION;

(f) Terminate or waive any right of the ASSOCIATION under this Declaration;

(g) Convey, lease, mortgage, alienate or pledge any easements or Common Area of the ASSOCIATION;

(h) Accept the conveyance, lease, mortgage, alienation or pledge of any real or personal property to the ASSOCIATION;

(i) Terminate or cancel any easements granted hereunder or by the ASSOCIATION;

BOOK: 4587  
PAGE: 856

(j) Terminate or impair in any fashion any easements, powers or rights of the DEVELOPER hereunder;

(k) Restrict the DEVELOPER's rights to use, access and enjoy any of the Property; or

(l) Cause the ASSOCIATION to default on any obligation of it under any contract or this Declaration.

In any such matter, the DEVELOPER's consent shall be exercised by the person designed to so act by the DEVELOPER.

**ARTICLE V**  
**COVENANT FOR MAINTENANCE ASSESSMENTS**

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each OWNER of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, hereby covenants and agrees to pay to the ASSOCIATION: (1) Initial Assessments; (2) Annual Assessments for Common Expenses; and (3) Special Assessments for Capital Improvements, such Assessments to be fixed, established, and collected from time to time as hereinafter provided. The Annual and Special Assessments, together with such interest thereon and costs of collection thereof, including attorney's fees as are hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, together with such interest thereon and cost of collection thereof, including attorney's fees as are herein-after provided, shall also be the personal obligation of the person who was the OWNER of such Lot at the time when the Assessment fell due.

Section 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 Residents in the Property and in particular for the improvement and maintenance of properties, services, and facilities which are devoted to the purpose and related to the use and enjoyment of the Community Common Area and of the homes situated upon the Property, including, but not limited to:

- (a) Payment of operating expenses of the ASSOCIATION;
- (b) Construction and improvement of the Community Common Area;
- (c) Management, maintenance, improvement and beautification of the Community Common Area;
- (d) Garbage collection and trash and rubbish removal but only when and to the extent specifically authorized by the ASSOCIATION;

BOOK: 4587  
PAGE: 857

(e) Payment of all obligations and responsibilities with respect to the Community Common Areas;

(f) Taxes, if any, imposed upon the Community Common Areas;

(g) Landscaping all unpaved open areas, including, but not limited to, common areas, roadways, entrances, recreation areas (if any), and buffers;

(h) The enforcement of any and all restrictive covenants and the performance of any and all conditions set forth in any development permits; and

(i) Repayment of deficits previously incurred by the ASSOCIATION (or the DEVELOPER), if any, in making capital improvements to or upon the Community Common Area, and/or in furnishing the services and facilities provided herein to or for the OWNERS and the MEMBERS of the ASSOCIATION;

(j) Doing any other thing necessary or desirable, in the judgment of the ASSOCIATION, to keep the Property neat and attractive or to preserve or enhance the value of the Property, or to eliminate fire, health or safety hazards, or which, in the judgment of the ASSOCIATION, may be of general benefit to the OWNERS and/or Residents of lands included in the Property;

(k) Repayment of funds and interest thereon, borrowed by the ASSOCIATION;

(l) Maintenance and repair of easements shown on any recorded subdivision plat; and

(m) Operation, maintenance and repair expenses associated with the Surface Water or Stormwater Management System, including Yard Drains, the Stormwater Permit, the Wetland Conservation Tract, the Wetland Permits, the Wetland Conservation Easement, the Upland Conservation Tract, the Wildlife Permits, and the Upland Conservation Easement, as those terms are defined in Article XII, Article XIII and Article XIV herein.

Section 3. Initial Assessments. The Initial Assessment shall be ONE HUNDRED AND NO/100 DOLLARS (\$100.00) per Lot and shall be paid at the time the completed Improvement is sold to the initial Resident or is otherwise occupied for residential purposes, whichever shall first occur. The Initial Assessment shall be paid directly to the ASSOCIATION to be held in accordance with the above provisions.

Section 4. Annual Assessments.

(a) Annual Assessment. Until changed by the BOARD in accordance with the terms hereof, the maximum Annual Assessment shall be an amount not exceeding FIVE HUNDRED AND NO/100 DOLLARS (\$500.00) per Lot per year, payable semi-annually, in advance, on January 1 and July 1 of each year. The Annual Assessment shall be paid directly to the ASSOCIATION to be held in accordance with the above provisions.



BOOK: 4587  
PAGE: 858

(b) Adjustment to Annual Assessment. Prior to the beginning of each fiscal year, the BOARD shall adopt a budget for such fiscal year which shall estimate all of the Common Expenses to be incurred by the ASSOCIATION during the fiscal year. The total Common Expenses shall be divided by the number of Lots to establish the Annual Assessment for Common Expenses per Lot. The ASSOCIATION shall then promptly notify all OWNERS in writing of the amount of the Annual Assessment for Common Expenses for each Lot. From time to time during the fiscal year, the BOARD may revise the budget for the fiscal year. Pursuant to the revised budget the BOARD may, upon written notice to the OWNERS, change the amount, frequency and/or due dates of the Annual Assessments for Common Expenses for each Lot. If the expenditure of funds is required by the ASSOCIATION in addition to funds produced by the Annual Assessments for Common Expenses, the BOARD may make Special Assessments for Common Expenses, which shall be levied in the same manner as provided for regular Annual Assessments for Common Expenses and shall be payable in the manner determined by the BOARD as stated in the notice of any Special Assessment for Common Expenses.

Section 5. Special Assessments for Capital Improvements. In addition to the Assessments for Common Expenses authorized by Section 3 hereof, the BOARD may levy in any assessment year a Special Assessment for Capital Improvements, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Community Common Area, including the necessary fixtures and personal property related thereto, provided that any such Assessment shall have the assent of two-thirds (2/3) of the votes of the MEMBERS, other than the DEVELOPER and the votes attributable to the DEVELOPER, who are voting in person or by proxy at a meeting duly called for this 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. The Special Assessment for Capital Improvements shall be levied against all Lots, including Lots owned by the DEVELOPER and Lots owned by OWNERS who are not MEMBERS.

Notwithstanding the above-required approval by two-thirds (2/3) of the votes of the MEMBERS, if the unexpected repair or replacement of a described capital improvement within the Community Common Area is necessary, in the reasonable judgment of the BOARD, to protect the health, safety or welfare of the OWNERS or is required by any governmental authority having jurisdiction over the Property, the BOARD can levy the Special Assessment of Capital Improvements without approval of the MEMBERS.

Section 6. Certificate of Payment. The ASSOCIATION shall, upon demand at any time, furnish to any OWNER liable for any Assessment a certificate in writing signed by an officer of the ASSOCIATION, setting forth whether the Assessment has been paid. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

Section 7. Payment of Assessments for Common Expenses. Each OWNER shall be required to and shall pay to the ASSOCIATION an amount equal to the Assessment, or installment, for each Lot within the Property then owned by and/or under the jurisdiction of such OWNER on or before the date each Assessment, or installment, is due. In the event any Assessments are made payable in equal periodic payments as provided in the notice from the ASSOCIATION, such

BOOK: 4587  
PAGE: 859

periodic payments shall automatically continue to be due and payable in the same amount and frequency as indicated in the notice, unless and/or until: (1) the notice specifically provides that the periodic payments will terminate upon the occurrence of a specified event or the payment of a specified amount; or (2) the ASSOCIATION notifies the OWNER in writing of a change in the amount and/or frequency of the periodic payments. Notwithstanding the foregoing, in no event shall any Assessment payable by any OWNER be due less than ten (10) days from the date of the notification of such Assessment.

Section 8. Lots Owned by the DEVELOPER.

(a) Notwithstanding anything set forth in this Declaration or otherwise to the contrary, until such time as Class B membership in ASSOCIATION is converted to Class A membership, as provided in this Declaration, the DEVELOPER, in its sole and absolute discretion, shall have the option of either: (a) paying the Annual Assessment with respect to each Lot owned by the DEVELOPER from time to time, the same as any other OWNER, or (b) paying the difference between the actual Common Expenses incurred by the ASSOCIATION for a particular calendar year over the total amount of Annual Assessments levied by the ASSOCIATION against all other Lots (i.e., Lots not owned by DEVELOPER ) and OWNERS during such year. The DEVELOPER shall have no obligation to pay the Initial Assessments on any Lots.

(b) Notwithstanding anything to the contrary, (i) a BUILDER shall not be required to pay the Initial Assessment until either the Improvement is sold to the initial Resident or is otherwise occupied for residential purposes, whichever shall first occur; and (ii) a BUILDER shall not be assessed an Annual Assessment until either the first day of the third month after the closing of any Lot or the date the Improvement is sold to the initial Resident or is otherwise occupied for residential purposes, whichever shall first occur.

Section 9. Monetary Defaults and Collection of Assessments.

(a) Interest. If any OWNER is in default in the payment of any Assessment for more than ten (10) days after same is due, or in the payment of any other monies owed to the ASSOCIATION for a period of more than ten (10) days after written demand by the ASSOCIATION, the ASSOCIATION may charge such OWNER interest at the highest rate permitted by the laws of Florida, on the amount owed to the ASSOCIATION. Such interest shall accrue from the due date of the Assessment, or the monies owed.

(b) Acceleration of Assessments. If any OWNER is in default in the payment of any Assessment or any other monies owed to the ASSOCIATION for more than ten (10) days after written demand by the ASSOCIATION, the ASSOCIATION shall have the right to accelerate and require such defaulting OWNER to pay to the ASSOCIATION Assessments for Common Expenses for the next twelve (12) month period, based upon the then existing amount and frequency of Assessments for Common Expenses. In the event of such acceleration, the defaulting OWNER shall continue to be liable for any increases in the regular Assessments for Common Expenses, for all Special Assessments, and/or all other Assessments and monies payable to the ASSOCIATION.

BOOK: 4587  
PAGE: 860

(c) Collection. In the event any OWNER fails to pay any Assessment, Special Assessment or other monies due to the ASSOCIATION within ten (10) days after written demand, the ASSOCIATION may take any action deemed necessary in order to collect such Assessments, Special Assessments or monies including, but not limited to, retaining the services of a collection agency or attorney to collect such Assessments, Special Assessments or monies, initiating legal proceedings for the collection of such Assessments, Special Assessments or monies, recording a claim of lien as hereinafter provided, and foreclosing same in the same fashion as mortgage liens are foreclosed, or any other appropriate action. The OWNER shall be liable to the ASSOCIATION for all costs and expenses incurred by the ASSOCIATION incident to the collection of any Assessment, Special Assessment or other monies owed to it, and the enforcement and/or foreclosure of any lien for same, including, but not limited to, reasonable attorneys' fees, and attorneys' fees and costs incurred on the appeal of any lower court decision, reasonable administrative fees of the DEVELOPER and/or the ASSOCIATION, and all sums paid by the ASSOCIATION for taxes and on account of any mortgage lien and encumbrance in order to preserve and protect the ASSOCIATION's lien. The ASSOCIATION shall have the right to bid in the foreclosure sale of any lien foreclosed by it for the payment of any Assessments, Special Assessments or monies owed to it; and if the ASSOCIATION becomes the OWNER of any Lot by reason of such foreclosure, it shall offer such Lot for sale within a reasonable time and shall deduct from the proceeds of such sale all Assessments, Special Assessments or monies due it. All payments received by the ASSOCIATION on account of any Assessments, Special Assessments or monies owed to it by any OWNER shall be first applied to payments and expenses incurred by the ASSOCIATION, then to interest, then to any unpaid Assessments, Special Assessments or monies owed to the ASSOCIATION in the inverse order that the same were due.

(d) Lien for Assessment, Special Assessment and Monies Owed to ASSOCIATION. The ASSOCIATION shall have a lien on all property owned by an OWNER for any unpaid Assessments (including any Assessments which are accelerated pursuant to this Declaration), Special Assessments or other monies owed to the ASSOCIATION by such OWNER, and for interest, reasonable attorneys' fees incurred by the ASSOCIATION incident to the collection of the Assessments, Special Assessments and other monies, or enforcement of the lien, for reasonable administrative fees incurred by the DEVELOPER and/or the ASSOCIATION, and for all sums advanced and paid by the ASSOCIATION for taxes and on account of superior mortgages, liens or encumbrances in order to protect and preserve the ASSOCIATION's lien. To give public notice of the unpaid Assessment, Special Assessment or other monies owed, the ASSOCIATION may record a claim of lien in the Public Records of Volusia County, Florida, stating the description of the Lot(s), and name of the OWNER, the amount then due, and the due dates. The lien is in effect until all sums secured by it (including sums which became due after the recording of the claim of lien) have been fully paid. The claim of lien must be signed and acknowledged by an officer or agent of the ASSOCIATION. Upon payment in full of all sums secured by the lien, the person making the payment is entitled to a satisfaction of the lien.

(e) Transfer of a Lot after Assessment. The ASSOCIATION's lien shall not be affected by the sale or transfer of any Lot. In the event of any such sale or transfer, both the new OWNER and the prior OWNER shall be jointly and severally liable for all Assessments, Special Assessments, interest, and other costs and expenses owed to the ASSOCIATION which are attributable to any Lot purchased by or transferred to such new OWNER.

BOOK: 4587  
PAGE: 861

(f) Subordination of the Lien to Mortgages. The lien of the ASSOCIATION for Assessments or other monies shall be subordinate and inferior to the lien of any mortgage in favor of an Institutional Lender recorded prior to the recording of a Claim of Lien by the ASSOCIATION. For purposes of this Declaration, "Institutional Lender" shall mean and refer to the DEVELOPER, a bank, savings bank, savings and loan association, insurance company, real estate investment trust, or any other recognized lending institution. If the ASSOCIATION's lien or its rights to any lien for any such Assessments, Special Assessments, interest, expenses or other monies owed to the ASSOCIATION by any OWNER is extinguished by foreclosure of a mortgage held by an Institutional Lender, such sums shall thereafter be Common Expenses, collectible from all OWNERS including such acquirer, and its successors and assigns.

Section 10. Certificate as to Unpaid Assessments or Default. Upon request by any OWNER, or an Institutional Lender holding a mortgage encumbering any Lot, the ASSOCIATION shall execute and deliver a written certificate as to whether or not such OWNER is in default with respect to the payment of any Assessments, Special Assessments or any monies owed in accordance with the terms of this Declaration.

Section 11. Exempt Property. The following property subject to this Declaration shall be exempted from the Assessments, charges and liens created herein: (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all Community Common Area; (c) all properties exempted from taxation by the laws of the State of Florida, upon the terms and to the extent of such legal exemption; and (d) subject to Section 8 of this Article V, all lands owned by the DEVELOPER.

**ARTICLE VI**  
**ARCHITECTURAL STANDARDS**

Section 1. Architectural and Site Plan Review. All property which is now or may hereafter be subjected to this Declaration is subject to architectural and site plan review. This review shall be in accordance with this Article and such standards as may be promulgated by the ARB. The BOARD shall have the authority and standing, on behalf of the ASSOCIATION, to enforce in courts of competent jurisdiction, decisions of the ARB. After Turnover, the DEVELOPER shall have the authority to enforce decisions of the ARB concurrently with the Association. The BOARD shall have the right to lien Lots for actionable violations of this Declaration, design and development guidelines promulgated by the ARB and decisions of the ARB. Said lien shall include, but not be limited to, remedial action taken by the ASSOCIATION, costs and previous party legal fees incurred by the Association in prosecuting its claim. This Article may not be amended without the DEVELOPER's written consent in its sole and absolute discretion so long as the DEVELOPER owns any land subject to this Declaration or subject to unilateral annexation by the DEVELOPER under this Declaration.

No construction, which term shall include within its definition clearing, excavation, grading, and other site work, no exterior alteration or modification of existing improvements, and no plantings or removal of plants, trees, or shrubs shall take place except in

BOOK: 4587  
PAGE: 862

strict compliance with this Article, until the requirements below have been fully met, and until the written approval of the ARB. The ARB may establish reasonable fees to be charged on the review of an application hereunder. Notwithstanding the foregoing, the DEVELOPER, in its discretion, may establish preliminary procedures for architectural review whereby an OWNER or an OWNER's agent may meet with the ARB for the purpose of exhibiting to such body preliminary concepts or drawings for the contemplated construction and in order to assist such OWNER or OWNER's agent in formulating a design which will comport with the architectural standards of the ARB. Such discussions shall not be binding on the ARB.

All structures constructed on any portion of the Property shall be designed by and built in accordance with the plans and specifications submitted to the ARB.

Disapproval of plans, specifications and plot plans, or any of them, by the ARB may be based on any ground, including purely aesthetic grounds, which the ARB deems sufficient in its sole and absolute discretion.

Notwithstanding anything to the contrary herein, the air conditioned living area of any Improvement to be constructed on each Lot shall not consist of less than one thousand four hundred (1,400) square feet, except for Lots 57 through 68, inclusive, for which the air conditioned living area shall not consist of less than one thousand eight hundred (1,800) square feet.

Section 2. Composition. The DEVELOPER, upon the recording of this Declaration, shall form a committee known as the "Architectural Review Board," hereinafter referred to as the "ARB," which shall initially consist of three (3) persons. The ARB shall have exclusive jurisdiction over all construction on any portion of the Property. Until all of the Property has been developed and conveyed to purchasers (other than BUILDERS) in the normal course of development and sale, the DEVELOPER retains the right to appoint all members of the ARB, which shall consist of at least three (3), but no more than five (5) persons, none of whom shall be required to be OWNERS and who shall serve terms subject to the sole discretion of DEVELOPER. There shall be no surrender of the DEVELOPER's right to appoint all members of the ARB prior to that time, except in a written instrument in recordable form executed by DEVELOPER. Upon the expiration of the DEVELOPER's right to appoint the members of the ARB, the members of the ARB shall thereafter be appointed by the BOARD.

Section 3. Planning Criteria. The DEVELOPER, in order to give guidelines to the OWNERS concerning construction and maintenance of Lots and Improvements, hereby promulgates the Architectural Review Board Planning Criteria ("Planning Criteria") for the Property, set forth in a separate document and as may be amended from time to time by the ARB. The Planning Criteria shall be available at the offices of the ASSOCIATION. The DEVELOPER declares that the Property, and additions thereto, shall be held, transferred, sold, conveyed and occupied subject to the Planning Criteria, as amended from time to time by the ARB.

Section 4. Duties. The ARB shall have the following duties and powers:

(a) to amend from time to time the Planning Criteria. Any amendments shall be set forth in writing, shall be made known to all MEMBERS and shall be filed at the offices of the

BOOK: 4587  
PAGE: 863

ASSOCIATION. Any amendment shall include any and all matters considered appropriate by the ARB not inconsistent with the provisions of this Declaration;

(b) to approve all buildings, fences, walls or other structures which shall be commenced, erected or maintained upon the Property and to approve any exterior additions to or changes or alterations therein. For any of the above, the ARB shall be furnished plans and specifications showing the nature, type, shape, height, materials, and location of the same and shall approve in writing as to the harmony of the external design and location in relation to surrounding structures and topography;

(c) to approve any such building plans and specifications and Lot grading and landscaping plans, and the conclusion and opinion of the ARB shall be binding, if in its opinion, for any reason, including purely aesthetic reasons, the ARB should determine that said improvement, alteration, modification or addition is not consistent with the planned development of the Property;

(d) to require to be submitted to it for approval any samples of building materials proposed or any other data or information necessary to reach its decision;

Section 5. Initial Construction of an Improvement. The OWNER who initially constructs the Improvement must complete such construction in a timely manner and substantially in accordance with all plans and specifications approved by the ARB, including plans for Lot grading, building plans and specifications, landscaping plans, pool plans and any other plans for construction of any Improvement on the Lot (the "Construction"). The OWNER shall notify the ARB in writing when the Construction has been completed and the ARB shall, within ten (10) days of receiving such notice, make an inspection to verify completion of the Improvement in accordance with the approved plans.

Should the ARB or the DEVELOPER determine that the Construction has not been completed in accordance with the approved plans and specifications, either the ARB or the DEVELOPER shall notify the OWNER in writing citing deficiencies and the OWNER shall within fifteen (15) days after receipt of notice commence correction of the deficiencies and continue in an expeditious manner until all deficiencies have been corrected.

Should any Construction not be completed in a timely manner as determined by the ARB or the DEVELOPER, or not be completed in accordance with the plans and specifications approved by the ARB, the ARB or the DEVELOPER shall have the right to seek specific performance of the OWNER's obligation to complete the Construction as approved by the ARB; or in the alternative, to enter upon the Lot and complete the Construction as approved at the expense of the OWNER, subject, however, to the following provisions. Prior to commencement of any work on a Lot, the ARB or the DEVELOPER must furnish written notice to the OWNER at the last address listed in the records of the ASSOCIATION for the OWNER, notifying the OWNER that unless the specified deficiencies are corrected within thirty (30) days, the ARB or the DEVELOPER shall correct the deficiencies and charge all cost thereof to the OWNER. Upon the failure of the OWNER to act within said period of time, the ARB or the DEVELOPER shall have the right to enter in or upon the Lot or to hire personnel to do so to complete the Construction as approved by the ARB. The cost of the work, including labor and materials, shall be assessed

BOOK: 4587  
PAGE: 864

against the Lot upon which the work is performed. The ASSOCIATION or the DEVELOPER shall record a Claim of Lien (upon commencement of the work required or anytime thereafter) against the Lot for the work performed (or to be performed), and it shall be a lien and obligation of the OWNER and shall become due and payable upon the recording of the Claim of Lien and shall be enforced and collected as provided in Article VI hereof.

The obligation to complete the Construction as approved and the Claim of Lien provided above shall be binding upon and enforceable against all current and any future OWNERS of the Lot.

Any attorneys' fees or costs and any administrative costs incurred by the ARB, the DEVELOPER and/or the ASSOCIATION in enforcing the provisions hereof, including attorneys' fees and costs on appeal of any lower court decision, shall be payable by the OWNER, and the Claim of Lien shall further secure the payment of such sums.

Section 6. Certificate of Approval. Upon completion of the Construction, or upon correction of deficiencies cited by the ARB or the DEVELOPER, the OWNER may notify the ARB and the DEVELOPER in writing to inspect the Lot. After notification, if the ARB and the DEVELOPER determine that the Construction has been completed in accordance with the approved plans and specifications, the ARB shall issue to the OWNER a "Certificate of Approval."

Section 7. Alteration of Existing Improvement. The OWNER who makes exterior additions to, or changes or alterations to, any Improvement or constructs any new Improvements on the Lot after receipt of a Certificate of Approval as described in Section 6 must complete all such work (the "Alterations") in a timely manner and substantially in accordance with all plans and specifications approved by the ARB. The OWNER shall notify the ARB in writing when the Alterations have been completed and the ARB shall, within ten (10) days of receiving such notice, make inspections to verify completion in accordance with the approved plans.

Should the ARB or the DEVELOPER determine that the Alterations have not been completed in accordance with the approved plans and specifications, either the ARB or the DEVELOPER shall notify the OWNER in writing citing deficiencies and the OWNER shall within fifteen (15) days after receipt of notice commence correction of the deficiencies and continue in an expeditious manner until all deficiencies have been corrected.

If correction of the deficiencies is not commenced within fifteen (15) days, or if such correction is not continued thereafter in an expeditious manner, the ARB or the DEVELOPER shall be entitled to record in the Public Records a "Notice of Noncompliance" setting forth that the OWNER has not completed the Alterations in accordance with approved plans and specifications and that the ARB or the DEVELOPER has the right to seek legal action to force the OWNER, or any grantee of the OWNER, to complete the Alterations in accordance with the plans and specifications. Said "Notice of Noncompliance" shall contain the legal description of the Lot. Once recorded, the "Notice of Noncompliance" shall constitute a notice to all potential purchasers from the OWNER that the ARB or the DEVELOPER shall have the right to enforce completion of the Alterations against the OWNER, or any grantee of the OWNER.

BOOK: 4987  
PAGE: 865

Should the Alterations not be completed in a timely manner as determined by the ARB or the DEVELOPER, or should the correction of the deficiencies not be commenced within fifteen (15) days after notice and continued thereafter in an expeditious manner until completion, or should the Alterations not be completed in accordance with the plans and specifications approved by the ARB, the ARB or the DEVELOPER shall have the right to seek specific performance of the OWNER'S obligation to complete the Alterations as approved by the ARB; or, in the alternative to enter upon the Lot, make such corrections or modifications as are necessary to cause the Alterations to be completed in accordance with the approved plans and specifications, subject, however, to the following provisions. Prior to commencement of any work on a Lot, the ARB or the DEVELOPER must furnish written notice to the OWNER at the last address listed in the records of the ASSOCIATION for the OWNER, notifying the OWNER that unless the specified deficiencies are corrected within fifteen (15) days, the ARB or the DEVELOPER shall correct the deficiencies and charge all costs thereof to the OWNER. Upon the failure of the OWNER to act within said period of time, the ARB or the DEVELOPER shall have the right to enter in or upon the Lot or to hire personnel to do so to complete the Alterations as approved by the ARB. The cost of the work, including labor and materials, shall be assessed against the Lot upon which the work is performed. The ASSOCIATION or the DEVELOPER shall record a Claim of Lien (upon commencement of the work required or anytime thereafter) against the Lot for the work performed (or to be performed), and it shall be a lien and obligation of the OWNER and shall become due and payable upon the recording of the Claim of Lien and shall be enforced and collected as provided in Article VI hereof.

Once the ARB and the DEVELOPER determine that the Alterations have been completed in accordance with the approved plans and specifications, the ARB or the DEVELOPER shall issue to the OWNER a Certificate of Approval in recordable form, which shall make reference to the recorded "Notice of Noncompliance," and be executed by a majority of the MEMBERS of the ARB with the corporate seal of the ASSOCIATION affixed or by the DEVELOPER. The recording of the Certificate of Approval in this instance shall be conclusive evidence that the Alterations as approved by the ARB have been completed, but shall not excuse the OWNER from the requirement that the plans and specifications for subsequent changes, modifications or alterations to the Improvement be submitted to and approved by the ARB prior to commencement of any work.

Section 8. Subordination of Obligation and Lien to Mortgages. The obligations of the OWNER set forth in Section 5 hereof and any Claim of Lien recorded by the ARB as set forth in Section 5 or Section 7 hereof and any "Notice of Noncompliance" recorded by the ARB as set forth in Section 7 hereof shall be absolutely subordinate, junior and inferior to the lien of any first mortgage held by an institutional lender, either at the time of commencement of the Construction or Alterations, or thereafter. This subordination shall not relieve the OWNER or any future OWNERS from the provisions of Section 5 and Section 7.

Section 9. Subsequent "Certificate of Approval" Not Necessary Unless "Notice of Noncompliance" Recorded. Notwithstanding anything herein to the contrary, the provisions of Section 5 and Section 6 shall be applicable to initial construction of an Improvement on the Lot. After the initial construction and the recording of a "Certificate of Approval," it will not be necessary for an OWNER to obtain and record a "Certificate of Approval" for any Alterations



BOOK: 4587  
PAGE: 866

unless a "Notice of Noncompliance" is recorded in the Public Records in accordance with Section 6. Subsequent purchasers of an Improvement must only determine that one (1) "Certificate of Approval" has been recorded unless a "Notice of Noncompliance" is also recorded.

Section 10. Maintenance of an Existing Improvement. The OWNER of a Lot shall maintain all exterior surfaces and roofs, facias and soffits of the structures (including the residence) and other improvements located on the Lot (including driveway and sidewalk surfaces) in a neat, orderly and attractive manner. The aforesaid maintenance shall include maintaining screens (including screen enclosures), windows and doors (including the wood and hardware of garage doors and sliding glass doors). The minimum (though not sole) standard for the foregoing shall be consistency with the general appearance of the Property as initially constructed and otherwise improved (taking into account, however, normal weathering and fading of exterior finishes, but not to the point of unsightliness). The OWNER shall clean, repaint or restrain, as appropriate, the exterior portions of each residence (with the same colors as initially used on the Residence), including exterior surfaces of garage doors, as often as is necessary to comply with the foregoing standards.

The OWNER shall maintain and irrigate the trees, shrubbery, grass and other landscaping on each Lot in a neat, orderly and attractive manner and consistent with the general appearance of the Property as a whole. The minimum (though not sole) standard for the foregoing shall be the general appearance of the Property as initially landscaped (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).

In addition to such other remedies as may be available under this Declaration, in the event that an OWNER fails to maintain a Residence or Lot, the ASSOCIATION shall have the right to enter upon the Lot in question and perform such duties; provided, however, that such entry shall be during reasonable hours and only after five (5) days' prior written notice. The OWNER having failed to perform its maintenance duties shall be liable to the ASSOCIATION for the costs of performing such remedial work, all such sums being payable upon demand and to be secured by the lien provided for in Article V hereof.

Section 11. No Waiver of Future Approvals. The approval of the ARB of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the ARB, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matter whatever subsequently or additionally submitted for approval or consent.

Section 12. Variance. The ARB may authorize variances from compliance with any of its guidelines and procedures when circumstances such a topography, natural obstruction, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the ARB from delaying a variance in other circumstances. For purposes of this Section, the inability to obtain the issuance

BOOK: 4587  
PAGE: 867

of any permit, or the terms of any financing, shall not necessarily be considered a hardship warranting a variance.

**ARTICLE VII**  
**ENFORCEMENT OF NONMONETARY DEFAULTS**

Section 1. Nonmonetary Defaults. In the event of a violation by any MEMBER or OWNER (other than the nonpayment of any Assessment or any Special Assessment or other monies) of any of the provisions of this Declaration (including the Planning Criteria), or the Governing Documents, the ASSOCIATION shall notify the MEMBER or OWNER of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after the receipt of such written notice, or if the violation is not capable of being cured within such seven (7) day period, if the MEMBER or OWNER fails to commence and diligently proceed to completely cure as soon as practical, the ASSOCIATION may, at its option:

(a) Specific Performance. Commence an action to enforce the performance on the part of the MEMBER or OWNER, or for such equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

(b) Damages. Commence an action to recover damages; and/or

(c) Corrective Action. Take any and all action reasonably necessary to correct such violation, which action may include, but is not limited to, removing any Improvement for which architectural approval has not been obtained, or performing any maintenance required to be performed by this Declaration, including the right to enter upon the Lot to make such corrections or modifications as are necessary, or remove anything in violation of the provisions of this Declaration or the Planning Criteria.

(d) Expenses. All expenses incurred by the ASSOCIATION in connection with the correction of any violation, or the commencement of any action against any OWNER, including administrative fees and costs and reasonable attorneys' fees and costs, and attorneys' fees and costs incurred on the appeal of any lower court decision, shall be a Special Assessment assessed against the applicable OWNER, and shall be due upon written demand by the ASSOCIATION and collectible as any other Special Assessment under this Article.

Section 2. No Waiver. The failure of the ASSOCIATION to enforce any right, provision, covenant or condition which may be granted by this Declaration or the Governing Documents shall not constitute a waiver of the right of the ASSOCIATION to enforce such right, provisions, covenant or condition in the future.

Section 3. Rights Cumulative. All rights, remedies and privileges granted to the ASSOCIATION pursuant to any terms, provisions, covenants or conditions of this Declaration or the Governing Documents shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude the

BOOK: 4587  
PAGE: 868

ASSOCIATION thus exercising the same from executing such additional remedies, rights or privileges as may be granted or as it might have by law.

Section 4. Enforcement By or Against Other Persons. In addition to the foregoing, this Declaration may be enforced by the DEVELOPER, or the ASSOCIATION, by any procedure at law or in equity against any Person violating or attempting to violate any provision herein, to restrain such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein. The expense of any litigation to enforce this Declaration shall be borne by the Person against whom enforcement is sought, provided such proceeding results in a finding that such Person was in violation of this Declaration. In addition to the foregoing, any OWNER shall have the right to bring an action to enforce this Declaration against any Person violating or attempting to violate any provision herein, to restrain such violation or to require compliance with the provisions contained herein, but no OWNER shall be entitled to recover damages or to enforce any lien created herein as a result of a violation or failure to comply with the provisions contained herein by any Person. The prevailing party in any such action shall be entitled to recover its reasonable attorneys' fees and costs, including reasonable attorneys' fees and costs incurred on the appeal of any lower court decision.

Section 5. Certificate as to Default. Upon request by any MEMBER, or OWNER, or an Institutional Lender holding a mortgage encumbering any Lot, the ASSOCIATION shall execute and deliver a written certificate as to whether or not such MEMBER or OWNER is in default with respect to compliance with the terms and provisions of this Declaration.

**ARTICLE VIII**  
**INDEMNIFICATION AND DISCLAIMER**

Section 1. Indemnification of Officers, Members of the BOARD or Agents. The ASSOCIATION shall indemnify any Person who was or is a party or is threatened to be made a party, to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a member of the BOARD, employee, Officer or agent of the ASSOCIATION against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the ASSOCIATION; and, with respect to any criminal action or proceeding, if he had no reasonable cause to believe his conduct was unlawful; or matter as to which such Person shall have been adjudged to be liable for gross negligence or willful misfeasance or malfeasance in the performance of his duty to the ASSOCIATION unless and only to the extent that the court in which such action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in view of all the circumstances of the case, such Person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement conviction, or upon a plea of nolo contendere or its equivalent, shall not, in and of itself, create a presumption that the Person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of

BOOK: 4587  
PAGE: 869

the ASSOCIATION and with respect to any criminal action or proceeding, that he had no reasonable cause to believe that his conduct was unlawful.

(a) To the extent that a member of the BOARD, Officer, employee or agent of the ASSOCIATION is entitled to indemnification by the ASSOCIATION in accordance with this Article VIII, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.

(b) Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the ASSOCIATION in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the member of the BOARD, Officer, employee or agent of the ASSOCIATION to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the ASSOCIATION as authorized in this Article VIII.

(c) The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the laws of the State of Florida, any Bylaw, agreement, vote of MEMBERS or otherwise. As to action taken in an official capacity while holding office, the indemnification provided by this Article VIII shall continue as to a Person who has ceased to be a member of the BOARD, Officer, employee or agent of the ASSOCIATION shall inure to the benefit of the heirs, executors and administrators of such a Person.

(d) The ASSOCIATION shall have the power to purchase and maintain insurance on behalf of any Person who is or was a member of the BOARD, Officer, employee or agent of the ASSOCIATION, or is or was serving at the request of the ASSOCIATION as a member of the BOARD, Officer, employee or agent of another corporation, partnership, Limited Partnership, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, as arising out of his status as such, whether or not the ASSOCIATION would have the power to indemnify him against such liability under the provisions of this Article VIII.

Section 2. Notices and Disclaimers as to Water Bodies. Neither DEVELOPER, the ASSOCIATION nor any of their officers, directors, committee members, employees, management agents, contractors, or subcontractors (collectively, the "Listed Parties") shall be liable or responsible for maintaining or assuring the safety, water quality or water level of/in any lake, pond, canal, creek, stream or other water body within the Property, except as such responsibility may be specifically imposed by, or contracted for with, an applicable governmental or quasi-governmental agency or authority. Further, none of the Listed Parties shall be liable for any property damage, personal injury or death occurring in, or otherwise related to, any water body, all persons using same doing so at their own risk.

All OWNERS and users of any portion of the Property located adjacent to or having a view of any of the aforesaid water bodies shall be deemed, by virtue of their acceptance of the deed to or use of, such property, to have agreed to release the Listed Parties from all claims for any and all changes in the quality and level of the water in such bodies.

BOOK: 4587  
PAGE: 870

All persons are hereby notified that from time to time alligators and other wildlife may habitate or enter into water bodies within or nearby the Property and may pose a threat to persons, pets and property, but that the Listed Parties are under no duty to protect against, and do not in any manner warrant or insure against, any death, injury or damage caused by such wildlife.

**ARTICLE IX**  
**RESTRICTIVE COVENANTS**

The Property shall be subject to the following restrictions, reservations and conditions which shall be binding upon the DEVELOPER and upon each and every OWNER who shall acquire hereafter a Lot or any portion of the Property, and shall be binding upon their respective heirs, personal representatives, successors and assigns.

Lots shall be used only for single family residential purposes. Other portions of the Property shall be used for other purposes as may be permitted by the applicable approvals and ordinances and this Declaration and any amendments or Supplement hereto. Any Supplemental Declaration or additional covenants may impose other standards than those contained in this Article.

Section 1. Mining or Drilling. Mineral, oil, gas, and other subsurface rights shall not be part of the conveyance of any Lot herein. There shall be no mining, quarrying or drilling for minerals, oil, gas or otherwise undertaken within any portion of the Property. Excepted from the foregoing shall be activities of the DEVELOPER or the ASSOCIATION, or any assignee of the DEVELOPER or the ASSOCIATION, in dredging the water areas, creating land areas from water areas or creating, excavating or maintaining drainage or other facilities or easements, the installation of wells or pumps in compliance with applicable governmental requirements, or for sprinkler systems for any portions of the Property.

Section 2. Clothes Drying Areas. No portion of the Property shall be used as a drying or hanging area for laundry of any kind unless approved in writing by the DEVELOPER or the ASSOCIATION.

Section 3. Antennas, Aerials, Discs and Flagpoles. No outside antennas, antenna poles, antenna masts, satellite television reception devices, electronic devices, antenna towers or citizen band (CB) or amateur band (ham) antennas shall be permitted except as approved in writing by the ASSOCIATION. A flagpole for display of the American flag or any other flag shall be permitted only if first approved in writing by the ASSOCIATION, both as to its design, height, location and type of flag. No flagpole shall be used as an antenna.

Section 4. Litter. In order to preserve the beauty of the Property, no garbage, trash, refuse or rubbish shall be deposited, dumped or kept upon any part of the Property except in closed containers, dumpsters or other garbage collection facilities deemed suitable by the ASSOCIATION. All containers, dumpsters and other garbage collection facilities shall be screened, to the extent reasonable under the circumstances, from view from outside the Lot upon which same are located and kept in a clean condition with no noxious or offensive odors emanating therefrom.

BOOK: 4587  
PAGE: 871

Section 5. Subdivision or Partition. No portion of the Property shall be subdivided except with the DEVELOPER's prior written consent. After the DEVELOPER no longer owns any portion of the Property, written consent must be obtained from the ASSOCIATION.

Section 6. Casualty Destruction to Improvements. In the event an Improvement is damaged or destroyed by casualty, hazard or other loss, then, within a reasonable period of time after such incident, the OWNER thereof shall either commence to rebuild or repair the damaged Improvement and diligently continue such rebuilding or repairing activities to completion or, upon a determination by the OWNER that the Improvement will not be repaired or replaced promptly, shall clear the damaged Improvement and grass over and landscape such Lot in a sightly manner consistent with the DEVELOPER's plan for beautification of the Property. A destroyed Improvement shall only be replaced with an Improvement of an identical size, type and elevation as that destroyed unless the prior written consent of the ARB is obtained.

Section 7. Community Common Area. Nothing shall be stored, constructed within or removed from the Community Common Area other than by the DEVELOPER, except with the prior written approval of the BOARD.

Section 8. Insurance Rates. Nothing shall be done or kept on the Community Common Area which shall increase the insurance rates of the ASSOCIATION without the prior written consent of the BOARD.

Section 9. Drainage Areas.

(a) No structure of any kind shall be constructed or erected, nor shall an OWNER in any way change, alter, impede, revise or otherwise interfere with the flow and the volume of water in any portion of any drainage areas without the prior written permission of the ASSOCIATION.

(b) An OWNER shall in no way deny or prevent ingress and egress by the DEVELOPER or the ASSOCIATION to any drainage areas for maintenance or landscape purposes. The right of ingress and egress, and easements therefor are hereby specifically reserved and created in favor of the DEVELOPER, the ASSOCIATION, or any appropriate governmental or quasi-governmental agency that may reasonably require such ingress and egress.

(c) No Lot shall be increased in size by filling in any drainage areas on which it abuts. No OWNER shall fill, dike, rip-rap, block, divert or change the established drainage areas that have been or may be created by easement without the prior written consent of the ASSOCIATION or the DEVELOPER.

(d) Any wall, fence, paving, planting or other improvement which is placed by an OWNER within a drainage area or drainage easement including, but not limited to, easements for maintenance or ingress and egress access, shall be removed, if required by the ASSOCIATION, the cost of which shall be paid for by such OWNER as a Special Assessment.

BOOK: 4587  
PAGE: 872

Section 10. Pets, Livestock and Poultry. No animals, livestock, reptiles, wildlife or poultry of any kind shall be raised, bred or kept within the Property, other than household pets 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 other OWNER as determined by the BOARD in its sole and absolute discretion. No pet shall be allowed outside a Lot except on a leash. Pets inside a Lot shall be controlled at all times. No pets shall be permitted to place or have excretions on any portion of the Property other than the Lot of the owner of the pet unless the owner of the pet physically removes any such excretions from that portion of the Property. For purposes hereof, "household pets" shall mean dogs, cats, domestic birds and fish. Pets shall also be subject to applicable Rules and Regulations of the ASSOCIATION and their owners shall be held accountable for their actions.

Commercial activities involving pets shall not be allowed. The BOARD or the DEVELOPER may establish limits on the number and kind of pets that may be kept or permitted to be kept on any Lot.

Section 11. Signs. No signs, including "for sale" or "for rent," freestanding or otherwise installed, shall be erected or displayed to the public view on any Lot without the approval of the BOARD, except as may be required by legal proceedings.

If such permission is granted for any other signs, the ARB shall have the right to restrict size, color, height, location, material, and content of such signs. Should any sign subject to this Section 11 be in violation of these provisions, then the BOARD or its designee shall have the authority to enter upon the Lot and remove the sign provided written notice has been mailed to the OWNER at least five (5) days prior to removal. No signs shall be illuminated.

Notwithstanding the foregoing, the DEVELOPER specifically reserves the right for itself, its successors, nominees and assigns to place and maintain signs in connection with construction, marketing, sales and rental of Lots and identifying or informational signs anywhere on the Property. After the sale of the Improvement by the BUILDER who constructed it, no "for sale" or "for rent" signs of any kind shall be displayed to the public view on any Lot for whatever purpose, including the resale of the Lot by the then OWNER, unless in accordance with this Section 11.

Section 12. Garbage Containers, Oil and Gas Tanks, Pool Equipment, Outdoor Equipment. All garbage and trash containers, oil tanks, bottled gas tanks, and swimming pool equipment and housing must be underground or placed in walled-in areas or landscaped areas so that they are not visible from any adjoining Lot or any Street. Adequate landscaping shall be installed and maintained by the OWNER. No Lot shall be used or maintained as a dumping grounds for rubbish, trash or other waste. There shall be no burning of trash or any other waste material, except within the confines of an incinerator, the design and location of which shall be approved by the ARB.

Section 13. Solar Collectors. Solar collectors shall not be permitted without the prior written consent of the ARB. Any approval of the ARB shall require that the solar collectors be so located on the Lot that they are not visible from any Street and that their visibility from surrounding Lots is restricted.

BOOK: 4587  
PAGE: 873

Section 14. Maintenance of the Property. In order to maintain the standards of the Property, no weeds, underbrush or other unsightly growth shall be permitted to grow or remain upon any portion of the Property, and no refuse or unsightly objects shall be allowed to be placed or permitted to remain anywhere thereon. All Improvements shall be maintained in their original condition as approved by the ARB. All lawns, landscaping and sprinkler systems shall be kept in a good, clean, neat and attractive condition. If an OWNER has failed to maintain a Lot as aforesaid to the satisfaction of the DEVELOPER, the ASSOCIATION, or the ARB, and the DEVELOPER, or the ASSOCIATION shall give such OWNER written notice of the defects (which written notice does not have to be given in the case of emergency, in which event, the DEVELOPER, or the ASSOCIATION may without any prior notice directly remedy the problem). Upon the OWNER's failure to make such improvements or corrections as may be necessary within fifteen (15) days of mailing of written notice, the DEVELOPER or the ASSOCIATION may enter upon such property and make such improvements or correction as may be necessary, the cost of which may be paid initially by the ASSOCIATION. If the OWNER fails to reimburse the ASSOCIATION for any payment advanced, plus administrative and legal costs and fees, plus interest on all such amounts at the highest interest rate allowed by the laws of Florida, within fifteen (15) days after requested to do so by the ASSOCIATION, the ASSOCIATION shall levy a Special Assessment against the Lot as provided in Article VI. Such entry by the DEVELOPER or the ASSOCIATION or their agents shall not be a trespass.

Section 15. Vehicles and Recreational Equipment. No mobile home, motor home, house trailer or camper, boat, boat trailer or other recreational vehicle or equipment, horse trailers or commercial vehicles, or the like, including disabled vehicles, shall be permitted to be parked or to be stored at any place on any portion of the Property unless they are parked within a garage, or unless the DEVELOPER has specifically designated certain spaces for some or all of the above. This prohibition on parking shall not apply to temporary parking of commercial vehicles used for pick-up, delivery and repair and maintenance of a Lot, nor to any vehicles of the DEVELOPER.

No OWNER shall keep any vehicle on the Community Common Area which is deemed a nuisance by the BOARD. For purposes of this Section, "commercial vehicles" shall mean those which are not designed and used for customary, personal/family purposes, and those vehicles which contain commercial leasing. The absence of commercial-type lettering or graphics on a vehicle shall not be dispositive as to whether it is a commercial vehicle. The determination of the BOARD as to the commercial nature of a vehicle shall be binding on an OWNER. The prohibitions on parking contained above in this Section shall not apply to temporary parking of commercial vehicles such as for construction use or providing pick-up and delivery and other commercial services nor to any vehicles of the DEVELOPER. No parking on lawns shall be permitted. No on-street parking shall be permitted, unless prior written approval by the BOARD or the ASSOCIATION is obtained.

Subject to applicable laws and ordinances, any vehicle parked in violation of these or other restrictions contained herein or in the Rules and Regulations 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



BOOK: 4587  
PAGE: 874

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 if for any other reason, shall be grounds for relief of any kind. For purposes of this paragraph, "vehicle" shall also mean campers, mobile homes, trailers, and other similar vehicles. By acquisition of title to a Lot, the Owner provides to the Association the irrevocable right to tow vehicles parked on the Owner's Lot which are in violation of this Declaration. An affidavit of the person posting the aforesaid notice stating that it was property posted shall be conclusive evidence of proper posting.

Section 16. Repairs. No maintenance or repairs shall be performed on any vehicles upon any portion of the Property except in an emergency situation. Notwithstanding the foregoing, all repairs to disabled vehicles within the Property must be completed within twenty-four (24) hours from its immobilization or the vehicle must be removed.

Section 17. Prohibited Structures. No structure of a temporary character including, but not limited to, trailer, tent, shack, shed, barn, tree house or out building shall be parked or erected on the Property at any time without the express written permission of the ARB.

Section 18. Nuisances/Commercial Activity. No obnoxious, unpleasant, unsightly or offensive activity shall be carried on, nor may anything be done, which can be reasonably construed to constitute a nuisance, public or private in nature. No commercial activity or business shall be conducted or operating within or from any Lot or Improvement. Nothing in this Section 18 shall restrict or limit a BUILDER from constructing and marketing Improvements. Any questions with regard to the interpretation of this section shall be decided by the BOARD, whose decision shall be final.

Section 19. Additional Restrictions.

(a) Boat Docks. No boat docks and/or piers shall be constructed on Lots adjacent to any water bodies.

(b) Firearms. The discharge of firearms within the Property is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. Notwithstanding anything to the contrary contained herein or in the Bylaws, the ASSOCIATION shall not be obligated to take any action to enforce this Section.

(c) Tents, Trailers, and Temporary Structures. Except as may be permitted by the BOARD, no tent, utility shed, shack, trailer, outbuilding, basement or other structure of a temporary nature shall be placed upon any Lot.

(d) Utility Lines. No overhead utility lines, including without limitation, lines for electric, telephone, and cable television, shall be permitted within the Property, except for temporary lines as required during construction and lines within the Property as the same exist on the date hereof.

(e) Recreational Facilities. Any lake or other area shall be used at the risk of the user, and neither the Developer or the ASSOCIATION shall be held liable to any person for

Book: 4587  
Page: 875

any claim, damage, or injury occurring thereon or related to use thereof. An OWNER agrees to indemnify, defend and hold harmless the ASSOCIATION, DEVELOPER, their partners, shareholders, directors, officers, employees, and agents for any claims, demands, losses, costs, fees and expenses related to, or in any way pertaining to, use of any water body or other area.

(f) Leasing of Lots.

(1) Definition. "Leasing," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Lot by any person or persons other than the OWNER for which the OWNER receives any consideration or benefit, including, but not limited to a fee, service, gratuity, or emolument.

(2) Leasing Provisions. Lots may be rented only in their entirety; no fraction or portion may be rented. There shall be no subleasing of Lots or assignment of leases unless prior written approval is obtained from the BOARD upon terms and conditions determined by the BOARD.

(g) Landscaping. Installation and removal of landscaping shall be subject to the prior approval of the ARB. No trees shall be removed except for diseased or dead trees and trees needing to be removed to promote the growth of other landscaping or for safety reasons and such removal may be conditioned upon replacement of removed trees.

Section 20. Compliance with Documents. Each OWNER (including each Resident) and his family members, guests, invitees; lessees and their family members, guests, and invitees; and his or its tenants, licensees, guests, invitees and sub-tenants shall be bound and abide by this Declaration. The conduct of the foregoing parties shall be considered to be the conduct of the OWNER responsible for, or connected in any manner with, such individual's presence within the Property. Such OWNER shall be liable to the ASSOCIATION for the cost of any maintenance, repair or replacement of any real or personal property rendered necessary by his act, neglect or carelessness, or by that of any other of the foregoing parties (but only to the extent that such expense is not met by the proceeds of insurance carried by the ASSOCIATION) which shall be paid for by the OWNER as a Special Assessment as provided in Article VI. Failure of an OWNER to notify any Person of the existence of the covenants, conditions, restrictions, and other provisions of this Declaration shall not in any way act to limit or divest the right to enforcement of these provisions against the OWNER or such other Person.

Section 21. Exculpation of the DEVELOPER, the BOARD, and the ASSOCIATION. The DEVELOPER, the BOARD and the ASSOCIATION may grant, withhold or deny its permission or approval in any instance where its permission or approval is permitted or required without liability of any nature to the OWNER or any other Person for any reason whatsoever, and any permission or approval granted shall be binding upon all Persons.

Section 22. Other Restrictions. The ARB shall have the authority, as hereinabove expressed, from time to time to include within its promulgated residential planning criteria other restrictions as it shall deem appropriate. Said restrictions shall be governed in accordance with the

BOOK: 4587  
PAGE: 876

criteria hereinabove set forth for residential planning criteria promulgated by the ARB. However, once the ARB promulgates certain restrictions, the same shall become as binding and shall be given the same force and effect as the restrictions set forth herein until the ARB modifies, changes or promulgates new restrictions or the ASSOCIATION modifies or changes restrictions set forth by the ARB.

Section 23. No Implied Waiver. The failure of the ASSOCIATION or the DEVELOPER to object to an OWNER's or other party's failure to comply with these Covenants or any other Governing Documents (including any Rules and Regulations promulgated) shall in no event be deemed a waiver by the DEVELOPER or the ASSOCIATION, or any other Person having an interest therein, of that OWNER's or other party's requirement and obligation to abide by these Covenants.

Section 24. Imposition of Fines for Violations. It is acknowledged and agreed among all OWNERS that a violation of any of the provisions of this Article IX by an OWNER or Resident may impose irreparable harm to the other OWNERS or Residents. All OWNERS agree that a fine not to exceed One Hundred and No/100 Dollars (\$100.00) per day may be imposed by the DEVELOPER or ASSOCIATION for each day a violation continues after notification by the DEVELOPER or the ASSOCIATION. All fines collected shall be used for the benefit of the ASSOCIATION. Any fine levied shall be paid within fifteen (15) days after mailing of notice of the fine. If not paid within said fifteen (15) days the amount of such fine shall accrue interest at the highest interest rate allowed by the laws of Florida, and shall be treated as a Special Assessment as provided in Article V.

**ARTICLE X  
HISTORIC TREES**

Section 1. Historic Tree Protection Easement. Lot 27, Lot 28, Lot 30, Lot 31, Lot 32, Lot 57, and Lot 58 within the Property contain trees that are of historic nature and value to the City of Deland (the "City"), the preservation of which is of importance to the City pursuant to its applicable codes, regulations, and ordinances. Within the plat of the Property (recorded simultaneously with this Declaration), the Developer has provided, and the City has approved, an historic tree preservation easement over a portion of said Lots.

Section 2. No Removal. No historic trees situated within the Historic Tree Preservation Easement shall be cut, trimmed or destroyed without the prior written approval and consent of the Developer and the City.

Section 3. Construction Safety. Prior to the issuance of a building permit for the initial construction of a single-family residence on any Lot, the then fee simple owner shall, as a condition to the issuance of said permit, provide and implement adequate measures, as determined by the City and the Developer in their reasonable discretion, to protect the historic trees against damage or destruction from grading or other construction activities.

**ARTICLE XI**  
**MISCELLANEOUS PROVISIONS**

BOOK: 4587  
PAGE: 877

Section 1. Assignment of Rights and Duties to ASSOCIATION. The DEVELOPER may at any time assign and delegate to the ASSOCIATION all or any portion of the DEVELOPER's rights, title, interest, duties or obligations created by this Declaration. It is understood that the ASSOCIATION has been formed as a property owners association in order to effectuate the intent of the DEVELOPER for the proper development, operation and management of the Property. Wherever herein the DEVELOPER or the ASSOCIATION, or both, are given the right, the duty or the obligation to approve, enforce, waive, collect, sue, demand, give notice or take any other action or grant any relief or perform any task, such action may be taken by the DEVELOPER or the ASSOCIATION until such time as the DEVELOPER has recorded a Certificate of Termination of Interest in the Property. Thereafter, all rights, duties and obligations of the DEVELOPER shall be administered solely by the ASSOCIATION in accordance with procedures set forth herein, in the Governing Documents.

Section 2. Certificate of Termination of Interest. Notwithstanding anything in this Declaration, the Articles of Incorporation or the Bylaws to the contrary, the DEVELOPER may, in its sole discretion and at any time hereafter, elect to give up and terminate any and all rights reserved to the DEVELOPER in this Declaration (including Supplements thereto), the Articles of Incorporation and the Bylaws. The rights relinquished shall include, but not be limited to, (1) the right to appoint any member of the BOARD; (2) the right to amend this Declaration, the Articles of Incorporation or the Bylaws; (3) the right to require its approval of any proposed amendment to this Declaration, the Articles of Incorporation or the Bylaws; and (4) all veto powers set forth in this Declaration. Such election shall be evidenced by the execution by the DEVELOPER and the recording in the Public Records of Volusia County, Florida, of an instrument entitled Certificate of Termination of Interest in the Property. Immediately upon the recording of such Certificate, and so long as the DEVELOPER does own at least one (1) Lot, the DEVELOPER shall become a MEMBER with no more rights or obligations in regards to the Property than those of any other OWNER of a Lot. The number of votes attributable to the DEVELOPER shall be calculated in accordance with the Governing Documents in the same manner as the number of votes would be calculated for any other OWNER.

Section 3. Waiver. The failure of the DEVELOPER or the ASSOCIATION to insist upon the strict performance of any provision of this Declaration shall not be deemed to be a waiver of such provision unless the DEVELOPER or the ASSOCIATION has executed a written waiver of the provision. Any such written waiver of any provision of this Declaration by the DEVELOPER or the ASSOCIATION may be canceled or withdrawn at any time by the party giving the waiver.

Section 4. Covenants to Run with the Title to the Land. This Declaration and the Covenants, as amended and supplemented from time to time as herein provided, shall be deemed to run with the title to the land, and shall remain in full force and effect until terminated in accordance with the provisions set out herein.

Section 5. Term of this Declaration. All of the foregoing covenants, conditions, reservations and restrictions shall run with the land and continue and remain in full force and effect

BOOK: 4587  
PAGE: 878

at all times as against all OWNERS, their successors, heirs or assigns, regardless of how the OWNERS acquire title, for a period of fifty (50) years from the date of this Declaration. After such fifty (50) year period, unless sooner terminated as provided above, these covenants, conditions, reservations and restrictions shall be automatically extended for successive periods of ten (10) years each, until a majority of the votes of the entire membership of the ASSOCIATION execute a written instrument declaring a termination of this Declaration. Any termination of this Declaration shall be effective on the date the instrument of termination is recorded in the Public Records of Orange County, Florida, provided, however, that any such instrument, in order to be effective, must be approved in writing and signed by the DEVELOPER so long as the DEVELOPER owns any portion of the Property.

Section 6. Amendments of this Declaration. This Declaration may be amended at any time upon the approval of at least two-thirds (2/3) of the MEMBERS as evidenced by the recordation of an amendatory instrument in the Public Records of Volusia County, Florida. Notwithstanding any provision to the contrary herein contained, the DEVELOPER shall have the right to amend this Declaration without the consent, approval or joinder of any other person or Owner.

Section 7. Disputes. In the event there is any dispute as to the interpretation of this Declaration or whether the use of the Property or any portion thereof complies with this Declaration, such dispute shall be referred to the BOARD. A determination by the BOARD with respect to any dispute shall be final and binding on all parties concerned. However, any use by the DEVELOPER and its successors, nominees and assigns of the Property shall be deemed a use which complies with this Declaration and shall not be subject to a determination to the contrary by the BOARD.

Section 8. Governing Law. The construction, validity and enforcement of this Declaration shall be determined according to the laws of the State of Florida. The venue of any action or suit brought in connection with this Declaration shall be in Volusia County, Florida.

Section 9. Invalidation. The invalidation of any provision or provisions of this Declaration by lawful court order shall not affect or modify any of the other provisions of this Declaration, which other provisions shall remain in full force and effect.

Section 10. Usage. Whenever used herein, the singular number shall include the plural and the plural the singular, and the use of any gender shall include all genders.

Section 11. Conflict. This Declaration shall take precedence over conflicting provisions in the Articles of Incorporation and Bylaws of the ASSOCIATION and the Articles of Incorporation shall take precedence over the Bylaws.

Section 12. Notice. Any notice required to be sent to any MEMBER or OWNER under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the Person who appears as MEMBER or OWNER on the records of the ASSOCIATION at the time of such mailing.

BOOK: 4587  
PAGE: 879

**ARTICLE XII**  
**SURFACE WATER OR STORMWATER MANAGEMENT SYSTEM**

Section 1. Definition. A "Surface Water or Stormwater Management System" is hereby defined to mean a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system, as permitted pursuant to the Florida Administrative Code. All retention/detention areas within the Surface Water or Stormwater Management System shall be considered ponds.

Section 2. ASSOCIATION Obligations. Except as noted in Section 3 of this Article XII, the ASSOCIATION shall operate, maintain, repair and manage, at its expense, the Surface Water or Stormwater Management System for the Property in a manner (i) consistent with the requirements and rules promulgated by the St. Johns River Water Management District (the "District"); and (ii) all the water management permits issued by the District that are applicable to the Property (the "Stormwater Permit"). Specifically, the ASSOCIATION shall maintain, operate, repair and manage, at its expense, the Surface Water or Stormwater Management System in a manner that provides drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the District. Any repair or reconstruction of the Surface Water or Stormwater Management System shall be as permitted, or if modified, as approved by the District.

Section 3. Assignment of ASSOCIATION Obligations. At any time that the DEVELOPER and the ASSOCIATION may deem appropriate, the obligations set forth in this Article XII, or any portion thereof, may be transferred, assigned, conveyed and/or set over, in whole or in part (a "Transfer"), to any public entity or body (the "Public Entity"), after which time the Public Entity shall operate, maintain, repair and manage, at its expense, the Surface Water or Stormwater Management System for the Property, as said responsibilities are assigned to it pursuant to a Transfer.

Section 4. ASSOCIATION Obligations Subsequent to a Transfer. If a component of the Surface Water or Stormwater Management System consists of drainage facilities that are either (i) not assigned or transferred to the Public Entity (the "Non-assigned Facilities"); or (ii) are situated within certain Lots for the purpose of collecting and directing stormwater to prevent runoff to adjoining lands (the "Yard Drains"), then notwithstanding anything to the contrary herein, the ASSOCIATION shall remain responsible to operate, repair, maintain and manage said Non-assigned Facilities or Yard Drains, if any, in accordance with the District Rules and the Stormwater Permit. The DEVELOPER reserves the exclusive right, in its sole discretion, to determine and designate which Lots require a Yard Drain. Any repair or reconstruction of the Non-assigned Facilities and/or the Yard Drains shall be as permitted, or if modified, as approved by the District.

Section 5. Covenant for Maintenance Assessments for ASSOCIATION. Assessments shall also be used for the operation, maintenance, management and repair of the Surface Water or Stormwater Management Systems including but not limited to any Non-assigned Facilities and

BOOK: 4587  
PAGE: 880

Yard Drains and all maintenance and landscaping performed by the ASSOCIATION within retention areas, drainage structures and drainage easements.

Section 6. No Barricades. No structure of any kind shall be constructed or erected, nor shall an OWNER in any way change, alter, impede, revise or otherwise interfere with the flow and the volume of water in any portion of any drainage areas or the Surface Water or Stormwater Management System without prior written permission of the DEVELOPER, the ASSOCIATION, the City of Deland and/or the District.

Section 7. Access. No OWNER shall in any way deny or prevent ingress and egress by the DEVELOPER, the ASSOCIATION, the City of Deland, or the District to any drainage areas or to the Surface Water or Stormwater Management System for maintenance or landscape purposes. The right of ingress and egress, and easements therefor to perform the obligations set forth in this Article XII are hereby specifically reserved and created in favor of the DEVELOPER, the ASSOCIATION, the City of Deland, the District or any appropriate governmental or quasi-governmental agency that may reasonably require such ingress and egress.

Section 8. Construction Limitations. No Lot shall be increased in size by filling in any drainage areas, the Surface Water or Stormwater Management System. No OWNER shall fill, dike, rip-rap, block, divert or change the established drainage areas, the Surface Water or Stormwater Management System that have been or may be created by easement without the prior written consent of the DEVELOPER, the ASSOCIATION, the City of Deland and the District.

Any wall, fence, paving, planting or other improvement which is placed by an OWNER within a drainage area, drainage easement, or the Surface Water or Stormwater Management System, including but not limited to, easements for maintenance or ingress and egress access, shall be removed, if required by the DEVELOPER, the ASSOCIATION, the City of Deland or the District, the cost of which shall be paid for by such OWNER as a Special Assessment.

Section 9. Release and Discharge. The District is not related to the DEVELOPER or the ASSOCIATION. Water management areas are ponds and are not designed as aesthetic features and no recreational activity shall be permitted therein. Due to fluctuations in ground water elevations within the immediate area, the water level of the ponds will rise and fall. The District, the DEVELOPER and the ASSOCIATION have no control over such elevations. Therefore, the District, the DEVELOPER and the ASSOCIATION and their affiliates are released and discharged from and against any and all losses, claims, demands, damages, costs and expenses of whatever nature or kind, including reasonable attorneys' fees and costs and appellate fees and costs, related to or arising out of any claim as a result of the water elevations, including, without limitation, the absence of any water in the ponds. All persons are hereby notified that from time to time wildlife may inhabit or enter into water bodies or into the Community generally and may pose a threat to persons, pets and property, but that the District, the DEVELOPER and the ASSOCIATION and their affiliates are under no duty to protect against, and do not in any manner warrant or insure against, any death, injury or damage caused by such wildlife.

Section 10. Enforcement. The DEVELOPER, the ASSOCIATION, the City of Deland, or the District shall have the right to enforce, by a proceeding at law or in equity, the provisions

BOOK: 4587  
PAGE: 881

contained in this Declaration which relate to the maintenance, operation and repair of the Surface Water or Stormwater Management System.

Section 11. Amendment. Any amendment to the Declaration which alter any provision relating to the Surface Water or Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the common areas, must have the prior approval of the District.

Section 12. Easement for Access and Drainage. The ASSOCIATION shall have a perpetual non-exclusive easement over all areas of the surface water or stormwater management system for access to operate, maintain or repair the system. By this easement, the ASSOCIATION shall have the right to enter upon any portion of any lot which is a part of the surface water or stormwater management system, at a reasonable time and in a reasonable manner, to operate, maintain or repair the surface water or stormwater management system as required by the St. Johns River Water Management District permit. Additionally, the ASSOCIATION shall have a perpetual non-exclusive easement for drainage over the entire surface water or stormwater management system, including buffer areas or swales, without the prior written approval of the St. Johns River Water Management District.

X Section 13. Swale Maintenance. Certain Lots make contain or consist of a drainage swale which has been constructed by the DEVELOPER, or others, for the purpose of managing and containing the flow of excess surface water, if any, found upon such lot from time to time. Each lot owner, including builders, shall be responsible for the maintenance, operation and repair of the swales on the lot. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the St. Johns River Water Management District. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in the swales is prohibited. No alteration of the drainage swale shall be authorized and any damage to any drainage swale, whether caused by natural or human-induced phenomena, shall be repaired and the drainage swale returned to its former condition as soon as possible by the Owner(s) of the Lot(s) upon which the drainage swale is located.

**ARTICLE XIII**  
**WETLAND CONSERVATION AREA**

Section 1. Definition. A portion of the Community Common Area may consist of lands designed to protect and conserve certain wetland area (a "Wetland Conservation Tract"), the operation and maintenance of which shall be governed and administered by and through (i) a separate agreement between the DEVELOPER and the District (the "Wetland Conservation Easement"); and/or (ii) permits issued by the District and/or the United States Army Corps of Engineers (the "Wetlands Permit").

Section 2. ASSOCIATION Obligations. The ASSOCIATION shall operate, maintain and manage the Wetland Conservation Tract in accordance with the regulations imposed by the District and in accordance with the terms of the Wetlands Conservation Easement, and the Wetlands



BOOK: 4587  
PAGE: 882

Permit. The DEVELOPER reserves the exclusive right, in its sole discretion, to determine and designate which Lots, if any, require an access easement to service any Wetland Conservation Tract.

Section 3. Covenant for Maintenance Assessments for the ASSOCIATION. Assessments shall also be used for the maintenance, repair, and any other expenses incident to or associated with the Wetland Conservation Tract, the Wetland Conservation Easement and/or the Wetlands Permit.

Section 4. Transfer/Assignment. The DEVELOPER reserves the right in its sole and absolute discretion to (i) convey any Wetland Conservation Tract; (ii) transfer and assign the Wetland Permits; and/or transfer and assign the Wetland Conservation Easement to the ASSOCIATION. The transfer/assignment authorized by this Section 4 shall not be a condition to the covenants and obligations of Section 2 and Section 3 above.

**ARTICLE XIV**  
**UPLAND CONSERVATION AREA**

Section 1. Definition. A portion of the Community Common Area may consist of lands designed to protect and conserve certain upland preserve areas, including but not limited to a gopher tortoise mitigation area (an "Upland Conservation Tract"), the operation and maintenance of which shall be governed and administered by and through (i) a separate instrument between the DEVELOPER and the Florida Game & Fresh Water Fish Commission, a public corporation of the State of Florida (the "Game Commission") (the "Upland Conservation Easement"); and/or (ii) permits issued by the Game Commission (the "Wildlife Permits").

Section 2. ASSOCIATION Obligations. The ASSOCIATION shall operate, maintain and manage the Upland Conservation Tract in accordance with the regulations imposed by the Game Commission and in accordance with the terms of the Upland Conservation Easement and the Wildlife Permits. The DEVELOPER reserves the exclusive right, in its sole discretion, to determine and designate which Lots, if any, that require an access easement to service any Upland Conservation Tract.

Section 3. Covenant for Maintenance Assessments for the ASSOCIATION. Assessments shall also be used for the maintenance, repair, and any other expenses incident to or associated with the Upland Conservation Tract, the Upland Conservation Easement and/or the Wildlife Permits.

Section 4. Transfer/Assignment. The DEVELOPER reserves the right in its sole and absolute discretion to (i) convey the Upland Conservation Tract; (ii) transfer and assign the Wildlife Permits; and/or (iii) transfer and assign the Upland Conservation Easement to the ASSOCIATION; however, the transfer/assignment provided by this Section 4 shall not be a condition of the covenants and obligations of Section 2 and Section 3 above.

BOOK: 4587  
PAGE: 883

**ARTICLE XV  
CATV AGREEMENT**

The Association may, but shall not be required to, enter into a bulk rate cable television agreement "CATV Agreement") for all or a portion of the Property. If a CATV Agreement is entered into, all Lots subject to the CATV Agreement shall be charged for basic cable service, regardless of whether the OWNER desires cable television service. It is anticipated that if CATV Agreement is entered into by the ASSOCIATION, tier channels, remotes, pay channels and other services offered by the cable provider will be available on an individual subscriber basis.

**ARTICLE XVI  
FEDERAL HOME LOAN MORTGAGE CORPORATION**

Section 1. Special FHLMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least sixty-seven percent (67%) of the First Mortgagees or MEMBERS representing at least sixty-seven percent (67%) of the total Association vote entitled to be cast thereon consent, the Association shall not:

1.1 by act or omission seek to abandon, alienate, release, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consisting with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);

1.2 change the method of determining the obligations, assessments, dues, or other charges which may be levied against an OWNER of a Lot (a decision, including contracts, by the BOARD or provisions of any Supplemental Declaration recorded on any portion of the Property regarding Assessments for Neighborhoods or other similar areas shall not be subject to this provision where such decision or Supplemental Declaration is otherwise authorized by this Declaration);

1.3 by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Lots and of the Common Area (the issuance and amendment of architectural standards, procedures, rules and regulations, of use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provisions);

1.4 fail to maintain insurance, as required by this Declaration; or

1.5 use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

BOOK: 4587  
PAGE: 884

Section 2. Amendment by BOARD. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirement less stringent, the BOARD, without approval of the OWNERS, may cause an amendment to this Article to be recorded to reflect such changes.

Section 3. Applicability of this Article. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws, or Florida law for any of the acts set out in this Article.

**ARTICLE XVII**  
**RIGHTS AND OBLIGATIONS OF THE ASSOCIATION**

Section 1. Community Common Area.

1.1 On or before the Turnover, the DEVELOPER shall convey its interest in the Community Common Area to the ASSOCIATION. The ASSOCIATION shall accept title to any interest in real or personal property transferred to it by DEVELOPER. Property interests transferred to the ASSOCIATION by DEVELOPER may include fee simple title, easements, leasehold interests and licenses to use. Any fee simple interest in property transferred to the ASSOCIATION by DEVELOPER shall be transferred to the ASSOCIATION by quitclaim deed, free and clear of all liens (other than the lien for property taxes and assessments not then due and payable), but shall be subject to the terms of this Declaration, and any and all easements, rights-of-way, reservations, covenants, conditions, restrictions, equitable servitudes and other encumbrances of record or reserved by DEVELOPER in the instrument of conveyance. The property or interest in property transferred to the ASSOCIATION by DEVELOPER may impose special restrictions governing the use of such property and special obligations on the ASSOCIATION with respect to the maintenance of such property. No title insurance or title opinion shall be provided to the ASSOCIATION by the DEVELOPER.

THE ASSOCIATION SHALL ACCEPT "AS IS" THE CONVEYANCE OF SUCH PROPERTY WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IN FACT OR BY LAW, WITH RESPECT THERETO, OR WITH RESPECT TO THE IMPROVEMENTS AND REPAIRS TO BE COMPLETED AFTER THE CONVEYANCE. All costs and expenses of any conveyance of any property by DEVELOPER to the ASSOCIATION shall be paid for by the ASSOCIATION.

1.2 The ASSOCIATION shall be responsible for the management and control of the areas of common responsibility and shall maintain and keep the areas of common responsibility in good repair in accordance with the community-wide standard, such maintenance to be funded as herein provided.

1.3 Notwithstanding the fact the DEVELOPER may initially retain ownership of the Community Common Area, the ASSOCIATION shall, pursuant to this Declaration, be responsible for the management, maintenance and operation of the Community Common Area,

BOOK : 4587  
PAGE : 885

including without limitation all property taxes and other assessments which are liens against the Community Common Area, from and after the date of recordation of this Declaration.

1.4 Without limiting the generality of the foregoing, the ASSOCIATION shall assume all of DEVELOPER'S and its affiliates' responsibilities to the City of Deland and its governmental and quasi-governmental subdivisions and similar entities of any kind with respect to the Community Common Area and shall indemnify and hold DEVELOPER and its affiliates harmless with respect thereto in the event of the ASSOCIATION'S failure to fulfill those responsibilities. The DEVELOPER shall assign to and the ASSOCIATION shall accept all permits, agreements and contracts incident to the responsibilities articulated herein.

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BOOK: 4587  
PAGE: 886

IN WITNESS WHEREOF, the DEVELOPER, CRYSTAL COVE, LTD., a Florida limited partnership, has caused this instrument to be executed in its name as of the day and year first above written.

Signed, sealed and delivered  
in the presence of:

CRYSTAL COVE, LTD.,  
A Florida Limited Partnership

By: BDC CRYSTAL COVE, INC.,  
A Florida Corporation  
Its General Partner

*Kathy Moorehead*  
Print Kathy Moorehead

By: *[Signature]*  
Print JAMES H. FANT

*[Signature]*  
Print DEBORAH A. LAMORE

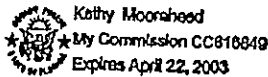


STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 15<sup>th</sup> day of June, 2000, by JAMES H. FANT, Senior Vice President of BDC CRYSTAL COVE, INC., a Florida corporation, as general partner of CRYSTAL COVE, LTD., a Florida limited partnership, on behalf of the corporation as general partner of the limited partnership. He is personally known to me or has produced \_\_\_\_\_ as identification.

My Commission Expires:

*Kathy Moorehead*  
Print Kathy Moorehead  
Notary Public



BOOK: 4587  
PAGE: 887

JOINDER AND CONSENT TO DECLARATION OF  
PROTECTIVE COVENANTS AND RESTRICTIONS

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, COLONIAL BANK, ~~an Alabama banking association~~ <sup>an Alabama banking corporation</sup> existing under the laws of the United States of America ("Colonial Bank"), as Mortgagee under that certain Mortgage and Security Agreement dated September 28, 1998, and recorded October 5, 1998, in Official Records Book 4354, Page 2392, in the original principal amount of \$1,250,000.00, as amended by that certain Notice of Future Advance and Mortgage Modification Agreement dated November 9, 1999, and recorded in Official Records Book 4493, Page 1262, all in the Public Records of Volusia County, Florida (the "Mortgage"), encumbering the property described in that certain plat entitled "CRYSTAL COVE," according to the plat thereof recorded in Plat Book 47, Page 578, Public Records of Volusia County, Florida, hereby joins in and ratifies the Declaration of Protective Covenants and Restrictions for CRYSTAL COVE HOMEOWNERS ASSOCIATION OF DELAND (the "Declaration"). The Mortgage and all other loan documents incident thereto or associated therewith are subordinate, junior, and inferior to the Declaration. It is the intent of the undersigned that the execution of this Joinder and Consent shall have the same force and effect as if appearing on the face of said Declaration.

Signed, Sealed and Delivered  
in the Presence of:

Ruth M. Stinson  
Print Ruth M. Stinson

Donna M. Boyer  
Print Donna Boyer

COLONIAL BANK, an Alabama  
~~national banking association~~ <sup>corporation</sup>

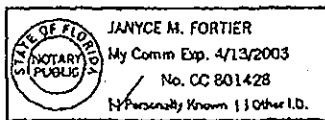
By: H. E. Davis  
Print H. E. Davis  
Title President

STATE OF Florida  
COUNTY OF Orange

The foregoing instrument was acknowledged before me this 15th day of June, 2000, by H. E. Davis, President of COLONIAL BANK, an ~~Alabama Banking Association~~ <sup>Alabama Banking Corporation</sup> existing under the laws of the United States of America, on behalf of the Bank. He/she is personally known to me or has produced as identification.

My Commission Expires:

Janyce M. Fortier  
Print Janyce M. Fortier  
Notary Public



K:\de\brooks\crystal cove covenants 4 exhibits  
06/13/2000

EXHIBIT A

ARTICLES OF INCORPORATION

BOOK: 4587  
PAGE: 888

# State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of CRYSTAL COVE HOMEOWNERS ASSOCIATION OF DELAND, INC., a Florida corporation, filed on May 24, 2000, as shown by the records of this office.

The document number of this corporation is N00000003570.

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
Second day of June, 2000



CR2E022 (1-99)

*Katherine Harris*

Katherine Harris  
Secretary of State

EXHIBIT A

ARTICLES OF INCORPORATION

BOOK: 4587  
PAGE: 888

State of Florida



Department of State

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The document number of this corporation is N00000003570.

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
Second day of June, 2000



CR2ED22 (1-99)

*Katherine Harris*

Katherine Harris  
Secretary of State



BOOK: 4587  
PAGE: 889

ARTICLES OF INCORPORATION  
OF  
CRYSTAL COVE HOMEOWNERS ASSOCIATION OF DELAND, INC.

FILED  
00 JUN 24 AM 9:18  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

ARTICLE 1  
NAME

1. Name. The name of the corporation is: CRYSTAL COVE HOMEOWNERS ASSOCIATION OF DELAND, INC. (hereinafter referred to as the "ASSOCIATION").

ARTICLE 2  
DEFINITIONS

2. Definitions. Unless defined in these Articles or the Bylaws all terms used in the Articles and the Bylaws shall have the same meanings as used in the DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR CRYSTAL COVE (the "Declaration").

ARTICLE 3  
PURPOSE

3. Purpose. The purposes for which the ASSOCIATION is organized are as follows:

3.1 To operate as a corporation not-for-profit pursuant to Chapter 617 of the Florida Statutes.

3.2 To administer, enforce and carry out the terms and provisions of the Declaration as same may be amended or supplemented from time to time.

3.3 To administer, enforce and carry out the terms and provisions of any other Declaration of Covenants and Restrictions or similar document, submitting property to the jurisdiction of or assigning responsibilities, rights or duties to the ASSOCIATION and accepted by the Board of Directors of the ASSOCIATION (the "BOARD").

3.4 To promote the health, safety, comfort and social and economic welfare of the MEMBERS of the ASSOCIATION and the OWNERS and Residents of Lots in the Property as defined and authorized by the Declaration, by these Articles, and by the Bylaws.

3.5 To operate, maintain and manage the surface water or stormwater management system(s) in a manner consistent with the applicable St. Johns River Management District permit requirements and applicable District rules, and to assist in the enforcement of the Declaration of Covenants and Restrictions which relate to the surface water or stormwater management system.

Book: 4587  
Page: 890

3.6 To operate, maintain and manage any and all wetland, conservation and upland preserve areas in a manner consistent with permit requirements and applicable governmental or public agency rules and to enforce the provisions in the Declaration which relate to any environmentally protected areas.

ARTICLE 4  
POWERS

4. Powers. The ASSOCIATION shall have the following powers:

4.1 All of the common law and statutory powers of a corporation not-for-profit under the laws of Florida which are not in conflict with the terms of these Articles.

4.2 To enter into, make, establish, amend, and enforce, rules, regulations, Bylaws, covenants, restrictions and agreements to carry out the purposes of the ASSOCIATION.

4.3 To make and collect Assessments for Common Expenses from OWNERS to defray the costs, expenses, reserves and losses incurred or to be incurred by the ASSOCIATION and to use the proceeds thereof in the exercise of the ASSOCIATION'S powers and duties.

4.4 To own, purchase, sell, mortgage, lease, administer, manage, operate, maintain, improve, repair and/or replace real and personal property.

4.5 To borrow and hold funds, select depositories, and administer bank accounts of the ASSOCIATION, and to pay all expenses (including licenses, public assessments, taxes or government charges) incident to the purposes and powers of the ASSOCIATION and to hold funds for the exclusive benefit of the MEMBERS of the ASSOCIATION as set forth in these Articles and as provided in the Declaration and the Bylaws.

4.6 To purchase insurance for the protection of the ASSOCIATION, its officers, directors and MEMBERS, and such other parties as the ASSOCIATION may determine to be in the best interests of the ASSOCIATION.

4.7 To operate, maintain, repair, control, regulate, and improve all Community Common Areas and such other portions of the Property as may be determined by the BOARD from time to time.

4.8 To honor and perform under all contracts and agreements entered between third parties and the ASSOCIATION or third parties and the DEVELOPER which are assigned to the ASSOCIATION.

4.9 To exercise architectural control, either directly or through appointed committees, over all buildings, structures and improvements to be placed or constructed upon any portion of the Property. Such control shall be exercised pursuant to the Declaration.

BOOK: 4587  
PAGE: 891

4.10 To provide for any and all other functions and services within the Property (as defined in the Declaration) as the Board in its discretion determines necessary or appropriate.

4.11 To provide, purchase, acquire, replace, improve, maintain and/or repair such buildings, structures, streets (to the extent not maintained by Volusia County), pathways, and other structures, landscaping, paving and equipment, both real and personal, related to the health, safety and social welfare of the MEMBERS of the ASSOCIATION and the OWNERS and Residents of the Property as the BOARD in its discretion determines necessary or appropriate.

4.12 To employ personnel necessary to perform the obligations, services and duties required of or to be performed by the ASSOCIATION and/or to contract with others for the performance of such obligations, services and/or duties and to pay the cost thereof in accordance with whatever contractual arrangement the BOARD shall enter.

4.13 To levy and collect adequate assessments from MEMBERS for the costs of maintenance and operation of the surface water or stormwater management system.

4.14 To establish, maintain, and use reserve funds for capital improvements, repairs, and replacements.

4.15 To enter into a management contract with any Person for the maintenance and repair of the Community Common Area and for the operation of the ASSOCIATION. The management contract may provide a management fee to the management agent and the delegation of certain duties, as determined by the BOARD.

4.16 To appoint committees as the BOARD may deem appropriate.

4.17 To collect delinquent assessments by fine, claim of lien, suit or otherwise and to file and defend any suit or other proceeding in pursuit of all legal and/or equitable remedies or defense of all claims relating to the Declaration, the Bylaws, and/or these Articles.

4.18 To adopt, amend, or repeal the Bylaws.

ARTICLE 5  
MEMBERS

5.1 Membership. Except as is set forth in this Article 5, every Person who is a record titleholder of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the ASSOCIATION shall be a MEMBER of the ASSOCIATION, provided that any such Person which holds such interest merely as a security for the performance of any obligation shall not be a MEMBER.

5.2 Transfer of Membership. Transfer of membership in the ASSOCIATION shall be established by the recording in the Public Records of Volusia County of a deed or other

BOOK: 4587  
PAGE: 892

instrument establishing a transfer of record title to any Lot for which membership has already been established. The OWNER designated by such instrument of conveyance thereby becomes a MEMBER, and the prior MEMBER'S membership thereby is terminated. In the event of death of a MEMBER his membership shall be automatically transferred to his heirs or successors in interest. Notwithstanding the foregoing, the ASSOCIATION shall not be obligated to recognize such a transfer of membership until such time as the ASSOCIATION receives a true copy of the recorded deed or other instrument establishing the transfer of ownership of the Lot, and it shall be the responsibility and obligation of both the former and the new OWNER of the Lot to provide such true copy of said recorded instrument to the ASSOCIATION.

5.3 Prohibition Against Transfer. The share of a MEMBER in the funds and assets of the ASSOCIATION cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Lot associated with the membership of that MEMBER, nor may a membership be separately assigned, hypothecated or transferred in any manner except as an appurtenance to the Lot.

5.4 Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B," as follows:

5.4.1 Class "A." Class "A" Members shall be all OWNERS of Lots with the exception of the Class "B" Member. Class "A" Members shall be entitled to one (1) equal vote for each Lot in which they hold the interest required for membership.

5.4.2 Class "B." Class "B" Member shall be the DEVELOPER or its assigns or successors in interest and any Builder, as that term is defined in the Declaration. The Class "B" Member shall have five (5) votes for each Lot owned by the DEVELOPER or a Builder. The DEVELOPER shall be entitled to appoint or elect all of the members of the Board of Directors until Turnover, as defined in the Declaration and specified in the Bylaws. The Class "B" Membership shall terminate and become converted to Class "A" membership upon the Turnover.

Upon and after the Turnover, the Class "B" Member shall be deemed to be a Class "A" Member entitled to one (1) vote for each Lot in which the interest required for membership under Paragraph 5.1 hereof is held. At such time, the DEVELOPER shall call a meeting as provided in the Bylaws for special meetings to advise the membership of the termination of Class "B" status (hereafter called "Turnover Meeting").

5.5 Members. Voting on Association matters requiring a vote of the Members will be cast by the Members in accordance with the Declaration and the Bylaws.

5.6 Administration of the Association. The affairs of the Association shall be administered by the Board of Directors in accordance with the Declaration, the Articles of Incorporation and the Bylaws. The Board of Directors shall not be required to obtain a vote of the membership on any matter, except as required by the Declaration, the Articles of Incorporation, Bylaws or applicable law. The Articles of Incorporation and the Bylaws may be amended in the manner set forth herein; however, no such amendment shall conflict with the

BOOK: 4587  
PAGE: 893

terms of the Declaration or adversely affect the rights of the DEVELOPER, without the prior written approval of the DEVELOPER. Any attempt to amend this provision or any provision to the contrary shall be of no force or effect.

5.7 Interpretation. The provisions of the Declaration as well as those of the Articles, Bylaws and any rules and regulations of the Association shall be interpreted by the Board of Directors. Any such interpretation of the Board which is rendered in good faith shall be final, binding and conclusive if the Board receives a written opinion of legal counsel to the Association, or the counsel having drafted the Declaration or other applicable document, that the interpretation is not unreasonable, which opinion may be rendered before or after the interpretation is adopted by the Board. Notwithstanding any rule of law to the contrary, the provisions of the Declaration and the Articles, Bylaws and the rules and regulations of the Association shall be liberally construed so as to effectuate the purposes herein expressed with respect to efficient operation of the Association and the preservation and protection of the Property.

5.8 Voting by Co-OWNERS. If the Lot associated with the membership of a MEMBER is owned by more than one person, the vote(s) of the MEMBER may be cast at any meeting by any Co-OWNER of the Lot. If when the vote(s) is (are) to be cast, a dispute arises between the Co-OWNERS as to how the vote(s) will be cast, they shall lose the right to cast their vote(s) on the matter being voted upon, but their vote(s) continue to be counted for purposes of determining the existence of a quorum.

5.9 Proxies. Every MEMBER entitled to vote at a meeting of the MEMBERS, or to express consent or dissent without a meeting, may authorize another person to act on the MEMBER'S behalf by a proxy signed by such MEMBER. Any proxy shall be delivered to the Secretary of the ASSOCIATION or the person acting as Secretary at the meeting, at or prior to the time designated in the order of business for so delivering such proxies. No proxy shall be valid after the expiration of eleven (11) months from the date thereof, unless otherwise provided in the proxy. Every proxy shall be revocable at any time at the pleasure of the MEMBER executing it.

5.10 Calculation of Votes. Any question concerning the number of votes which may be cast by a MEMBER shall be decided by the BOARD.

ARTICLE 6  
PERSONS SERVING ON THE BOARD

6.1 Persons serving on the BOARD. The affairs of the ASSOCIATION shall be managed by a BOARD consisting of not less than three (3) persons, nor more than seven (7) persons, and which shall always be an odd number. The number of persons on the BOARD shall be determined in accordance with the Bylaws. In the absence of such determination, there shall be three (3) persons on the BOARD. The persons serving on the BOARD need not be MEMBERS of the ASSOCIATION.

BOOK: 4587  
PAGE: 894

6.2 The DEVELOPER shall appoint the persons to serve on the BOARD of the ASSOCIATION as follows:

6.2.1 The DEVELOPER shall have the right to appoint all persons on the BOARD until the Class A Membership comprises more than seventy-five percent (75%) of the total number of votes of MEMBERS as determined by Article 5 hereof.

6.2.2 Thereafter, a person serving on the BOARD shall be elected by the MEMBERS of the ASSOCIATION.

6.3 After the DEVELOPER no longer has the right to appoint all persons on the BOARD under Section 6.2.1, or earlier if the DEVELOPER so elects, then and only then shall any persons on the BOARD be elected by the MEMBERS of the ASSOCIATION.

6.4 All of the duties and powers of the ASSOCIATION existing under Chapter 617 of the Florida Statutes, the Declaration, these Articles and the Bylaws shall be exercised exclusively by the BOARD, its agents, contractors or employees, subject to approval by the MEMBERS only when specifically required.

6.5 A person on the BOARD may be removed and vacancies on the BOARD shall be filled in the manner provided by the Bylaws. However, any person on the BOARD appointed by the DEVELOPER may only be removed by the DEVELOPER, and any vacancy on the BOARD of a person appointed by the DEVELOPER shall be filled by the DEVELOPER.

6.6 The names and addresses of the persons on the BOARD who shall hold office until their successors are elected or appointed, or until removed, are as follows:

JAMES H. FANT                      401 W. Colonial Drive - Suite 7  
Orlando, Florida 32804

ELIZABETH CONANT                      401 W. Colonial Drive - Suite 7  
Orlando, Florida 32804

VERNA LEGG                              401 W. Colonial Drive - Suite 7  
Orlando, Florida 32804

ARTICLE 7  
OFFICERS

7. Officers. The Officers of the ASSOCIATION shall be a President, Vice President, Secretary, Treasurer and such other officers as the BOARD may from time to time by resolution create. The Officers shall serve at the pleasure of the BOARD, and the Bylaws may provide for the removal from office of Officers, for filling vacancies, and for the duties of the Officers. The names of the Officers who shall serve until their successors are designated by the BOARD are as follows:

BOOK: 4587  
PAGE: 895

President - JAMES H. FANT  
Secretary/Treasurer - ELIZABETH CONANT  
Vice President - VERNA LEGG

ARTICLE 8  
INDEMNIFICATION

8. Indemnification of Officers, Members, of the BOARD or Agents. The ASSOCIATION shall indemnify any Person who was or is a party or is threatened to be made a party, to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a member of the BOARD, employee, Officer or agent of the ASSOCIATION, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the ASSOCIATION; and, with respect to any criminal action or proceeding, if he had no reasonable cause to believe his conduct was unlawful; or matter as to which such Person shall have been adjudged to be liable for gross negligence or willful misfeasance or malfeasance in the performance of his duty to the ASSOCIATION unless and only to the extent that the court in which such action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in view of all the circumstances of the case, such Person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, in and of itself, create a presumption that the Person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the ASSOCIATION; and with respect to any criminal action or proceeding, that he had no reasonable cause to believe that his conduct was unlawful.

8.1 To the extent that a member of the BOARD, Officer, employee or agent of the ASSOCIATION is entitled to indemnification by the ASSOCIATION in accordance with this Article 8, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonable incurred by him in connection therewith.

8.2 Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the ASSOCIATION in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the members of the BOARD, Officer, employee or agent of the ASSOCIATION to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the ASSOCIATION as authorized in this Article.

8.3 The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the laws of the State of Florida, any Bylaw, agreement, vote of MEMBERS or otherwise. As to action taken in an

BOOK: 4587  
PAGE: 896

official capacity while holding office, the indemnification provided by this Article shall continue as to a Person who has ceased to be a member of the BOARD, Officer, employee, or agent of the ASSOCIATION and shall inure to the benefit of the heirs, executors and administrators of such a Person.

8.4 The ASSOCIATION shall have the power to purchase and maintain insurance on behalf of any Person who is or was a member of the BOARD, Officer, employee or agent of the ASSOCIATION, or is or was serving at the request of the ASSOCIATION as a member of the BOARD, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, as arising out of his status as such, whether or not the ASSOCIATION would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE 9  
BYLAWS

9. Initial Bylaws. The initial Bylaws shall be adopted by the BOARD, and may be altered, amended or rescinded in the manner provided by the Bylaws.

ARTICLE 10  
AMENDMENTS

10. Amendments. Amendments to these Articles shall be proposed and adopted in the following manner:

10.1 Initiation. A resolution to amend these Articles may be proposed by a majority of the persons serving on the BOARD, or by MEMBERS holding not less than twenty percent (20%) of the votes of the entire membership of the ASSOCIATION.

10.2 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

10.3 Adoption of Amendments.

10.3.1 A resolution for the adoption of the proposed amendment shall be adopted by MEMBERS having not less than a majority of the votes of the entire membership of the ASSOCIATION.

10.3.2 Amendment of the Articles shall require the assent of (2/3) two-thirds of the votes of the MEMBERS.

10.3.3 Upon the approval of an amendment to these Articles, Articles of Amendment shall be executed and delivered to the Department of State as provided by law, and :



copy certified by the Department of State shall be recorded in the Public Records of Volusia County, Florida, as an amendment to the Declaration.

Book: 4587  
Page: 897

ARTICLE 11  
TERM

11. The ASSOCIATION shall have perpetual existence. If, for whatever reason, the ASSOCIATION is dissolved by the MEMBERS, any Conservation Areas, Dedicated Areas and any portions of the Community Common Area involved with the surface water management system shall be conveyed to and accepted by an entity which would comply with Section 40C-42.027, Florida Administrative Code, and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation, or to another governing association similar to the Association or to an appropriate agency of the local government for control and maintenance purposes. If no agency of the local government will accept such conveyance and responsibility, such property must be conveyed to a not-for-profit corporation similar to the ASSOCIATION.

ARTICLE 12  
FHA/VA APPROVAL

12. As long as there is a Class B Membership, the following actions will require the approval of the Federal Housing Administration and the Veterans Administration: mergers and consolidations; mortgaging of the Community Common Area; dissolution and amendment of the Articles.

ARTICLE 13  
INCORPORATOR

13. The name and street address of the Incorporator is:

JAMES H. FANT  
401 W. Colonial Drive - Suite 7  
Orlando, Florida 32804

ARTICLE 14  
INITIAL REGISTERED OFFICE ADDRESS  
AND NAME OF INITIAL REGISTERED AGENT

The street address of the initial registered office of the ASSOCIATION is 401 W. Colonial Drive, Suite 7, Orlando, Florida 32804. The initial Registered Agent of the ASSOCIATION at this address is James H. Fant.

IN WITNESS WHEREOF, the Incorporator and the initial Registered Agent have executed these Articles:

WITNESSES:

[Signature]  
Print DEBORAH A. CAROLLE

[Signature]  
James H. Fant  
Incorporator and Registered Agent

[Signature]  
Print Kathy Moorehead


BOOK: 4587  
PAGE: 898

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 15<sup>th</sup> day of May, 2000, by JAMES H. FANT, who is personally known to me or who has produced \_\_\_\_\_ as identification.

My Commission Expires:

[Signature]  
Print Kathy Moorehead  
Notary Public

 Kathy Moorehead  
My Commission CC816845  
Expires April 22, 2003

BOOK: 4587  
PAGE: 899

CERTIFICATE DESIGNATING REGISTERED AGENT FOR  
THE SERVICE OF PROCESS WITHIN THIS STATE

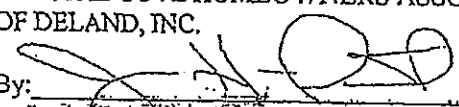
Pursuant to Chapter 48, Florida Statutes, the following is submitted in compliance with said Act:

CRYSTAL COVE HOMEOWNERS ASSOCIATION OF DELAND, INC., desiring to organize as a corporation under the laws of the State of Florida with its registered office at 401 W. Colonial Drive, Suite 7, Orlando, Florida 32804, has named JAMES H. FANT, located at the above registered office, as its Registered Agent to accept service of process within this state.

ACKNOWLEDGMENT:

Having been named to accept service of process for the above stated corporation, at place designated in this Certificate, I hereby agree to act in this capacity, and further agree to comply with the provisions of said Act relative to keeping open said office.

CRYSTAL COVE HOMEOWNERS ASSOCIATION  
OF DELAND, INC.

By:   
James H. Fant, President and  
Registered Agent

Date: May 15, 2000

00 MAY 24 AM 9:18  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

FILED

Exhibit "B"

CRYSTAL COVE  
SECTION 28, TOWNSHIP 17 SOUTH, RANGE 30 EAST  
CITY OF DELAND, VOLUSIA COUNTY, FLORIDA

BOOK: 4587  
PAGE: 900

LEGAL DESCRIPTION: The Southwest 1/4 of the Southwest 1/4 LESS the West 55 feet thereof; and the West 1/2 of the Northwest 1/4 of the Southeast 1/4 of the Southwest 1/4, and the South 1/8 of the Northwest 1/4 of the Southwest 1/4; LESS the Right-of-Way for McGregor Road, all in Section 28, Township 17 South, Range 30 East, Volusia Commencing at the Southwest corner of said Section 28 run North 89°52'19" East 55.00 feet along the South line of the Southwest 1/4 of said Section 28; thence North 00°37'00" West 15.00 feet along a line 55.00 feet East of and parallel with the West line of the Southwest 1/4 of said Section 28 to the POINT OF BEGINNING; thence continue along said line North 00°37'00" West 1299.80 feet to a point on the North line of the Southwest 1/4 of the Southwest 1/4 of said Section 28; thence North 89°56'43" West 55.00 feet along said line to the Northwest corner of the Southwest 1/4 of the Southwest 1/4 of said Section 28; thence North 00°37'00" West 165.31 feet along the West line of the Northwest 1/4 of the Southwest 1/4 of said Section 28 to a point on the North line of the South 1/8 of the Northwest 1/4 of the Southwest 1/4 of said Section 28; thence South 89°55'21" East 1320.42 feet along said North line to a point on the East line of the Northwest 1/4 of the Southwest 1/4 of said Section 28; thence South 00°38'37" East 164.78 feet along said East line to the Northeast corner of the Southwest 1/4 of the Southwest 1/4 of said Section 28; thence South 89°56'43" East 330.12 feet along the North line of the Southeast 1/4 of the Southwest 1/4 of said Section 28 to the East line of the West 1/2 of the Northwest 1/4 of the Southeast 1/4 of the Southwest 1/4 of said Section 28; thence South 00°39'01" East 658.61 feet along said East line to a point on the South line of the Northwest 1/4 of the Southeast 1/4 of the Southwest 1/4 of said Section 28; thence South 89°57'48 West 330.19 feet along said South line to the Southwest corner of the Northwest 1/4 of the Southeast 1/4 of the Southwest 1/4 of said Section 28; thence South 00°38'37" East 636.63 feet along the East line of the Southwest 1/4 of the Southwest 1/4 of said Section 28 to the North Right-of-Way line of McGregor Road as recorded in the Official Records Book 2684, Pages 1764 & 1765, Volusia County, Florida; thence South 89°52'19" West 1266.06 feet along said North line of said

CONTAINING 47.706 acres, more or less

BOOK: 4587  
PAGE: 901  
Diane M. Matousek  
Volusia County, Clerk of Court

EXHIBIT C

LEGAL DESCRIPTION OF COMMUNITY COMMON AREA

Tracts A, B, C, D, E, F, G, H, J, AND K, CRYSTAL COVE, pursuant to the Plat thereof recorded in Plat Book 47, Page 187-8 Public Records of Volusia County, Florida.

## BYLAWS

### OF

#### CRYSTAL COVE HOMEOWNERS ASSOCIATION OF DELAND, INC. A Florida Corporation Not-For-Profit

#### 1. General.

1.1 Identity. These are the Bylaws of CRYSTAL COVE HOMEOWNERS ASSOCIATION OF DELAND, INC. (the "ASSOCIATION"), a corporation not-for-profit formed under the laws of the State of Florida. The ASSOCIATION has been organized for the purposes stated in the Articles of Incorporation (the "Articles"), and the DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR CRYSTAL COVE (the "Declaration"). The ASSOCIATION shall have all of the powers provided in these Bylaws, the Articles, the Declaration (collectively, the "Governing Documents"), and any other statute or law of the State of Florida or any other power incident to any of the above powers.

1.2 Principal Office. The principal office of the ASSOCIATION shall be at such place as the BOARD may determine from time to time.

1.3 Fiscal Year. The fiscal year of the ASSOCIATION shall be the calendar year.

1.4 Seal. The seal of the ASSOCIATION shall have inscribed upon it [TO BE DETERMINED], the year "2000" and the words "Corporation Not-for-Profit." The seal may be used by causing it, or a facsimile thereof, to be impressed, affixed or otherwise reproduced upon any instrument or document executed in the name of the ASSOCIATION.

1.5 Inspection of Books and Records. The records of the ASSOCIATION shall be open to inspection by any MEMBER of the ASSOCIATION, upon request, during normal business hours or under other reasonable circumstances. The records of the ASSOCIATION shall include current copies of the Declaration, the Articles, the Bylaws, any Rules and Regulations of the ASSOCIATION, any contracts entered into by the ASSOCIATION, and the books, records and financial statements of the ASSOCIATION. The ASSOCIATION shall be required to make available to perspective purchasers of any Lot, current copies of the Governing Documents and the most recent annual financial statement of the ASSOCIATION.

1.6 Definitions. Unless the context otherwise requires, all terms used in these Bylaws shall have the same meaning as are attributed to them in the Declaration and the Articles.

2. Membership in General.

2.1 Qualification. The qualification of MEMBERS, the manner of their admission to membership, changes in membership, and the termination of such membership, shall be as set forth in the Declaration and the Articles.

2.2 MEMBER Register. The Secretary of the ASSOCIATION shall maintain a register in the office of the ASSOCIATION showing the names and addresses of the MEMBERS of the ASSOCIATION. Each MEMBER shall at all times advise the Secretary of any change of address of the MEMBER or of any change of ownership of the MEMBER's Lot. The ASSOCIATION shall not be responsible for reflecting any changes until notified of such change in writing.

3. Membership Voting.

3.1 Majority Vote. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum is present, shall be binding upon all MEMBERS for all purposes, except where otherwise provided by law or in the Governing Documents.

3.2 Determination of Voting Rights. The ASSOCIATION shall have two (2) classes of membership:

Class A. Class A Members shall be all OWNERS of Lots with the exception of the Class B Members.

Class B. The Class B Member shall be the DEVELOPER and any BUILDER, and the DEVELOPER and any BUILDER shall be entitled to ~~five (5) votes for each lot owned~~. The Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occur earlier:

(a) When the total votes outstanding in the Class A Membership equals the total votes outstanding in the Class B Membership, or

(b) On December 31, 2009.

From and after the happening of these events, whichever occur earlier, the Class B Members shall be deemed Class A Members entitled to one (1) vote for each Lot in which it holds the interest required under the Declaration.

3.3 Voting by Co-OWNERS. If the Lot associated with the membership of a MEMBER is owned by more than one individual or by an entity, the vote(s) of the MEMBER may be cast at any meeting by any co-OWNER of the Lot. If when the vote(s) is (are) to be cast, a dispute arises between the co-OWNERS as to how the vote(s) will be cast, they shall lose the right

to cast their vote(s) on the matter being voted upon, but their vote(s) shall continue to be counted for purposes of determining the existence of a quorum.

3.4 Proxies. Every MEMBER entitled to vote at a meeting of the MEMBERS, or to express consent or dissent without a meeting, may authorize another Person to act on the MEMBER's behalf by a proxy signed by such MEMBER. Any proxy shall be delivered to the Secretary of the ASSOCIATION or the Person acting as Secretary at the meeting, at or prior to the time designated in the order of business for so delivering such proxies. No proxy shall be valid after the expiration of eleven (11) months from the date thereof, unless otherwise provided in the proxy. Every proxy shall be revocable at any time at the pleasure of the MEMBER executing it.

3.5 Calculation of Votes. Any question concerning the number of votes which may be cast by a MEMBER shall be decided by the BOARD.

#### 4. Membership Meetings.

4.1 Who May Attend. Any Person entitled to cast the votes of the MEMBER, and in the event any Lot is owned by more than one Person, all co-OWNERS of the Lot may attend any meeting of the MEMBERS. However, the votes of any MEMBER shall be cast in accordance with the provisions of Section 3 above. Any Person not expressly authorized to attend a meeting of the MEMBERS, as set forth above, may be excluded from any meeting of the MEMBERS by the presiding officer of the meeting.

4.2 Place. All meetings of the MEMBERS shall be held at the principal office of the ASSOCIATION or at any other location as designated by the BOARD and stated in the notice of meeting.

4.3 Quorum Requirements. Except as set forth hereinafter or unless otherwise so provided, at any regular or special meeting of the MEMBERS, the presence in person or by proxy of MEMBERS entitled to cast a majority of the votes of the entire membership at the time of such vote shall constitute a quorum. If any meeting of the MEMBERS cannot be organized because a quorum is not present, a majority of the votes of the MEMBERS present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be the presence in person or by proxy of MEMBERS holding at least twenty-five percent (25%) of the votes of the entire membership. Such an adjourned meeting may be held without notice thereof as provided in subsection 4.4, provided that notice is given by announcement at the meeting at which such adjournment is taken. If, however, such an adjourned meeting is actually attended, in person or by proxy, by MEMBERS entitled to cast less than one-third (1/3) of the total votes of the membership, notwithstanding the presence of a quorum, no matter may be voted upon except such matters notice of the general nature of which was given pursuant to subsections 4.4 and 4.7 hereof. If a meeting of MEMBERS is adjourned for more than thirty (30) days from the originally scheduled meeting date, or if the MEMBERS adjourn a meeting without specifying a date for holding the adjourned meeting, the quorum and notice requirements for the holding of such adjourned meeting shall then be the same as the notice and quorum requirements prescribed for special meetings.



4.4 Notices. Written notice stating the location, day and hour of any meeting and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each MEMBER ~~not less than five (5) nor more than sixty (60) days~~ before the date of the meeting, by or at the direction of the President, the Secretary, or the Officer or persons calling the meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The notice of any meeting at which members of the BOARD are to be elected shall include the names of all those who are nominees at the time the notice is given to the MEMBERS. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the MEMBER at the MEMBER's address as it appears on the records of the ASSOCIATION, unless such MEMBER shall have filed a written request with the Secretary of the ASSOCIATION stating that notices to him be mailed to some other address. All notices shall be dated and shall be mailed to the MEMBERS as soon after the date of the notice as is practical. The date of the notice shall be the date used for the purpose of determining MEMBERS entitled to notice of, or to vote at, any meeting of the MEMBERS of the ASSOCIATION, or in order to make a determination of the MEMBERS for any other purpose. The BOARD shall not be required to take into account any changes in membership occurring after that date but may, in their sole and absolute discretion, do so. If the Lot of a MEMBER is owned by more than one Person, only one notice shall be required to be sent with respect to the MEMBER, which shall be made to the person designated in the records of the ASSOCIATION.

4.5 Waiver of Notice: Whenever any notice is required to be given to any MEMBER under the provisions of the Articles or these Bylaws, or as otherwise provided by law, a waiver in writing signed by the Person or Persons entitled to such notice whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a MEMBER at a meeting shall constitute a waiver of notice of such meeting except when the MEMBER objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

4.6 Annual Meeting. The annual meeting for the purpose of electing members of the BOARD and transacting any other business shall be held at 7:00 p.m. on the first Tuesday in April or at such other time in the month of April as shall be selected by the BOARD. If the BOARD fails to call the annual meeting by the end of April, then within thirty (30) days after the written request of any MEMBER, Officer or member of the BOARD of the ASSOCIATION, the Secretary shall call the annual meeting.

4.7 Special Meetings. Special meetings of the MEMBERS may be requested by written notice to the Secretary by any member of the BOARD, the President, or any MEMBERS having not less than ten percent (10%) of the votes of the entire membership, or as otherwise provided by law. Such request shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice of meeting. Notice of any special meeting shall be given in accordance with subsection 4.4 to all of the MEMBERS within thirty (30) days after a special meeting is duly requested.

4.8 Adjournments. Any meeting may be adjourned or continued by a majority of the votes present at the meeting in person or by proxy, regardless of a quorum, or if no

MEMBER entitled to vote is present at a meeting, then any Officer of the ASSOCIATION may adjourn the meeting. If any meeting is adjourned or continued to another time or place, it shall not be necessary to give any notice of the adjourned meeting, if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and any business may be transacted at the adjourned meeting that might have been transacted at the original meeting. If the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, notice of the adjourned meeting may be given to MEMBERS not present at the original meeting, without giving notice to the MEMBERS who were present at such meeting.

4.9 Organization. At each meeting of the MEMBERS, the President, or in his absence, the Vice President shall act as chairman of the meeting. The Secretary, or in his absence or inability to act, any Person appointed by the chairman of the meeting shall act as Secretary of the meeting.

4.10 Minutes. The minutes of all meetings of the MEMBERS shall be kept in a book available for inspection by the MEMBERS or their authorized representatives, and the members of the BOARD, at any reasonable time.

4.11 Actions Without a Meeting. Any action required or permitted to be taken at any annual or special meeting of the MEMBERS may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the MEMBERS having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all MEMBERS entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization by written consent, notice shall be given to those MEMBERS who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. If the Lot(s) for which membership is established in the ASSOCIATION is owned by more than one Person or by an entity, the consent for such Lot(s) need only be signed by one Person who would be entitled to cast the vote(s) for the Lot(s).

5: BOARD.

5.1 Number of Members of the BOARD.

5.1.1 The affairs of the ASSOCIATION shall be managed by a BOARD comprised of not less than three (3) nor more than seven (7) members. So long as the DEVELOPER is entitled to appoint all members of the BOARD pursuant to the Articles, the number of members of the BOARD will be determined, and may be changed from time to time, by the DEVELOPER by written notice to the BOARD. In the absence of such notification, there shall be three (3) members of the BOARD.

5.1.2 When the DEVELOPER is no longer entitled to appoint all members of the BOARD, the number of ~~members of the BOARD shall be increased to at least five (5)~~

5.1.3 Notwithstanding the foregoing, in no event shall there be less than three (3) members of the BOARD, and the number of members of the BOARD shall always be an odd number. The MEMBERS shall not have the right to change the number of members of the BOARD so long as the DEVELOPER has the right to determine the number of members of the BOARD as set forth above.

5.2 Election of Members of the BOARD. Election to the BOARD by the MEMBERS of the ASSOCIATION shall be conducted in the following manner:

5.2.1 At any time after the DEVELOPER no longer has the right to appoint one or more members of the BOARD or upon the earlier voluntary relinquishment by the DEVELOPER of its right to appoint any or all members of the BOARD, the existing BOARD shall appoint a nominating committee composed of MEMBERS. The BOARD shall send a notice to all MEMBERS advising of the impending election of members to the BOARD, the names and addresses of members of the nominating committee, and the date the committee will make decisions concerning nominations for election to the BOARD, which date shall be no less than fifteen (15) days after the date of the notice. MEMBERS may then submit names in writing of proposed members of the BOARD to members of the nominating committee.

5.2.2 The nominating committee shall make as many nominations for election to the BOARD as it shall in its discretion determine, but not less than the number of vacancies that are to be filled (see subsection 5.1.2). Such nominations may be made from among MEMBERS or non-members as the committee in its discretion shall determine. Nominations shall be placed on a written ballot provided in subsection 5.2.3 for the mailing of such ballots to the MEMBERS.

5.2.3 All elections to the BOARD shall be made by written ballot which shall:

- (a) indicate the number of vacancies to be filled;
- (b) set forth the names of those nominated by the nominating committee;
- (c) contain a space for write-in vote by the MEMBERS; and
- (d) contain a requirement that the MEMBER must cast the same number of votes as the number of vacancies on the BOARD. For example, if the MEMBER has one (1) vote, there are five (5) nominees and three (3) vacancies, the MEMBER must vote for no more and no less than three (3) nominees or the ballot will not be counted. If the MEMBER is entitled to, for instance, five (5) votes, in the example in the previous sentence, the MEMBER must vote his five (5) votes as a block for no more and no less than three (3) nominees or the ballot will not be counted. That is, three (3) nominees on that ballot will receive exactly five (5) votes each.

Such ballots shall be prepared and mailed by the Secretary to the MEMBERS at least fourteen (14) days in advance of the date set forth therein for a return (which shall be a date not

later than the day before the annual meeting or special meeting called for that purpose). The Secretary shall include with the ballot a brief summary and description of each Person nominated by the BOARD.

5.2.4 The completed ballot shall be returned as follows:

(a) Each ballot shall be placed in a sealed envelope which shall bear on its face the name and signature of the MEMBER or his proxy, the number of votes of that MEMBER, and such other information as the BOARD may determine will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary at the address of the ASSOCIATION.

5.2.5 Upon receipt of each return, the Secretary shall immediately place it in a safe or other locked place until the day set for the return of all ballots. On that day the envelopes containing the ballot(s) shall be turned over, unopened, to a separate Election Committee which shall consist of three (3) Persons appointed by the BOARD. The Election Committee shall then adopt a procedure which shall:

(a) establish that the number of votes set forth on the envelope and on the ballot corresponds to the number of votes allowed to the MEMBER or his proxy; and

(b) that the signature of the MEMBER or his proxy on the outside envelope is genuine; and

(c) if the vote is by proxy that a proxy has been filed with the Secretary as provided herein, and that such proxy is valid.

The Election Committee shall proceed to the opening of the envelopes and the counting of the votes. The Election Committee shall immediately send written notice to all MEMBERS advising of the results of the election. The ballots and the outside envelopes shall be returned to the Secretary to be kept in a safe or other locked place for a minimum of thirty (30) days. If no MEMBER requests a review of the procedures and vote within said thirty (30) days, the ballots and outside envelopes shall be destroyed.

5.3 Term of Office. On the first occasion that the MEMBERS, other than the DEVELOPER, have the opportunity to elect any members of the BOARD, the MEMBERS shall have the right to elect at least two (2) members of the BOARD. The term of office of the member of the BOARD receiving the highest number of votes shall be two (2) years and the term of office of the member(s) of the BOARD receiving the next highest number of votes shall be one (1) year. Each member of the BOARD shall hold office until his successor has been elected or until his death, resignation, removal or judicial adjudication of mental incompetence. Just prior to each annual meeting thereafter, new members of the BOARD shall be elected to fill vacancies created by the death, resignation, removal, judicial adjudication of mental incompetence or expiration of the terms of past members of the BOARD and the term of each such member of the BOARD shall be two (2) years.

On the first occasion that the MEMBERS, other than the DEVELOPER, have the opportunity to elect all members of the BOARD, the new members of the BOARD shall be elected to replace the members of the BOARD appointed by the DEVELOPER as provided in these Bylaws. The term of office of the two (2) members of the BOARD receiving the highest number of votes shall be two (2) years and the term of office of the other member of the BOARD shall be one (1) year. It is the intention of this provision to create staggered terms so that at least one-third (1/3) of the members of the BOARD shall be elected each year. The term of office of each member of the BOARD elected to fill a vacancy created by the expiration of the term of office of the respective past member of the BOARD shall be two (2) years. The term of office of each member of the BOARD elected or appointed to fill a vacancy created by the resignation, death or removal of his predecessor shall be the balance of the unserved term of his predecessor. Any Person serving as a member of the BOARD may be re-elected, and there shall be no limitation on the number of terms during which he may serve.

5.4 Organizational Meeting. The newly elected BOARD shall meet for the purposes of organization, the election of officers and the transaction of other business immediately after their election or within ten (10) days of same at such place and time as shall be fixed by the members of the BOARD, and no further notice of the organizational meeting shall be necessary.

5.5 Regular Meetings. Regular meetings of the BOARD may be held at such time and place as shall be determined, from time to time, by a majority of the members of the BOARD.

5.6 Special Meetings. Special meetings of the BOARD may be called by any member the BOARD, or by the President if not otherwise a member of the BOARD, at any time.

5.7 BOARD Action Without a Meeting. Any action required to be taken at a meeting of the members of the BOARD, or any action which may be taken at a meeting of the members of the BOARD, may be taken without a meeting if a consent in writing setting forth the action so to be taken is signed by all members of the BOARD and is filed in the minutes of the proceedings of the BOARD. Such consent shall have the same effect as a unanimous vote.

5.8 Notice of Meetings. Notice of each meeting of the BOARD shall be given by the Secretary, or by any other officer or member of the BOARD, stating the day, location and time of the meeting. Notice of all BOARD meetings shall be in compliance with Florida Statutes 617.303 as may be amended or supplemented from time to time, or other applicable law. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the BOARD need be specified in any notice or waiver of notice of such meeting.

5.9 Attendance at BOARD Meetings. All meetings of the BOARD shall be open to all MEMBERS. A member of the BOARD may appear at a BOARD meeting by telephone conference, but in that event a telephone speaker shall be attached so that any discussion may be heard by the members of the BOARD and any MEMBERS present as in an open meeting.

5.10 Quorum and Manner of Acting. A majority of the BOARD shall constitute a quorum for the transaction of any business at a meeting of the BOARD. The act of the majority

of the members of the BOARD present at a meeting at which a quorum is present shall be the act of the BOARD unless the act of a greater number of members of the BOARD is required by statute or the Governing Documents.

5.11 Adjourned Meetings. A majority of the members of the BOARD present at a meeting, whether or not a quorum exists, may adjourn any meeting of the BOARD to another location and time. Notice of any such adjourned meeting shall be given to the members of the BOARD who are not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other members of the BOARD. Any business that might have been transacted at the meeting as originally called may be transacted at any adjourned meeting without further notice.

5.12 Presiding Officer. The presiding officer of the meetings of the BOARD shall be the Chairman of the BOARD if such an officer is elected; and if none, the President of the ASSOCIATION shall preside if the President is a member of the BOARD. In the absence of the presiding officer, the members of the BOARD shall designate one of their members to preside.

5.13 Minutes of Meetings. The minutes of all meetings of the BOARD shall be kept in a book available for inspection by the MEMBERS or members of the BOARD.

5.14 Committees. The BOARD may by resolution appoint committees. Any committee may exercise such powers, duties and functions as may be determined by the BOARD which may include any powers which may be exercised by the BOARD.

5.15 Resignation. Any member of the BOARD may resign at any time by giving written notice of his resignation to the Secretary. Any resignation shall take effect at the time specified therein or, if the time when such resignation is to become effective is not specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of a resignation shall not be necessary to make it effective.

5.16 Removal of Members of the BOARD. Members of the BOARD may be removed as follows:

5.16.1 Any member of the BOARD other than a member appointed by the DEVELOPER may be removed by majority vote of the remaining members of the BOARD if such member has been absent for the last three consecutive BOARD meetings, and/or adjournments and continuances of such meetings.

5.16.2 Any member of the BOARD other than a member appointed by the DEVELOPER may be removed with or without cause by a majority of the votes the MEMBERS cast at a special meeting of the MEMBERS called by MEMBERS having not less than twenty-five percent (25%) of the votes of the entire membership expressly for that purpose. The vacancy on the BOARD caused by any such removal may be filled by the MEMBERS at such meeting or, if the MEMBERS shall fail to fill such vacancy, by the BOARD as in the case of any other vacancy on the BOARD.

5.17 Vacancies. Vacancies on the BOARD of any member of the BOARD appointed by the DEVELOPER shall be filled by appointment by the DEVELOPER. Unless the vacancy is filled by the MEMBERS in accordance with subsection 5.16.2, vacancies on the BOARD of any member of the BOARD elected by MEMBERS may be filled by a majority vote of the members of the BOARD then in office, though less than a quorum, or by a sole remaining member of the BOARD. If there are no members of the BOARD in office, then a special election shall be held to elect members of the BOARD to fill the vacancies.

5.18 Members of the BOARD Appointed by the DEVELOPER. Notwithstanding anything contained herein to the contrary, the DEVELOPER shall always have the right to appoint the maximum number of members of the BOARD in accordance with the privileges granted to the DEVELOPER pursuant to the Articles. All members of the BOARD appointed by the DEVELOPER shall serve at the pleasure of the DEVELOPER, and the DEVELOPER shall have the absolute right, at any time, and in its sole discretion, to remove any member of the BOARD appointed by him, and to replace such member with another Person to serve on the BOARD. Replacement of any member of the BOARD appointed by the DEVELOPER shall be made by written notice to the ASSOCIATION which shall specify the name of the Person designated as successor member of the BOARD. The removal of any member of the BOARD and the designation of his successor by the DEVELOPER shall become effective immediately upon delivery of such written notice by the DEVELOPER. The DEVELOPER may waive its right to appoint one or more members of the BOARD which it has the right to appoint at any time upon written notice to the ASSOCIATION, and thereafter such member(s) of the BOARD shall be elected by the MEMBERS.

5.19 Compensation. The BOARD shall not be entitled to any compensation unless the MEMBERS elect to pay them compensation and set the amount of such compensation, at any meeting of the MEMBERS.

5.20 Power and Duties. The BOARD shall have the right to exercise all of the powers and duties of the ASSOCIATION, express or implied, existing under these Bylaws, the Articles, the Declaration, or as otherwise provided by statute or law. Such powers and duties of the BOARD shall include without limitation (except as limited elsewhere herein), the following:

5.20.1 The operation, care, upkeep and maintenance of the Community Common Areas, and any other portion of the Property determined to be maintained by the ASSOCIATION.

5.20.2 The determination of the expenses required for the operation of the ASSOCIATION.

5.20.3 The collection of Assessments for Common Expenses from MEMBERS required to pay same.

5.20.4 The employment and dismissal of personnel.

5.20.5 The adoption and amendment of Rules and Regulations covering the details of the operation and use of property owned and/or maintained by the ASSOCIATION.

5.20.6 Maintaining bank accounts on behalf of the ASSOCIATION and designating signatories required therefor.

5.20.7 Obtaining and reviewing insurance for property owned and/or maintained by the ASSOCIATION.

5.20.8 The making of repairs, additions and improvements to, or alterations of, property owned and/or maintained by the ASSOCIATION.

5.20.9 Borrowing money on behalf of the ASSOCIATION provided however, that the consent of the MEMBERS having at least two-thirds (2/3) of the votes of the entire membership, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required for the borrowing of any sum in excess of \$25,000.00.

5.20.10 Contracting for the management and maintenance of property owned and/or maintained by the ASSOCIATION. Authorizing a management agent or company to assist the ASSOCIATION in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules, and maintenance, repair and replacement of the Community Common Areas with such funds as shall be made available by the ASSOCIATION for such purposes. The ASSOCIATION and its Officers shall, however, retain at all times the powers and duties granted by all Governing Documents, including but not limited to, the making of Assessments, promulgation of rules, and execution of contracts on behalf of the ASSOCIATION.

5.20.11 Exercising all powers specifically set forth in the Governing Documents, and as otherwise provided by statute or law, and all powers incidental thereto or implied therefrom.

5.20.12 Entering into and upon any portion of the Property, including the Lot(s), when necessary to maintain, care and preserve any property in the event the respective OWNER fails to do so.

5.20.13 Collecting delinquent Assessments by suit or otherwise, abating nuisances, and enjoining or seeking damages from the MEMBERS and/or OWNERS for violations of these Bylaws and the terms and conditions of the Declaration or of the Rules and Regulations of the ASSOCIATION.

5.20.14 Acquiring and entering into agreements whereby the ASSOCIATION acquires leaseholds, memberships, and other possessory or use interests in lands or facilities, whether or not contiguous to the lands operated by the ASSOCIATION, intended to provide for the enjoyment, recreation, or other use and benefit of the MEMBERS and/or OWNERS



and declaring expenses in connection therewith to be Common Expenses; all in such form and in such manner as may be deemed by the BOARD to be in the best interest of the ASSOCIATION; and the participation in the acquisition of any interest in lands or facilities for the foregoing purposes may be direct or indirect, meaning, without limiting the generality of the foregoing, by direct ownership of land or acquisition of stock in a corporation owning land.

6. Officers.

6.1 Positions and Qualifications. The Officers of the ASSOCIATION shall include a President, a Vice President, a Treasurer and a Secretary, all of whom shall be elected by the BOARD and may be pre-emptively removed from office with or without cause by vote of the BOARD at any meeting by concurrence of a majority of the members of the BOARD. Any Person may hold two or more offices except that the President shall not also be the Secretary. The BOARD may, from time to time, elect such other officers and designate their powers and duties as the BOARD shall find to be appropriate to manage the affairs of the ASSOCIATION. Each Officer shall hold office until his successor shall have been elected, qualified, or until his death, resignation, or removal.

6.2 Resignation. Any Officer of the ASSOCIATION may resign at any time by giving written notice of his resignation to any member of the BOARD, the President or the Secretary. Any resignation shall take effect at the time specified therein, or if there is no time specified therein, immediately upon its receipt; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make such resignation effective.

6.3 Vacancies. A vacancy in any office, whether arising from death, resignation, removal or any other cause may be filled for the unexpired portion of the term of the office which shall be vacant in the manner prescribed in these Bylaws for the regular election or appointment of such office.

6.4 The President. The President shall be the chief executive officer of the ASSOCIATION. He shall have all of the powers and duties which are usually vested in the office of president of an association or corporation including, but not limited to, the power to appoint committees to assist in the conduct of the affairs of the ASSOCIATION.

6.5 The Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also assist the President generally and exercise such other powers and perform such other duties as may be prescribed by the BOARD.

6.6 The Secretary. The Secretary shall be responsible for preparing and keeping the minutes of all proceedings of the BOARD and the MEMBERS. He shall be responsible for attending to the giving and serving of all notices to the MEMBERS and the members of the BOARD and other notices required by law. He shall have custody of the seal of the ASSOCIATION and affix the same to instruments requiring a seal. He shall keep the records of the ASSOCIATION, except those of the Treasurer, and shall perform or direct performance of all

other duties incident to the office of Secretary of the ASSOCIATION, and as may be required by the BOARD or the President.

6.7 The Treasurer. The Treasurer shall have custody of all property of the ASSOCIATION, including funds, securities, and evidences of indebtedness. He shall oversee the keeping of books of account for the ASSOCIATION in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the BOARD for examination at reasonable times. He shall cause a Treasurer's Report to be submitted to the BOARD at reasonable intervals and shall perform or cause to be performed all other duties incident to the office of Treasurer. He shall collect, or direct collection of, all Assessments and shall report promptly to the BOARD the status of collections.

6.8 Compensation. The Officers of the ASSOCIATION shall not be entitled to compensation unless the BOARD specifically votes to compensate them. However, neither this provision, nor the provision that members of the BOARD will not be compensated unless otherwise determined by the MEMBERS, shall preclude the BOARD from employing a member of the BOARD or an Officer as an employee of the ASSOCIATION and compensating such employee, nor shall they preclude the ASSOCIATION from contracting with a member of the BOARD for the management of the Community Common Areas or any portion thereof, or for the provision of services to the ASSOCIATION, including, but not limited to, engineering, architectural, planning, landscape planning, accounting or legal services, and in either such event to pay such member of the BOARD a reasonable fee for such management or provision of services.

## 7. Finances and Assessments.

### 7.1 Adoption of the Budget.

7.1.1 By October 31st of each year, or as soon thereafter as is reasonably possible, the BOARD shall adopt a budget for the next fiscal year, necessary to defray the Common Expenses of the ASSOCIATION for such fiscal year as set out in the Declaration. The Common Expenses of the ASSOCIATION shall include all expenses of any kind or nature whatsoever anticipated to be incurred, by the ASSOCIATION for the next fiscal year. In the event the BOARD fails to adopt an annual budget for any year, the prior year's budget shall remain in effect until a new budget is adopted or the existing budget is amended or revised.

7.1.2 If, after the adoption of any budget, it shall appear that the adopted budget is insufficient to provide adequate funds to defray the Common Expenses of the ASSOCIATION for the fiscal year in which the adopted budget applies, the BOARD may adopt an amended budget to provide such funds. All of the above provisions shall apply to the adoption of an amended budget.

### 7.2 Assessments and Assessment Roll.

7.2.1 Pursuant to the terms of the Declaration, the BOARD shall fix and determine the amount and frequency of the MEMBERS' Assessments for Common Expenses. Such Assessments shall be due not more frequently than monthly, and shall each be in an amount



FLORIDA DEPARTMENT OF STATE  
Katherine Harris  
Secretary of State

June 2, 2000

ALLEN, LANG, CUROTTO & PEED, P.A.  
DONALD J. CURROTTO  
14 E. WASHINGTON STREET. STE. 600  
ORLANDO, FL 32801

The Articles of Incorporation for CRYSTAL COVE HOMEOWNERS ASSOCIATION OF DELAND, INC. were filed on May 24, 2000 and assigned document number N00000003570. Please refer to this number whenever corresponding with this office regarding the above corporation. The certification you requested is enclosed.

PLEASE NOTE: COMPLIANCE WITH THE FOLLOWING PROCEDURES IS ESSENTIAL TO MAINTAINING YOUR CORPORATE STATUS. FAILURE TO DO SO MAY RESULT IN DISSOLUTION OF YOUR CORPORATION.

A CORPORATION ANNUAL REPORT/UNIFORM BUSINESS REPORT MUST BE FILED WITH THIS OFFICE BETWEEN JANUARY 1 AND MAY 1 OF EACH YEAR BEGINNING WITH THE CALENDAR YEAR FOLLOWING THE YEAR OF THE FILING DATE NOTED ABOVE AND EACH YEAR THEREAFTER. FAILURE TO FILE THE ANNUAL REPORT/UNIFORM BUSINESS REPORT ON TIME MAY RESULT IN ADMINISTRATIVE DISSOLUTION OF YOUR CORPORATION.

A FEDERAL EMPLOYER IDENTIFICATION (FEI) NUMBER MUST BE SHOWN ON THE ANNUAL REPORT/UNIFORM BUSINESS REPORT FORM PRIOR TO ITS FILING WITH THIS OFFICE. CONTACT THE INTERNAL REVENUE SERVICE TO RECEIVE THE FEI NUMBER IN TIME TO FILE THE ANNUAL REPORT/UNIFORM BUSINESS REPORT AT 1-800-829-3676 AND REQUEST FORM SS-4.

SHOULD YOUR CORPORATE MAILING ADDRESS CHANGE, YOU MUST NOTIFY THIS OFFICE IN WRITING, TO INSURE IMPORTANT MAILINGS SUCH AS THE ANNUAL REPORT/UNIFORM BUSINESS REPORT NOTICES REACH YOU.

Should you have any questions regarding corporations, please contact this office at the address given below.

Carolyn Gurr, Document Specialist  
New Filings Section

Letter Number: 800A00031203