

**DECLARATION OF COVENANTS AND RESTRICTIONS FOR
GRAND PRESERVE SUBDIVISION
DAYTONA BEACH, VOLUSIA COUNTY, FLORIDA
AND
NOTICE OF PROVISIONS OF GRAND PRESERVE
HOMEOWNERS ASSOCIATION, INC.**

THIS DECLARATION, is made this 27th day of February, 2003, by Grand Preserve, LLC, a Florida limited liability company, having its principal place of business at 3350 N.W. Royal Oak Drive, Jensen Beach, Florida (the "Developer").

WITNESSETH

WHEREAS, the Developer and the Additional Owner (as defined below) are the owners of certain real property located in Volusia County, Florida, generally known as "Grand Preserve" and more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property"); and

WHEREAS, the Additional Owner has joined in this Declaration to submit a portion of the Property to this Declaration; and

WHEREAS, in accordance with the applicable provisions of state law and local ordinance, Developer intends to subdivide the Property into platted, residential subdivisions known as Grand Preserve, and each platted subdivision will be designated "Grand Preserve, Phase ____"; and

WHEREAS, the Developer intends to develop or provide within the Property such rights of way, streets, Common Areas, Conservation Easement Areas and Drainage Areas as will be indicated on the platted subdivisions; and

WHEREAS, there is a need to specify, make and impose covenants and to grant necessary easements for the use and benefit of the platted subdivisions and to provide for an effective management, protection, maintenance and administration of the Common Areas, Conservation Easement Areas and Drainage Areas in the platted subdivisions; and

WHEREAS, the Developer has caused to be incorporated a Florida not-for-profit corporation, known as Grand Preserve Homeowners Association, Inc. (hereinafter called the "Owners Association") which has been formed to manage, maintain and administer the Common Areas, Conservation Easement Areas, Drainage Areas, private streets, islands and other areas and to enforce this Declaration and to collect assessments and generally provide for the orderly enjoyment of the subdivisions to be platted by Developer, its successors or assigns; and

NOW, THEREFORE, this Declaration is made, filed and recorded by the Developer so that from the effective date hereof, the real property described in the Legal Description which is attached hereto as Exhibit "A", is and shall be held, transferred, sold, conveyed, given, donated, leased, occupied, and used subject to the restrictions, conditions, easements, charges, burdens, assessments, affirmative obligations, and liens (all hereinafter sometimes referred to as the "Covenants") hereinafter set forth. This Declaration shall become effective on the date and at the time it is recorded in the Public Records of Volusia County. **This Declaration does not and is not intended to create a condominium under the Florida Condominium Act.**

ARTICLE I DEFINITIONS AND DESCRIPTIONS OF PROPERTY

Section 1.1. Definitions. The following words and terms when used in this Declaration and any supplemental declaration, unless the context clearly indicates otherwise, shall have the following meanings:

a. "Additional Owner" shall mean Indigo Development, Inc., a Florida corporation, its successors and assigns. However, the individual owner of any developed Lot shall not be deemed to be a successor of the Additional Owner by virtue of an acquisition of a Lot from the Additional Owner or its successors or assigns.

b. "Association" refers to the Owners Association as described below.

c. "City" shall mean the City of Daytona Beach.

d. "Committee" shall mean the Design Review Committee appointed by the Developer, with responsibilities as defined in Article II hereof.

e. "Common Area" shall mean those areas shown and indicated as Common Areas on the plats to be recorded and subjected to this Declaration.

f. "Conservation Area" or "Conservation Easement Area" shall mean all those areas which are subject to the special use restrictions specified in Section 7.3 of this Declaration and which are shown and indicated as Conservation Areas or Conservation Easements on the plats to be recorded and subjected to this Declaration. Except to the extent they are located on a Lot, all Conservation Easement Areas shall be dedicated to and owned by the Owners Association in fee simple. The Conservation Easements, including but not limited to those that restrict the use of a Lot, are fully enforceable by the Owners Association and by the City.

g. "Developer" shall mean and refer to Grand Preserve, LLC, its successors and assigns, which may include the Additional Owner as to any portion of the Property owned by the Additional Owner.

h. "Drainage Area" shall mean any Drainage Area or any Drainage Easement shown or indicated on the plats to be recorded and subjected to this Declaration.

i. "Dwelling Unit" shall mean a portion of the Property, whether developed or undeveloped, intended for development, use and occupancy as an attached or detached residence for a single family, and shall unless otherwise specified include within its meaning (by way of illustration, but not limitation) townhouse units, cluster homes, patio or zero lot line homes and single family detached houses on separately platted lots, as well as vacant land intended for development as such, all of which may be developed, used and defined as herein provided. The term shall include all portions of the lot owned as well as any structure thereon.

j. "Lot" shall mean any parcel of land located within a subdivision of the Property, according to a recorded plat, identified by a number and intended for use as a site for a single family Dwelling Unit.

k. "Grand Preserve" and "Grand Preserve Community" shall mean and refer to the Property.

l. "Owner" shall mean a record owner with a fee interest in a Lot, but excluding those having an interest in a Lot merely as security for the performance of an obligation.

m. "Owners Association" shall mean and refer to the Grand Preserve Homeowners Association, Inc., a Florida Corporation not for profit, and its successors and assigns, the members of which shall consist of Owners of "Lots" in subdivisions of the Property hereinafter platted and recorded in the Public Records of Volusia County, Florida.

n. Phrases "purchase from Developer", "sale by Developer" and similar phrases, when used in conjunction with the sale of Lots, refer to transactions pursuant to contract between Developer and a purchaser in which the purchaser receives title to a Lot.

o. "Structure" shall mean any manmade item erected or placed on, in or under a Lot or Common Area or erected or placed on, in or under any improvement or facility, including, but not limited to, buildings, Dwelling Units, swimming pools, fountains, fences, walls, signs, barbecue pits, television or radio antennae, or satellite dish or microwave antennae, clotheslines, garages, sheds, outbuildings, porches, balconies, patios, driveways, walls, lighting apparatus, window barriers, window awnings, pipes, poles, recreational and sports facilities and apparatus such as basketball courts or goals, tennis courts, shuffleboard courts, and decorative lawn objects and ornaments such as statues, tables, tents, shacks, barns, sheds or other temporary storage or residence facilities.

p. "Subdivision" shall mean any platted unit or phase of the Property, recorded by the Developer in the Public Records of Volusia County, Florida.

q. "Wetlands" shall mean those areas indicated or shown as Wetlands or Conservation on any recorded plat which is subjected to this Declaration.

Section 1.2. Property Subject to Covenants and Restrictions. The Property subject to this Declaration is that Property, and any plats or replats thereof, described in the Legal Description which is attached hereto as Exhibit "A".

ARTICLE II RESTRICTIVE COVENANTS

Section 2.1. Lot Usage. No Lot shall be used for any purpose other than a single family dwelling, garage and grounds. The areas included within the lot line of each individual Lot, but not included within a Dwelling Unit constructed on a Lot, are hereinafter referred to as "grounds", and shall be used for normal and customary lawn and yard purposes. Except, however, those portions of Lots shown on the plats as Conservation Easement Areas shall not be disturbed except as specifically allowed by order or permit issued by appropriate local governmental bodies or regulatory agencies.

Section 2.2. Design Review Committee Approvals. Except for Developer, no person or entity may erect on, place on, alter, or permit any Structure or improvement on a Lot, unless and until the site plan, floor plan, elevation, landscaping plan, abbreviated specifications, or such other information and materials as the Committee may require, are reviewed and approved by the Committee. The Committee is a committee of the Owners Association and is authorized to impose fines and bring suit in the name of the Owners Association with or without express approval of the Owners Association for the purposes of enforcing this Declaration and the decisions of the Committee, including but not limited to injunctive relief. In order to preserve the character of the Subdivision, the Developer hereby reserves for itself and its successors the right to appoint the members of the Committee. All property owned or controlled by the Owners Association is subject to the Committee's authority. The Committee shall review proposed buildings or structures (including plans and specifications for same or alterations of prior approved buildings or structures) as to the harmony of the external design and location of the building or structure with respect to existing buildings and structures, with respect to topography, vegetation, and the finished grade of elevation of the Lot, and with respect to any other relevant considerations the Committee deems appropriate which are based upon acceptable standards of planning, zoning and construction, including considerations which are exclusively based on aesthetic factors. Owners will remain responsible for securing City building permits as necessary after securing approvals from the Committee.

Section 2.3. Minimum Standards. The architectural style and size of all homes built in the community shall conform to the minimum standards specified in Section 3 of the Residential Planned Unit Development Agreement between the City of Daytona Beach and the Developer, dated May 22, 2002 (the "PUD Agreement"), and specifically may include, but are not limited to, homes built in accordance with the plans attached to the PUD

Agreement and any reasonable variations thereof. This Declaration shall not be construed as imposing architectural requirements or authorizing the architectural review committee to impose architectural requirements that are in addition to the minimum standards specified in Section 3 of the PUD Agreement. No amendment or modification to the PUD Agreement may be made without the consent of the Additional Owner.

Section 2.4. Non-Permitted Structures and Vehicles. No vehicles and no Structure of a temporary nature or character, including, but not limited to, trailers, house trailers, mobile homes, campers, recreational vehicles, tents, shacks, sheds, barns or similar Structure shall be used or permitted to remain on any Lot as a storage facility or residence, or other living quarters whether temporary or permanent. No automobile, truck or other commercial vehicle which contains lettering shall be parked overnight or for any period of time in excess of ten (10) consecutive hours or stored or otherwise permitted to remain on any Lot except in a garage attached to the residence.

Section 2.5. Parking. No automobile, truck, motorcycle, boat and trailer, trailer, house trailer, mobile home, camper, or other similar vehicle shall be parked on any street (including the right-of-way) overnight or for a continuous period of time in excess of ten (10) consecutive hours, except in designated off-street parking areas.

Section 2.6. R.V. and Boat Storage and Parking. No recreational vehicle, boat, boat and trailer, or trailer alone shall be parked overnight or for any period of time in excess of ten (10) consecutive hours, or stored or otherwise permitted to remain on any Lot except in a garage attached to the Dwelling Unit or in an approved detached garage. If there is demand sufficient to generate enough rental income to make it economically feasible, Developer may designate an area for storage of recreational vehicles, boats, boats and trailers and trailers alone, subject to rules and fees established by the Association, but in no way shall an Owner be excluded from these restrictions for parking a recreational vehicle, trailer, boat or boat and trailer in the event that space is not available within a designated area for storage.

Section 2.7. Remodeling or Changes. In order to preserve the character of the Grand Preserve Community, no exterior surfaces, walls or roofs of any structure (including materials and colors of walls and roofs) shall be changed or modified without specific prior written approval of the Committee. No garage shall be converted to uses other than storage of vehicles or other personal property unless the Committee has approved another garage to be constructed as a replacement.

Section 2.8. Owner Maintenance. All Owners shall keep their Dwelling Unit well maintained and shall keep landscaped portions of their Lot well maintained, free of disease, bugs and in a presentable condition, and shall not permit thereon any unsightly growth, weeds, or underbrush. Owners shall maintain that portion of easements, street rights of way or Lots lying between the fence line and the abutting Lot line, or line between the curb of a street and the Lot line. If any Owner shall fail to maintain the landscaped portion of the Owner's Lot as herein required, the Owners Association shall have the power

to correct such omission and assess the cost thereof to such Owner and place a lien for such cost against such Owner's Lot and improvements thereon. Owners, subject to approval of the Committee, may leave designated portions of their Lot, and if undeveloped the entire Lot, in a "natural" state as long as it is not unsightly and does not constitute a nuisance. Any Conservation Easement located on a Lot must be left in a natural condition and undisturbed as required by any plats or Development Orders. The Owners Association shall have the right to adopt additional rules and regulations to enforce this subsection.

Section 2.9. Owners Association Maintenance Rights. Without limiting the above, the Owners Association shall have the right to require and enforce maintenance by Owners of that portion of Common Areas and easements, street rights of way or Lots lying between a fence line and the abutting Lot line or lying between the curb of a street within the Subdivision and the Lot line. The Owners Association shall have the right to adopt rules and regulations to enforce this provision.

Section 2.10. Maintenance Easements. For the purpose of providing access to each Owner of a boundary line wall or structure, and to permit painting, maintenance, repairs or reconstruction of such walls and structures that abut an Owner's boundary lines, the adjoining Owner or Owners of each Lot which abuts such boundary line wall or structure hereby give and grant a perpetual easement to the Owner or Owners of such wall or structure to enter upon the property of such adjoining Owner or Owners for the specific purpose of painting, maintaining, repairing or reconstructing such wall or structure. Such entry will be made in a reasonable manner and only at reasonable times, and any damage caused by such entry shall be repaired as soon as practicable and at the expense of the Owner of the wall or structure who causes such entry to be made. In the event of controversy, the decision of the Board of Directors of the Owners Association shall control.

Section 2.11. Special Maintenance Easements. In the event any portion of any structure constructed by the Developer, including any boundary line wall, shall encroach over an adjoining Lot or Common Area, such structure or boundary line wall shall not be deemed to be an encroachment upon the adjoining Lot or Common Area. In the event there is such an encroachment, the Owner or Owners of the Lot or Common Area on which such encroachment extends shall be deemed to have granted a perpetual easement to the adjoining Owner or Owners for continuing maintenance and use of such encroachment or boundary wall, including any replacement thereof.

Section 2.12. Design Review Committee Membership. The Committee shall be composed of three (3) persons or more. The members of the Committee shall be appointed by the Developer or its successors. In the event of death, resignation, inability to serve, or other vacancy in office of any member of the Committee, the Developer or its successors shall promptly appoint a successor member. Developer or its successors shall retain the right to appoint members of the Committee even after turnover of the Owners Association to Owners of Lots.

Section 2.13. Committee Decision Making. The Committee shall indicate its approval or disapproval, as the case may be, of the matters required in Section 2.2 hereof to be approved or acted upon by them, by a written instrument filed with the Secretary of the Board of Directors of the Owners Association, and served personally or by certified mail upon the applicant, identifying the proposed building or structure and, if the same is disapproved, the reason for such disapproval. The decision of the Committee shall be final. If the Committee fails or refuses to approve or disapprove the aforesaid matters within thirty (30) days after the application of request for action is made and after a floor plan, elevation and abbreviated specifications (including landscaping, exterior materials, colors, and site plan for all structures) have been received by the Committee, then it shall be conclusively presumed, as to all Owners and interested persons, that the particular alleged violation of this Declaration is, and it shall be, deemed excused, but solely as to that particular applicant and application, and any and all rights of action of the Committee arising from said particular alleged violation shall be deemed to have been waived, but only with respect to that particular applicant and application.

Section 2.14. Domesticated Animal Control. In order to maintain and preserve the peace and tranquility of the Grand Preserve Community, the Owners Association shall have the right to adopt reasonable rules and regulations regarding the keeping of dogs, cats and other domesticated household pets, including prohibiting the keeping and breeding of such animals for commercial purposes, and specifically shall have the right (i) to require such animals to be leashed; (ii) to prohibit such animals from roaming at large beyond the confines of their Owner's grounds; (iii) to require that Owners keep their pets from making noises likely to disturb others; (iv) limit the number of such animals; and (v) to adopt such other rules and regulations as may seem necessary to carry out the purposes of this Section.

Section 2.15. Livestock Prohibition. No livestock, swine, poultry or animals of any kind, other than those described in the preceding section, shall be raised, bred, or kept within the Grand Preserve Community.

Section 2.16. Sign Control. No sign of any kind shall be erected, permitted to remain on or displayed to public view on or from any Lot, except an approved sign giving the name of the occupant of the residence located on said Lot or an approved sign advertising the premises for sale or rent. All signs must be approved by the Committee as a condition to their being erected or being allowed to remain. Political signs may only be erected and removed in accordance with applicable City ordinances.

Section 2.17. Offensive Activities. No noxious or offensive activity that may be or may become an annoyance or a private or public nuisance shall be carried on or suffered to exist on any Lot.

Section 2.18. Garbage Control. No Lot, Common Area, Drainage Area or Conservation Easement Area shall be used for dumping, discharge or storage of rubbish, trash, garbage, or other solid waste material. All Lots that have been built upon shall be

kept free of the accumulations of rubbish, trash, garbage, and other waste materials. All incinerators or other equipment used for the collection, storage or disposal of solid waste materials shall be kept in a clean and sanitary condition. The use of any incinerators or similar equipment or facilities shall be in accordance with applicable state, county and city environmental laws and ordinances.

Section 2.19. Fences and Shrubs. Fence or wall placement and hedge or shrub planting near streets shall be subject to Committee approval and in compliance with the applicable provisions of City ordinances.

Section 2.20. Tree Removal. Removal of trees from any Lot within the Subdivision shall be subject to Committee approval and in compliance with applicable provisions of City ordinances.

Section 2.21. Driveways. It shall be the Owner's duty and obligation to maintain and repair driveways in good condition. A driveway to a garage is to be for the exclusive use of the garage Owner. No driveway shall be constructed, maintained, altered or permitted to exist on any Common Area or Lot if the driveway obstructs or would obstruct or significantly impede the flow of surface drainage in the area adjacent to the Lot or in the street right-of-way or swale area adjoining or abutting the Lot. No driveway shall be constructed of a material, such as mulch, that is subject to displacement by stormwater.

Section 2.22 Cable Television. The Developer reserves unto itself, its successors, assigns, contractors, designees and nominees: (i) ownership of any communications and data transmissions equipment, closed circuit, master antenna or satellite, community antenna or cable television system, or other type of cable system, or pay-per-view system, or the like (including any and all related conduits, equipment, fixtures, wires, amplifiers, antennas, towers and other apparatus and equipment) which it (or one of its successors, assigns, contractors, designees or nominees) installs in part or whole on the Properties (any such system and its related apparatus and equipment being hereinafter referred to as the "Telecommunications Facilities"); (ii) a perpetual easement over, through and across Common Areas and any other portions of the Property outside the perimeter walls of any Dwelling Unit, to the extent reasonably necessary for the installation, servicing, maintenance, repair, modification, replacement and removal of the Telecommunications Facilities or any part thereof; provided, however, in no event shall the rights reserved hereunder substantially interfere with the use of a Dwelling Unit by its Owner ; (iii) the right to connect the Telecommunications Facilities to whatever receiving source the owner of the Telecommunications Facilities deems appropriate; (iv) the exclusive right to provide (or cause to be provided) to Dwelling Units, to the fullest extent permitted under applicable law, as amended from time to time, all or any mandatory or non-mandatory telecommunications services, including, without limitation, "Basic Local Telecommunications Services" and "Non-Basic Service", as hereinafter defined, through the Telecommunications Facilities (and related ancillary services to Dwelling Units, including but not limited to, safety-related services) at charges similar to those normally paid for like services by residents of single-family homes within the general vicinity of the

Property, and to retain or assign all such charges; and (v) the right to require that any or all Dwelling Units constructed within the Property include outlets for telecommunications facilities equal to at least the number of bedrooms plus one. "Basic Local Telecommunications Services" shall mean "voice grade, flat residential and flat rate single-line business local exchange services which provide dial tone, local usage necessary to place unlimited calls within a local exchange area, dual tone multifrequency dialing and access to the following emergency services such as "911"; all locally available inter-exchange companies; directory assistance; operator services; relay services and an alphabetical directory listing. In addition, it shall provide any extended area service routes and extended calling services so provided. "Non-Basic Service" is any telecommunications service provided by a telecommunications company other than Basic Service. This provision shall not be construed as permitting access to the interior of any Dwelling Unit without the Owner's consent.

This Section 2.22 shall apply to that portion of the Property owned by the Developer as of the date this Declaration is recorded, provided however that this section will automatically apply, without further amendment, to any portion of the Property acquired by Developer from the Additional Owner subsequent to the recording of this Declaration.

The Developer and the Association intend to enter into one or more long term agreements wherein certain of the foregoing specifically enumerated services are being provided by an affiliate of Developer to owners through the Association. The agreement will set forth the terms and conditions under which services are to be provided, including the rates to be paid by owners, which sums must be paid whether an owner uses the Association's contracted for service or not. In addition to any other disclosures required by law, in connection with the sale of any Lot by the Developer (except for a sale to any person engaged in the business of constructing residential buildings, hereafter in this Section 2.22 called a "Contractor"), and in connection with any sale of a Lot by a Contractor who acquired the Lot from the Developer, before or at the time of executing the sales contract, the prospective Lot Owner shall be presented with a disclosure summary of this Section 2.22 in substantially the following language:

THE ASSOCIATION AND AN AFFILIATE OF THE DEVELOPER MAY ENTER INTO ONE OR MORE LONG TERM AGREEMENTS FOR THE INSTALLATION OF TELECOMMUNICATIONS FACILITIES AND THE EXCLUSIVE RIGHT TO PROVIDE BASIC LOCAL TELECOMMUNICATION SERVICES AND NON-BASIC SERVICE TO DWELLING UNITS AS MORE PARTICULARLY DESCRIBED IN SECTION 2.22 OF THE DECLARATION, AND THE OWNER OF A LOT WITHIN THE SUBDIVISION MAY BE ASSESSED BY THE ASSOCIATION FOR SUCH FACILITIES AND SERVICES, WHETHER THE OWNER ACTUALLY USES THE SERVICES OR NOT. THIS DISCLOSURE IS REQUIRED BY THE DECLARATION, BUT THE FAILURE TO PROVIDE THIS DISCLOSURE SHALL NOT FREE ANY OWNER (OR THE LEGAL REPRESENTATIVES, HEIRS,

SUCCESSORS OR ASSIGNS OF ANY OWNER) FROM THE OBLIGATION TO PAY ASSESSMENTS LEVIED BY THE ASSOCIATION UNDER THE AGREEMENTS. NEVERTHELESS, ANY PARTY FAILING TO MAKE THIS DISCLOSURE WHEN REQUIRED BY THE DECLARATION SHALL BE LIABLE TO THE INITIAL LOT OWNER (BUT NOT TO THE HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS OR ASSIGNS OF THE INITIAL LOT OWNER) FOR ANY DAMAGES ACTUALLY INCURRED BY THE INITIAL LOT OWNER AS A CONSEQUENCE OF THE FAILURE TO MAKE THE DISCLOSURE.

The failure of the Developer or a Contractor to provide the foregoing disclosure shall not free any Owner (or the legal representatives, heirs, successors or assigns of any Owner) from the obligation to pay assessments levied by the Association under the agreement or agreements for the foregoing specifically enumerated services, but the Developer or Contractor failing to make the disclosure shall be liable to the initial Lot Owner (but not to the heirs, personal representatives, successors or assigns of the initial Lot Owner) for any damages actually incurred by the initial Lot Owner as a consequence of the failure by the Developer or Contractor to make the disclosure.

Section 2.23. Common Area Management and Ownership. With the exception of those areas required elsewhere hereunder to be maintained by Owners, the Owners Association shall operate, maintain and manage all Common Areas, all medians located in public streets, and all road rights-of-way which are not maintained by the City, whether or not such Common Areas, medians or road rights-of-way are shown on a plat. It is intended that the Owners Association shall maintain all rights-of-way and all medians, as well as all Common Areas. The Owners Association must accept any deed to the above described areas from the Developer when tendered by the Developer. The Developer is authorized to record such deeds prior to delivering same to the Owners Association. The Owners Association, either directly or through the Committee, shall enforce the restrictions and covenants contained herein, and shall undertake and perform all acts and duties necessary and incident to such duties, all in accordance with the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Owners Association.

Section 2.24. Maintenance of Stormwater System and Discharge Facilities, Management and Ownership of Drainage Areas and Conservation Easement Areas. The Owners Association shall manage and maintain all surface water and stormwater management systems and discharge facilities, and shall manage, maintain, monitor and, where applicable, preserve natural assets and materials located within the Drainage Areas and Conservation Easement Areas, including, but not limited to, groundwater, wetlands, lakes, ponds, tributaries and wildlife habitats, and also specifically including that certain Drainage Easement Parcel and any drainage retention or detention facilities, including underground stormwater drainage pipes, swales or ditches, constructed within the Drainage Easement Parcel, within, under, upon, across and through which a perpetual, non-exclusive easement for drainage was reserved for the benefit of certain lands then

owned by Indigo Development, Inc., in that certain Warranty Deed dated December 26, 2002, and recorded in Official Records Book 4992, page 4635, Volusia County, Florida, public records, and Exhibits C and C-1 thereto. The Owners Association has the responsibility and authority to establish and enforce rules, regulations and other controls as needed to accomplish the maintenance, monitoring, management and preservation obligations outlined above. The Owners Association must accept from the Developer when tendered by the Developer any deed transferring to the Owners Association all or any part of the Drainage Areas or the Conservation Easement Areas. The Developer is authorized to record such deeds prior to delivering same to the Owners Association. The Owners Association is hereby granted authority to enforce and shall enforce the restrictions and covenants contained in this Section 2.24 herein or in Development Orders issued by the City, and shall undertake and perform all acts and duties necessary and incident to such Development Orders, all in accordance with the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Owners Association.

Section 2.25. Enforcement of Conservation Easements. All Conservation Easements are perpetual undivided interests in the real property upon which the Conservation Easements are located. Nothing in this Declaration shall prohibit the Conservation Easement Areas from being acquired by any governmental body or agency or by a charitable corporation or trust described in section 704.06, Florida Statutes, as long as such acquisition is approved by the St. Johns River Water Management District or its successor governmental regulatory body (hereinafter inclusively referred to as the "District") and by the City. The Conservation Easements created by virtue of being shown and indicated on any recorded plat of real property which is developed as a unit or phase of Grand Preserve Community and is subjected to this Declaration and the restrictions applicable to such Conservation Easement Areas shall be enforceable by the District, the City and the Owners Association, and shall not be amended without the prior approval of the District and the City.

Section 2.26. Insurance. Each Owner shall, at all times after construction of a Dwelling Unit on the Lot, maintain fire and extended coverage casualty insurance on the improvements on the Lot and on the Dwelling Unit, and shall use the proceeds thereof to repair or replace any damage to or destruction of such improvements or the Dwelling Unit within a reasonable time after such casualty. Similarly, the Owner of any boat, recreational vehicle or other vehicle stored in a designated storage area must carry casualty insurance.

Section 2.27. Changes in Covenants. No change in the Covenants which would materially alter the character of the Grand Preserve Community or the permitted use of lands and structures within the Grand Preserve Community shall be made without the prior approval of the City.

Section 2.28. Amendments to Subdivision Plats. The Developer or its successors, subject to approval of the District and the City regarding amendments to Conservation Easement Areas, and subject to approval by the Additional Owner, regarding amendments to the plat or replats, shall solely retain the right to amend or replat the plats of the present

and any future phases or units of the Subdivisions, without requiring concurrence by the Association or Owners, provided amendments are consistent with Article VIII of this Declaration.

ARTICLE III OWNERS ASSOCIATION

Section 3.1. Membership. Each Owner shall automatically and mandatorily become a member of the Owners Association upon acquisition of any ownership interest in the title to any Lot. The memberships of such Owner shall terminate automatically at the time that such person divests himself or is divested of such ownership interest or title, regardless of the means by which such ownership may have been divested.

Section 3.2. Membership Limits. No person, corporation or other entity holding any lien, mortgage or other encumbrance upon any Lot shall be entitled by virtue of such lien, mortgage or other encumbrance, to membership in the Association or to any of the rights and privileges of membership in the Association, or be charged with any of the duties of such membership; provided, however, that nothing contained herein shall be construed as prohibiting membership in the Association of a person, corporation, or other business entity which acquires title to a Lot either by foreclosure or by voluntary conveyance from a mortgagor or the mortgagor's successors or assigns.

Section 3.3. Adoption of Rules and Regulations. The Owners Association shall adopt and enforce reasonable rules and regulations regarding security that may be provided within the Subdivision. The Owners Association shall enforce the restrictions and covenants contained herein, as well as their rules and regulations promulgated hereunder and shall undertake and perform all acts and duties necessary and incident to enforcing such restrictions, covenants, rules and regulations, all in accordance with the provisions of this Declaration and the Articles of Incorporation and By-Laws of the Owners Association. The Articles of Incorporation and By-Laws of the Owners Association are attached hereto as Exhibit "B" and Exhibit "C" respectively.

Section 3.4. Management and Enforcement Authority. In the administration, operation and management designated to the Association and in the enforcement of the applicable Covenants and Restrictions, the Association, in addition to any authority granted elsewhere herein, shall have and is hereby granted with respect to areas of the Grand Preserve Community within the Association's ownership and control, full power and authority: (a) to enforce all applicable provisions of this Declaration; (b) to levy and collect assessments in accordance herewith; and (c) in order to carry out the purposes of the Association, to adopt, promulgate, and enforce reasonable rules and regulations governing the use and enjoyment of the areas of the Grand Preserve Community within the Association's ownership or control. In addition, notwithstanding any other provisions in this Declaration, the conditions and restrictions contained in the Declaration shall be

enforceable by the Developer and by the Additional Owner, so long as either party owns any portion of the Property.

Section 3.5. Fines. In addition to all other remedies provided in this Declaration, the Owners Association, either directly or through the Committee, shall have the right to impose a fine not to exceed the limits imposed by Florida Statute, Section 720.305, on any Owner for failure of an Owner, family members, guests, invitees, tenants and licensees, to comply with any provisions of this Declaration; provided, however, the Owners Association grants reasonable notice and opportunity to be heard. The decisions of the Owners Association shall be final. Fines shall be in such reasonable amounts as the Owners Association shall determine. Fines shall be considered special assessments against the Owner's Lot. The Owners Association shall have the right to collect fines in the same manner as set forth in the By-Laws.

Section 3.6. Liability Insurance. The Owners Association is hereby required to maintain in force public liability insurance in an amount not less than \$500,000 with respect to all vehicle storage areas, Common Areas, Drainage Areas, Conservation Easement Areas, and all traffic islands located within any public or private road right-of-way in the Grand Preserve Community. The Owners Association shall be a named insured with respect to the areas it owns or controls. The City shall be named as an additional insured for medians in public road rights-of-way in the Grand Preserve Community which the Association maintains. Such coverage shall be as required by City ordinances.

ARTICLE IV COVENANTS AND MAINTENANCE ASSESSMENTS

Section 4.1. Creations of Lien and Personal Obligation. There shall be assessed against each Lot or Dwelling Unit the sums provided in this Article for the purposes set forth in this Declaration. The Developer agrees to, and each Owner and each tenant of each Lot or Dwelling Unit shall, by acceptance of a deed or other instrument of conveyance or lease, whether or not it shall be so expressed in any such deed or instrument, be deemed to have agreed to all terms, covenants, conditions, restrictions, and other provisions of this Declaration and to have agreed to promptly pay to or on behalf of the Owners Association, the following:

(a) An initial capital assessment in the amount of \$150.00 per Lot for working capital and capital expenditures of the Association and to reimburse the Developer for expenses and costs advanced by it for the formation and operation of the Association. Prior to turnover of the Association, the Developer reserves the sole right to determine when and for what purpose the Association may disburse funds derived from the capital assessment and there is no representation that any portion of the funds derived from the capital assessment will remain as an asset of the Association at the time of turnover;

(b) All monthly assessments or charges (whether collected monthly or otherwise);

(c) All special assessments or charges for the purposes set forth in Section 4.2 of this Declaration that shall be fixed, established, levied, and collected from time to time as hereafter provided; and

(d) Service assessments for the purposes set forth in Section 4.3 of this Declaration that shall be fixed, established, levied and collected from time to time as hereafter provided.

Monthly, special and service assessments by the Association (together with such interest thereon and the cost of collection including reasonable attorneys' fees as hereinafter provided) shall be a charge and continuing lien on the real property and improvements thereon against which such assessment is made, whether or not a claim of lien is filed. Each such assessment (together with such interest thereon and the costs of collection including reasonable attorneys' fees as above established) shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment first became due and payable, and also the joint and several personal obligation of any subsequent grantees who take title to the Lot without first obtaining a letter from the Association as herein provided to the effect that there are no outstanding assessments against the Lot being purchased. In the case of co-ownership or co-tenancy of a Lot, each Owner or tenant shall be jointly and severally liable for the entire amount of the assessments and the aforesaid interest, collection costs, and reasonable attorneys' fees. Prospective purchasers are hereby notified of the possible charge against Lots in the Grand Preserve Community.

Section 4.2. General Purpose of Assessments. Assessments levied by the Association shall be: (a) to improve, maintain, enhance, enlarge, protect, monitor and operate the areas within its ownership or control as specified in this Declaration; (b) to cover operating and administrative expenses; (c) to fund services and benefits which the Association is authorized to provide, including, but not limited to: insurance; construction; maintenance, repair and replacement of improvements; the escrowing of sufficient monies for specific purposes to satisfy the City; the acquisition of labor or services (including security services and professional services of attorneys, accountants, engineers, consultants, etc.); equipment, materials, management, and the supervision necessary to provide the authorized services or benefits; (d) for the payment of principal, interest and other charges connected with loans made to or assumed by the Association for the purpose of enabling the Association to perform its authorized functions (including the payment of mortgages upon areas of the Grand Preserve Community owned by the Association, even though such mortgages were of record at the time the Association received title from Developer); (e) to pay the costs of social functions open to all members; and (f) to keep in force and pay for liability insurance on all areas of the Property within its ownership or control in amounts not less than required by this Declaration.

No initiation fee may be charged to members of the Association as a pre-condition to use of such areas or facilities described in this Section. User fees, however, may be charged. The Association shall not be bound in setting assessments in subsequent years

by the amount of the assessments set in earlier years. Notwithstanding any of the provisions of this Article, in no event shall assessments and other revenues collected by the Association exceed its expenses and reasonable reserves to an extent which would violate the Association's not-for-profit status.

Section 4.3. Service Assessments. The Association may levy a Service Assessment upon any Lot which receives services through the Association for video, data and voice communications and transmissions, security, cable television, lawn and exterior home maintenance, valet, or other types of services, for which the amount of the assessment shall vary from Lot to Lot, depending upon the type or amount of benefit received by a Dwelling Unit.

Section 4.4. Assessment Amounts. The initial regular monthly assessment is hereby set at the rate of \$30.00 per Lot for the Owners Association. Any change in the monthly assessment shall be determined at a meeting of the Board of Directors of the Association, and the following two adjustment provisions shall apply. First, the assessment shall automatically adjust from one Association year to the next (subject to the approval of a majority of the Board of Directors of the Association) up or down in an amount in accordance with the percentage increase or decrease in the Consumer Price Index during the last complete calendar year; provided, however, that the Directors shall have the authority in their approving resolution to round any such automatic adjustment upward or downward to a convenience amount. Second, the assessment may be increased beyond that set at the annual meeting upon approval of two-thirds of the members in attendance at any regular or special meeting of the Association at which a quorum is present, but only after written notice of such meeting and such issue is given to all members of the Association at least ten (10) days prior to the date of said meeting. Nothing herein, however, shall be construed to preclude the Board of Directors of the Association from once annually fixing and levying an emergency assessment not to exceed one monthly regular assessment, which emergency assessment may be levied without notice to the membership and without the holding of any special or regular meeting of said membership of the Association.

The Association, upon proper resolution adopted by its Board of Directors, may bill and collect monthly assessments on a quarterly or less frequent basis.

Except as elsewhere provided herein to the contrary, each Owner shall be obligated to pay assessments which accrued prior to taking title and shall be obligated to pay the regular monthly assessment continually from, at the latest, the date such Owner takes title.

In the event that, and at such time as, two Lots under single ownership shall have one Dwelling Unit constructed upon them in such a way that no other Dwelling Unit can be constructed thereon, then at the time of issuance of a Certificate of Occupancy for that one Dwelling Unit, the Owner shall become liable for one regular monthly assessment, and no longer for two such assessments as were owed prior to the completion of the Dwelling Unit.

The Developer shall not be obligated to pay any assessments on any vacant Lots or lands which it may own, notwithstanding the fact such Lots may have been platted or such Lots may be on paved roads. However, in the event the Developer constructs a Dwelling Unit on any Lot, it shall be liable for the monthly and other assessments levied or assessed for the first time after the issuance of a Certificate of Occupancy for the Dwelling Unit.

Section 4.5. Late Charges. Assessments which are not paid on or before the date the same become due shall be delinquent, and each delinquent assessment shall bear simple interest at eighteen percent (18%) per annum until it is paid in full. In addition to the accrual of interest, when an assessment becomes delinquent in payment, the Association has the right to accelerate assessment payments for the balance of the calendar year and, in such event, the Association's lien shall be for the full amount as accelerated. There shall be no exemption from the payment of any assessment by waiver of the use of the Common Areas, Drainage Areas or other areas or by abandonment of the Lot or Dwelling Unit, or by extended absence from the Subdivision, or for any reason, except as provided for the Developer in Paragraph 4.3.

Section 4.6. Statement for Assessments. The Association, upon written request of any Owner, shall furnish to a prospective purchaser or prospective mortgagee or any other authorized person a statement of the current status of the Association's assessments on such Owner's Lot. When executed by the Secretary or Treasurer of the Association, a mortgagee, potential purchaser or title examiner may rely upon such statement as an accurate statement of the status of assessments by the Association upon the Lot in question.

Section 4.7. Assignment of Membership. Although all funds and other assets of the Association, and any income derived therefrom, shall be held for the benefit of their respective members, no member of the Association shall have the right to assign, encumber, hypothecate, pledge, or in any manner transfer his, her or its membership or interest in or to said funds and assets, except as an appurtenance to a Lot. When an Owner ceases to be a member of the Association by reason of divestment of ownership by whatever means that occurs, the Association shall not be required to account to said Owner for any share of the funds or assets it holds.

Section 4.8. Foreclosure. In the event that any institutional first mortgagee (defined as a chartered Bank, a chartered Savings and Loan Association, or the Developer) shall acquire title to any Lot by foreclosure, judicial sale, documents of transfer from a governmental entity or documents of transfer from the mortgagor or his receiver, trustee in bankruptcy, personal representative, successors or assigns, then such institutional first mortgagee shall take title subject to the lien or liens of the Association, not to exceed the aggregate of assessments charged by the Association to such Lot during the twelve month period immediately preceding the date such institutional first mortgagee acquires title to the Lot; and neither such mortgagee nor its successors in interest to the Lot shall be liable or obligated for the payment of any assessments which were charged to the Lot more than

twelve months prior to the date the institutional first mortgagee acquired title to the Lot, except a pro-rata share as follows: In the event of the acquisition of title as aforesaid, any assessment or assessments as to which the institutional first mortgagee so acquiring title shall not be fully liable, shall be absorbed and paid by all the Owners; provided, however, that nothing contained herein nor any action taken by said institutional first mortgagee shall be construed as releasing the prior Owner from liability for such delinquent assessments or construed as a waiver of the Association's right to legally enforce collection from the prior Owner. In the event that any institutional first mortgagee shall acquire title to any Lot as described above in this Section 4.8, the mortgagee so acquiring title shall also be liable and obligated for such assessments as may accrue to said Lot subsequent to the date of acquisition of such title.

Section 4.9. Lien for Assessments. Recognizing that proper management and operation of all the areas of the Grand Preserve Community benefits all Owners of Lots, the Association is hereby granted a lien upon all Lots within the Grand Preserve Community and the present and future interests of each Lot Owner in the Common Areas, Drainage Areas, Conservation Easement Areas and improvements thereof, to secure the prompt payment of each and all assessments made and levied in accordance with this Declaration. Each Owner shall be liable for, and this lien shall secure, the full amount of said assessment including reasonable attorneys' fees, deposition costs (whether or not depositions are used at trial), reasonable expert witness fees and costs (whether or not expert testifies at trial), postage, long distance telephone, travel, lodging and meal costs which are incurred (either prior to trial, at trial, on appeal or on retrial) by the Association with respect to enforcement or interpretation of the provisions of this Declaration or of the Articles of Incorporation or the By-Laws of the Association.

Section 4.10. Foreclosure of Lien. The lien herein established may be foreclosed in the same manner as real estate mortgages may be foreclosed in the State of Florida. The lien granted herein shall also secure such payment of or advances for taxes and payments on superior mortgages, liens or encumbrances which are advanced by the Association in order to protect its interests, and the Association shall be entitled to interest computed on the basis of advances made from time to time at the highest legal rate of interest on all such advances made by the Association.

Section 4.11. Ownership Subject to Existing Liens. All persons, firms, corporations, and other business entities, which shall acquire, by whatever means, any interest in the ownership of any Lot, or who may be given or who may acquire a mortgage, lien or other encumbrance on a Lot are hereby placed on notice of the lien rights granted to the Association under this Declaration (including the partial exception for institutional first mortgagees) and all of such persons, firms, corporations, and other business entities shall acquire their rights, title and interest in and to said Lot expressly subject to the lien rights (and exceptions) provided herein.

Section 4.12. Lien Preparation and Recording. The lien created pursuant to this Declaration exists as of the date the Association sets the amount of its monthly

assessments for that year. The lien shall continue in effect until all sums secured by the lien have been fully paid. Such lien shall be perfected for the purpose of determining priority among competing creditors by the recording in the public records of the County in which the Lot is located of a "claim of lien" stating the description of the Lot encumbered by the lien, the name of the record Owner of the Lot, the amounts due at that time and the date when any part of the unpaid amount first became due. If the Association accelerated the assessment for the balance of the calendar year, the claim of lien shall perfect a lien for the total "accelerated" amount. The claim of lien shall perfect the lien not only for assessments which are due and payable when the claim of lien is recorded, but also for interest, collection costs, reasonable attorneys' fees, and advances to pay taxes and prior encumbrances and interest thereon, all as provided herein. The claim of lien shall be signed and verified by the President or Vice President of the Association. When full payment of all sums secured by such lien is made, the claim of lien shall be satisfied of record by the President or Vice President of the Association.

Section 4.13. Enforcement. This Declaration may be enforced by an action at law for damages, or proceeding in equity for injunctive or other relief.

ARTICLE V AMENDMENT AND TERMINATION

Section 5.1. Developer Amendments. Subject to any required approval of the governmental agencies with jurisdiction over the subject area, and subject to Section 5.3 below the Developer hereby reserves for itself, its successors and assigns the right to amend, modify or rescind such parts of this Declaration or any recorded plat as it, in its sole discretion, deems necessary or desirable so long as: (a) it is the sole Owner of the property to which the plat or this Declaration (whichever is appropriate) applies; or (b) such amendment or modification does not substantially change the character, nature, or general scheme of development of the Subdivision. Subject to approval of the governmental agencies with jurisdiction over the subject area, Developer also reserves the following rights to amend, change or vary with respect to Subdivision units and phases: (a) the right to add more phases or units to the Grand Preserve Community; (b) the right in future phases and units to vary the mix and location of housing types as dictated by market conditions; and (c) the right to provide in future units and phases only those amenities as are shown on the recorded plats for such future units or phases. Neither the foregoing amendments nor Developer's exercise of the foregoing rights require the concurrence of the Association or individual Owners.

Section 5.2. Owners' Right to Amend. In addition to the rights of the Developer reserved in the preceding section, subject to any required approval of the governmental agencies with jurisdiction over the subject area and upon affirmative vote by ninety percent (90%) of all members of record in the Owners Association, on a proper Resolution at a proper Owners Association meeting, the members of the Owners Association may amend or modify such provisions of this Declaration as they deem necessary or desirable, except

that (a) provisions relating to the rights, powers and duties of the Owners Association or the Committee may not be amended for a period of thirty (30) years without consent of Developer; and (b) the Owners cannot amend the Declaration in a manner which conflicts with or is inconsistent with Development Orders issued by the City.

Section 5.3. Approval by Additional Owner. Notwithstanding anything to the contrary herein contained, no amendment to this Declaration shall be effective without specific written approval of the Additional Owner, as long as any portion of the Property is owned by the Additional Owner. No such approval of the Additional Owner shall be unreasonably delayed, withheld or conditioned.

ARTICLE VI USE OF COMMON PROPERTY

Section 6.1. Lot Owners Common Area Usage. The Common Areas, as specifically described herein, or hereafter designated by Developer (excluding areas within utility easements where above ground utilities structures are located) shall be, and the same are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all Owners, for the use of such Owners and their immediate families, guests, tenants, invitees, and others similarly situated, for all proper and normal residential purposes, for the furnishing of services and facilities for which the Common Area can be reasonably utilized and for the quiet enjoyment of said Owners.

Section 6.2. Developer's Common Area Usage. Until all areas subject to Development Orders issued by the City have been developed and transferred or conveyed to third parties, Developer shall have the right (at no charge or fee) to reasonably utilize Common Areas for promoting the Subdivision and marketing Lots and Dwelling Units, including, but not limited to, the right to maintain sales offices in any community buildings on the Property.

ARTICLE VII ALLOWED USES AND USE RESTRICTIONS APPLICABLE TO DRAINAGE AREAS AND CONSERVATION EASEMENT AREAS

Section 7.1. Areas Located on Plats. In order to maintain the values inherent in large areas of natural undisturbed and substantially undisturbed lands for the benefit of the residents of the Grand Preserve Community, Developer shall in plats of the Grand Preserve Community locate and identify Drainage Areas and Conservation Easement Areas which shall, as is more particularly described below, be preserved and protected in their current condition or will be subjected only to certain allowed improvements and activities.

Section 7.2. Drainage Areas. All parts of Drainage Areas constituting wetlands within the dredge and fill jurisdiction of the Florida Department of Environmental Protection will be preserved and protected in their natural state. Those parts of the Drainage Areas not falling within the dredge and fill jurisdiction of the Florida Department of Environmental Protection shall only be improved and utilized as follows:

(a) Drainage facilities, retention ponds, lakes and related improvements may be made by the Developer as long as they are in compliance with all applicable Development Orders issued by the City;

(b) Vegetation shall not be altered or removed except as permitted by applicable Development Orders. No motorized boats or personal watercraft (e.g., "jet skis") shall be allowed upon lakes or retention ponds, except for boats utilized in necessary maintenance of such lakes and ponds;

(c) No water shall be removed or added to the lakes by any person or entity without the prior permission of the Owners Association;

(d) No waste or foreign materials shall be dumped or scattered in the Drainage Areas, but this shall not prohibit the use of fertilizers or pesticides in the minimum amounts necessary to stabilize and maintain vegetation in the Drainage Areas in functionally and aesthetically pleasing conditions.

Section 7.3. Land Use Limitations Applicable to Conservation Easements. The below listed activities and uses are prohibited in or upon all Conservation Easement Areas, except to the extent such activities are specifically authorized by permits issued by the St. Johns River Water Management District ("District") or the City:

(a) Construction or placing of buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground.

(b) Dumping or placing of soil or other substance or materials as landfill or dumping or placing of trash, waste, or unsightly or offensive materials.

(c) Removal or destruction of trees, shrubs, or other vegetation.

(d) Excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance in such manner as to affect the surface.

(e) Surface use, except for purposes that permit the land or water area to remain predominantly in its natural condition.

(f) Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation.

(g) Acts or uses detrimental to such retention of land or water areas.

(h) Acts or uses detrimental to the preservation of the structural integrity or physical appearance of sites or properties of historical, architectural, archaeological, or cultural significance.

All construction, including dredging or filling, shall be prohibited waterward of the wetlands limit lines established jointly by the Developer and the District and shall be prohibited within Conservation Easements designated on plats, even if such Conservation Easements overlap Lots or Common Areas; except, however, construction may occur in these areas to the extent specifically authorized by applicable permits issued by the District or the City. The District and the City may enforce the restrictions contained in this Section and this Section may not be amended without prior approval of the District and the City.

Section 7.4. Cross Easements. The Owners Association is hereby granted a perpetual easement upon all Common Areas and all Lots for the purpose of going upon said properties to fix, repair, alleviate or change any condition adversely affecting the stormwater management systems, discharge facilities, Drainage Areas, or Conservation Easement Areas. In exercising this right, the Owners Association shall act reasonably so as to cause the least inconvenience or difficulty to the Owner or Owners of said properties.

**ARTICLE VIII
COVENANTS AGAINST PARTITION
AND
SEPARATE TRANSFER OF COMMON AREAS**

It is recognized that the full use and enjoyment of any Lot within the Grand Preserve Community is dependent upon the use, enjoyment, maintenance, protection and preservation of certain Common Areas, Drainage Areas, Conservation Easement Areas and the improvements made thereto, and that it is in the interests of all Lot Owners that the ownership of the Common Areas, Drainage Areas and Conservation Easement Areas be retained by the Association as provided in this Declaration. Accordingly, no Owner shall have the right to transfer the Owner's interest in the Association other than as an appurtenance to and in the same transaction with a transfer of title to the Lot, and the Association shall have no right to transfer title to any part of the Common Areas, Drainage Areas or Conservation Easement Areas without Developer's prior written consent. Nothing in this Article VIII, however, shall: (a) preclude a conveyance by the Developer, its successors or assigns of any undivided interest in the Common Areas, Drainage Areas or Conservation Easement Areas to the Association for the purpose of effectuating the purposes of this Declaration; or (b) preclude a conveyance by the Developer, its successors or assigns of any utility easements across, under, above or upon the Common Areas, Drainage Areas or Conservation Easement Areas.

ARTICLE IX CONTROL AND TURNOVER OF ASSOCIATION

Section 9.1. Appointment of Directors by Developer. The Developer shall have the right to at any time appoint members to the Board of Directors of the Owners Association to assure that Developer's appointed Directors constitute up to seventy-five percent (75%) of the Association's Directors until three (3) months after such time as ninety percent (90%) of the total number of Lots allowed by applicable Development Orders issued by the City have been conveyed to Owners ("Developer Control Period"). The Developer shall further have the right to appoint at least one member to the Board of Directors of the Owners Associations as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Lots allowed by applicable Development Orders issued by the City. For purposes of determining when Developer's right of representation in the Owners Association expires, Developer shall have the right to include additional permitted Lots within this calculation as may be described in future Development Orders entered by the City.

Section 9.2. Veto by Developer. During the time Developer still has a right of representation in the Association, the Developer shall have the right to veto any action taken by the Board of Directors of the Association at a time when more than twenty-five percent (25%) of the Directors of the Association were not appointed by the Developer. Control of the Owners Association and its records shall be turned over to the members at the earlier of such time as Developer's right of representation expires or the Developer has turned the Owners Association over to the members.

ARTICLE X COVENANTS TO RUN WITH LAND

The restrictions and burdens imposed by the provisions and covenants of this Declaration shall constitute covenants running with the Property, and each provision and covenant shall constitute an equitable servitude upon the heirs, personal representatives, successors and assigns of each Owner of a Lot, and the same shall likewise be binding upon the Developer and its successors and assigns. This Declaration shall be binding and in full force and effect for a period of thirty (30) years from the date this Declaration is first recorded in the Public Records of Volusia County, Florida, after which time this Declaration shall be automatically extended for successive ten (10) year periods, unless (a) an instrument, signed by seventy-five percent (75%) of the then Owners of record of Lots in the Grand Preserve Community, is recorded in the Public Records of Volusia County, Florida, pursuant to which the said Owners repeal the provisions of this Declaration, and (b) proper governmental authority for repeal of this Declaration is obtained.

IN WITNESS WHEREOF, the Developer, Grand Preserve, LLC, has hereunto set its hand and seal on the date indicated above.

Signed, sealed and delivered in the presence of:

GRAND PRESERVE, LLC, a Florida limited liability company,

Rhonda S. Rowe
Margaret J. Pearson

By: Arden Doss, Jr.
Arden Doss, Jr., President

STATE OF FLORIDA
COUNTY OF Monroe

I HEREBY CERTIFY that I am an Officer duly authorized in the State and County aforesaid to take acknowledgments and that on this day personally appeared Arden Doss, Jr., well known by me to be the President of Grand Preserve, LLC, a Florida limited liability company, and that he executed the same freely and voluntarily under authority duly vested in him by said company.

WITNESS MY HAND AND OFFICIAL SEAL in the County of Monroe, State of Florida, this 27 day of February, 2003.



Rhonda S. Rowe
Notary Public

(type or print name)

My commission expires: _____
Commission No. _____

Book: 5038
Page: 3242

JOINDER AND CONSENT OF ADDITIONAL OWNER

Indigo Development Inc., Additional Owner, hereby joins in, agrees to and consents to each and all of the provisions of the foregoing Declaration.

Signed, sealed and delivered in the presence of:

INDIGO DEVELOPMENT INC.,
a Florida corporation

M. Shirley
Marisa Shirley
Printed

By: [Signature]
William H. McMunn, President

Jimmy Gavin
Tammy Gavin
Printed

STATE OF FLORIDA
COUNTY OF VOLUSIA

I HEREBY CERTIFY that I am an Officer duly authorized in the State and County aforesaid to take acknowledgments and that on this day personally appeared William H. McMunn, well known by me to be the President of Indigo Development Inc., a Florida corporation, and that he executed the same freely and voluntarily under authority duly vested in him by said corporation.

WITNESS MY HAND AND OFFICIAL SEAL in the County of Volusia, State of Florida, this 26th day of February, 2003.



Sandra K. Metzger
MY COMMISSION # CC927227 EXPIRES
April 12, 2004
BONDED THRU TRACY FARM INSURANCE INC

Sandra K. Metzger
Notary Public

SANDRA K. METZGER
Printed Name

My Commission Expires 4/12/04

LEGAL DESCRIPTION:

A portion of the Northeast one-quarter of Section 3, Township 15 South, Range 32 East and the Northwest one-quarter of Section 2, Township 15 South, Range 32 East and the Southwest one-quarter of Section 33, Township 14 South, Range 32 East Volusia County, Florida, being more particularly described as follows:

As a Point of Reference, commence at a concrete monument marking the Northwest corner of said Section 2; thence run North 89°32'28" East, along the North line of said Section 2, a distance of 918.28 feet to an intersection with the Westerly line of the Florida Power & Light Company Transmission line easement as described in Deed Book 431, Pages 1-3, and the Southwesterly corner of that parcel of land deeded from Consolidated -Tomoka Land Co. to ACT Corporation (ACT Parcel), as described in Official Records Book 3988, Page 1218, all of the Public Records of Volusia County, Florida, said point being the POINT OF BEGINNING of the description; thence continue North 89°32'28" East, along said Section line and the Southerly line of the ACT Parcel, a distance of 114.49 feet to an intersection with the Easterly line of said Florida Power & Light Company Transmission line easement and the Northwesterly corner of that parcel of land deeded from Patricia Lagoni, as Trustee, under Trust IDI-2, to the trustees of the Chapman S. Root 1982 Living Trust (Root Parcel), as described in Official Records Book 4158, Page 1559, of the Public Records of Volusia County, Florida; thence, departing said Section line and along the Easterly line of said Florida Power & Light Company Transmission line easement and the Westerly line of said Root Parcel, run South 29°36'04" East a distance of 1134.33 feet to a point, said point lying on an Easterly extension of the Northerly line of that parcel of Land deeded from Consolidated-Tomoka Land Co. and Patricia Lagoni, as Trustee under Trust IDI-3, to the County of Volusia, as described in Official Records Book 3973, Page 1974, of the Public Records of Volusia County, Florida; thence departing the Easterly right-of-way line of said Florida Power & Light Company easement, run South 64°22'14" West (South 64°21'26" West per said deed), along the Easterly extension of the Northerly line of said County of Volusia parcel, a distance of 363.87 feet to the Northwesterly corner thereof; thence, departing said northerly line continue South 64°22'14" West, a distance of 14.47 feet to a point on the arc of a non-tangent curve concave to the West, said curve having a radius of 275.00 feet, a central angle of 57°33'03" and from said point a radial line bears South 76°26'57" West; Thence Southerly along said curve, a distance of 276.22 feet to a point of reverse curvature with a curve concave to the East, said curve having a radius of 186.65 feet and a central angle of 69°37'45"; Thence Southerly along said curve, a distance of 226.83 feet to a point of tangency; Thence South 25°37'46" East, a distance of 219.76 feet to a point on the Northerly right-of-way line of the 200 foot wide right-of-way for LPGA Boulevard, as described in Official Records Book 3973, Page 1974, of the

Public Records of Volusia County, Florida; Thence South 64°22'14" West along said Northerly right-of-way line, a distance 100.00 feet; Thence North 25°37'46" West, a distance of 147.86 feet to a point of curvature with a curve concave to the East, said curve having a radius of 313.35 feet and a central angle of 35°30'38"; Thence Northerly along said curve, a distance of 194.21 feet; Thence South 64°22'14" West, a distance of 88.96 feet; thence North 25°37'46" West, a distance of 470.13 feet to an intersection with a line running parallel with and 1000 feet Northerly of the South right-of-way line of the 200-foot wide right-of-way of LPGA Boulevard, as described in Official Records Book 3973, Page 1974, of the Public Records of Volusia County, Florida; thence run South 64°22'14" West, along the line lying 1000 feet Northerly of and parallel with the Southerly right-of-way line of LPGA Boulevard, a distance of 1410.34 feet; thence, departing said line, run North 24°37'46" West a distance of 1799.70 feet to an intersection with the Southeasterly right-of-way line of the Flomich Avenue Extension, a 125-foot wide right-of-way, as described in Official Records Book 367, Page 68, of the Public Records of Volusia County, Florida, said point lying on a curve concave Northwesterly, having a radius of 2197.01 feet, a central angle of 43°21'03" and from said point a radial line bears North 08°18'53" West; thence run Northeasterly, along said curve and right-of-way line, a distance of 1662.29 feet to an intersection with the Southerly line of the Florida Power & Light Company Substation site, as described in Official Records Book 1751, Page 1885, of the Public Records of Volusia County, Florida; thence departing the Southeasterly right-of-way line of Flomich Avenue, run North 89°27'39" East (North 89°30'10" East per said deed), along the Southerly line of said Florida Power & Light Company Substation site a distance of 584.71 feet (605.16 feet per said deed) to an intersection with the Westerly line of the aforementioned Florida Power & Light Company Transmission line easement and the Northwesterly corner of the aforementioned ACT Parcel; thence, run South 13°40'49" East, along the Westerly line of said Florida Power & Light Company Transmission line easement and the Westerly line of the ACT Parcel, a distance of 711.72 feet; thence run South 29°36'04" East, along the Westerly line of said Florida Power & Light Company Transmission line easement and the Westerly line of the ACT Parcel, a distance of 3.30 feet to the POINT OF BEGINNING of this description.

Said parcel also being subject to the Florida Power & Light Company Transmission line easement as described in Deed Book 431, Pages 1-3 and Official Records Book 1335, Page 497, of the Public Records of Volusia County, Florida and any other easements, rights-of-way, covenants, reservations and restrictions of record.

Said lands lying and situate in Volusia County, Florida.

Said parcel containing 92.687 acres (4,037,465 square feet) more or less.